



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Dividend Announcement for the Third Quarter Ended 31 March 2009

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 31/03/2009 RM'000 | 3rd Qtr Ended 31/03/2008 RM'000 | Increase/ (decrease) % | 9 Months Ended 31/03/2009 RM'000 | 9 Months Ended 31/03/2008 RM'000 | Increase/ (decrease) % |
|-------------------------------------|------|--|--|------------------------------|---|---|------------------------------|
| Revenue | | 4,850 | 1,155 | 319.9 | 16,297 | 16,850 | (3.3) |
| Cost of sales | | (1,890) | (280) | 575.0 | (6,372) | (3,846) | 65.7 |
| Gross profit | | 2,960 | 875 | 238.3 | 9,925 | 13,004 | (23.7) |
| Other income | | 79 | (8) | n.m. | 206 | 2 | n.m. |
| Selling and distribution expenses | | (1,110) | (384) | 189.1 | (2,721) | (1,290) | 110.9 |
| General and administrative expenses | | (4,580) | (1,877) | 144.0 | (12,074) | (4,366) | 176.5 |
| Other expenses | | (21) | (11) | n.m. | (55) | (51) | n.m. |
| (Loss)/Profit from operations | | (2,672) | (1,405) | 90.2 | (4,719) | 7,299 | (164.7) |
| Financial income | | 111 | 351 | (68.4) | 205 | 461 | (55.5) |
| Financial expenses | | (312) | (219) | 42.5 | (897) | (614) | 46.1 |
| (Loss)/Profit before tax | A | (2,873) | (1,273) | 125.7 | (5,411) | 7,146 | (175.7) |
| Tax credit/(expense) | B | (122) | 261 | 146.7 | (275) | (2,184) | (87.4) |
| Net (loss)/profit for the period | | (2,995) | (1,012) | 195.9 | (5,686) | 4,962 | (214.6) |
| Attributable to: | | | | | | | |
| Equity holders of the Company | | (2,727) | (1,012) | 169.5 | (5,204) | 4,962 | (204.9) |
| Minority interests | | (268) | - | n.m. | (482) | - | n.m. |
| | | (2,995) | (1,012) | 195.9 | (5,686) | 4,962 | (214.6) |

n.m. = not meaningful.

1(a)(ii) Notes to income statement

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

| | 3rd Qtr Ended 31/03/2009 | 3rd Qtr Ended 31/03/2008 | Increase/ (decrease) % | 9 Months Ended 31/03/2009 | 9 Months Ended 31/03/2008 | Increase/ (decrease) % |
|---|---|---|---------------------------------------|--|--|---------------------------------------|
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Interest income: | | | | | | |
| - Bank balances | 48 | 60 | (20.0) | 204 | 347 | (41.2) |
| - Adjustment of trade receivables to amortised cost | 63 | 291 | n.m. | 1 | 114 | n.m. |
| Interest expenses: | | | | | | |
| - Finance leases | (10) | (3) | 233.3 | (33) | (6) | (450.0) |
| - Adjustment of other payables to amortised cost | (179) | (179) | - | (536) | (537) | (0.2) |
| - Bank guarantee | (34) | (35) | (2.9) | (103) | (69) | 49.3 |
| - Bank overdraft | (4) | (2) | 100.0 | (20) | (2) | 900.0 |
| - Term loan | (85) | - | n.m. | (205) | - | n.m. |
| Depreciation of property, plant and equipment | (141) | (71) | 98.6 | (407) | (187) | 117.6 |
| Foreign exchange gain/(loss) | 10 | (21) | n.m. | 14 | (51) | n.m. |
| Operating lease expenses | (454) | (229) | 98.3 | (1,330) | (633) | 110.1 |

B. Tax (credit)/expense

| | 3rd Qtr Ended 31/03/2009 | 3rd Qtr Ended 31/03/2008 | Increase/ (decrease) % | 9 Months Ended 31/03/2009 | 9 Months Ended 31/03/2008 | Increase/ (decrease) % |
|--|---|---|---------------------------------------|--|--|---------------------------------------|
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Income tax (credit)/expense | | | | | | |
| - Current period | 122 | (261) | 146.7 | 255 | 2,184 | (88.3) |
| - Underprovision in respect of prior year | - | - | - | 20 | - | n.m. |
| | <u>122</u> | <u>(261)</u> | 146.7 | <u>275</u> | <u>2,184</u> | (87.4) |

Income tax expenses of RM255,000 were provided in the period ended 31 March 2009 although the Group recorded a loss before tax. This was because the loss incurred by the Company was not available as group relief to offset against the chargeable income of subsidiaries in Malaysia.

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 | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 31/03/2009 | 30/06/2008 | 31/03/2009 | 30/06/2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 2,392 | 1,820 | 328 | 364 |
| Investment in subsidiaries | - | - | 229,087 | 225,509 |
| Goodwill on consolidation | 7,828 | - | - | - |
| Trade receivables | 8,735 | 8,738 | - | - |
| | <u>18,955</u> | <u>10,558</u> | <u>229,415</u> | <u>225,873</u> |
| Current assets | | | | |
| Inventories | 43,695 | 25,389 | - | - |
| Trade receivables | 27,834 | 29,852 | - | - |
| Other receivables and deposits | 8,419 | 1,039 | 4,563 | 131 |
| Prepayments | 574 | 208 | 256 | 93 |
| Amount due from subsidiaries (non-trade) | - | - | 23,691 | 9,087 |
| Cash and bank balances | 16,433 | 19,477 | 30 | 7,217 |
| | <u>96,955</u> | <u>75,965</u> | <u>28,540</u> | <u>16,528</u> |
| Current liabilities | | | | |
| Trade payables | 5,931 | 3,050 | - | - |
| Other payables and accruals | 16,090 | 11,814 | 9 | 787 |
| Finance lease obligations | 151 | 95 | - | - |
| Bank borrowings | 1,833 | 26 | - | 26 |
| Amount due to directors (non-trade) | 2,373 | 486 | - | 486 |
| Tax payable | 407 | 25 | - | - |
| | <u>26,785</u> | <u>15,496</u> | <u>9</u> | <u>1,299</u> |
| Net current assets | 70,170 | 60,469 | 28,531 | 15,229 |
| Non-current liabilities | | | | |
| Other payable | 11,512 | 10,976 | - | - |
| Finance lease obligations | 499 | 366 | - | - |
| Bank borrowings | 3,063 | - | - | - |
| Deferred tax liability | 119 | 82 | - | - |
| | <u>(15,193)</u> | <u>(11,424)</u> | <u>-</u> | <u>-</u> |
| Net assets | <u>73,932</u> | <u>59,603</u> | <u>257,946</u> | <u>241,102</u> |

| | Group | | Company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/03/2009 | 30/06/2008 | 31/03/2009 | 30/06/2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 258,842 | 241,618 | 258,842 | 241,618 |
| Restructuring reserve | (201,554) | (201,554) | - | - |
| Foreign currency translation reserve | 35 | 12 | - | - |
| Accumulated profit/(losses) | 13,657 | 18,861 | (896) | (516) |
| | 70,980 | 58,937 | 257,946 | 241,102 |
| Minority interests | 2,952 | 666 | - | - |
| Total equity | 73,932 | 59,603 | 257,946 | 241,102 |

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

Amount repayable in one year or less, or on demand

| | As at 31/03/2009 | | As at 30/06/2008 | |
|-------------------------|-------------------------|------------------|-------------------------|------------------|
| | Secured | Unsecured | Secured | Unsecured |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Finance lease | 151 | - | 95 | - |
| Bank borrowings: | | | | |
| Bank overdraft | 776 | - | 26 | - |
| Term loans | 1,057 | - | - | - |

Amount repayable after one year

| | As at 31/03/2009 | | As at 30/06/2008 | |
|-------------------------|-------------------------|------------------|-------------------------|------------------|
| | Secured | Unsecured | Secured | Unsecured |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Finance lease | 499 | - | 366 | - |
| Bank borrowings: | | | | |
| Term loans | 3,063 | - | - | - |

Details of any collateral

Finance leases

Finance leases 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 a facility for bank guarantees of up to RM13,775,000, a term loan of up to RM4,000,000 and a bank overdraft of up to RM500,000 from a licensed bank. This banking facility is secured by fixed deposits of RM6,888,000 and a corporate guarantee from the Company.
- (b) The subsidiary, U&U Memorial Development (S.P.) Sdn Bhd (“UUMD”), was granted a facility for bank guarantees of up to RM500,000, a term loan of up to RM800,000 and a bank overdraft of up to RM700,000 from a licensed bank. This banking facility is secured by fixed deposits of RM600,000, a corporate guarantee from Credit Guarantee Corporation (M) Berhad, a corporate guarantee from U&U Memorial Corporation (M) Sdn Bhd (“UUMC”) and personal guarantees from certain directors/managers of UUMD.

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 31/03/2009 RM'000 | 3rd Qtr Ended 31/03/2008 RM'000 | 9 Months Ended 31/03/2009 RM'000 | 9 Months Ended 31/03/2008 RM'000 |
|---|--|--|---|---|
| OPERATING ACTIVITIES | | | | |
| (Loss)/Profit before tax | (2,873) | (1,273) | (5,411) | 7,146 |
| Adjustments: | | | | |
| Depreciation of property, plant and equipment | 141 | 71 | 407 | 187 |
| Interest expense | 312 | 219 | 897 | 614 |
| Interest income | (111) | (351) | (205) | (461) |
| Exchange difference arising from consolidation | (19) | - | 39 | - |
| Others | 1 | - | 1 | - |
| Operating (loss)/profit before working capital changes | (2,549) | (1,334) | (4,272) | 7,486 |
| Decrease/(Increase) in: | | | | |
| Inventories | (2,966) | (5,645) | (14,310) | (7,350) |
| Trade and other receivables, deposits and prepayments | 496 | - | (703) | (13,034) |
| Increase/(Decrease) in: | | | | |
| Trade and other payables and accruals | (1,439) | 1,053 | (3,542) | 3,105 |
| Amount due to directors (non-trade) | 534 | - | 48 | - |
| Cash used in operating activities | (5,924) | (5,926) | (22,779) | (9,793) |
| Income tax paid | (82) | (3,134) | (1,574) | (4,589) |
| Interest expense paid | (133) | (40) | (361) | (77) |
| Interest income received | 48 | 60 | 204 | 347 |
| Net cash used in operating activities | (6,091) | (9,040) | (24,510) | (14,112) |
| INVESTING ACTIVITIES | | | | |
| Net cash flow on acquisition of subsidiaries | - | - | (1,745) | - |
| Purchase of property, plant and equipment | (104) | (41) | (455) | (177) |
| Net cash used in investing activities | (104) | (41) | (2,200) | (177) |

| | 3rd Qtr Ended 31/03/2009 RM'000 | 3rd Qtr Ended 31/03/2008 RM'000 | 9 Months Ended 31/03/2009 RM'000 | 9 Months Ended 31/03/2008 RM'000 |
|--|--|--|---|---|
| FINANCING ACTIVITIES | | | | |
| Proceeds from issuance of new ordinary shares pursuant to share placement exercise | - | 20,754 | 17,264 | 20,754 |
| Share placement expenses paid | - | (72) | (40) | (72) |
| Net proceeds from issuance of shares to minority shareholders | 72 | - | 2,457 | - |
| Drawdown of term loan | - | - | 4,000 | - |
| Repayment of term loan | (260) | - | (664) | - |
| (Increase)/Decrease in fixed deposits pledged | - | 6,887 | (600) | 6,887 |
| Repayment of finance lease obligations | (35) | (14) | (101) | (28) |
| Listing expenses paid | - | (142) | - | (1,427) |
| Net cash (used in)/from financing activities | (223) | 27,413 | 22,316 | 26,114 |
| Net (decrease)/increase in cash and cash equivalents | (6,418) | 18,332 | (4,394) | 11,825 |
| Cash and cash equivalents at the beginning of period | 14,587 | 1,142 | 12,563 | 7,649 |
| Cash and cash equivalents and the end of period | 8,169 | 19,474 | 8,169 | 19,474 |

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

| | 31/03/2009 RM'000 | 31/03/2008 RM'000 |
|---------------------------|------------------------------|------------------------------|
| Cash and bank balances | 16,433 | 26,362 |
| Bank overdraft | (776) | - |
| Bank deposits pledged | (15,657) (7,488) | 26,362 (6,888) |
| Cash and cash equivalents | <u>8,169</u> | <u>19,474</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 | Foreign currency translation reserve RM'000 | Accumulated profits RM'000 | Minority interests RM'000 | Total equity RM'000 |
| Group | | | | | | |
| 9 Months ended 31 March 2009 | | | | | | |
| Balance at 1 July 2008 | 241,618 | (201,554) | 12 | 18,861 | 666 | 59,603 |
| Foreign currency translation, representing net income recognised directly in equity | - | - | 23 | - | 16 | 39 |
| Loss for the period | - | - | - | (5,204) | (482) | (5,686) |
| Total recognised income and expense for the period | - | - | 23 | (5,204) | (466) | (5,647) |
| Issuance of new ordinary shares pursuant to share placement exercise | 17,264 | - | - | - | - | 17,264 |
| Share placement expenses | (40) | - | - | - | - | (40) |
| Issuance of new ordinary shares to minority interests | - | - | - | - | 2,457 | 2,457 |
| Arising from acquisition of subsidiaries | - | - | - | - | 295 | 295 |
| Balance at 31 March 2009 | 258,842 | (201,554) | 35 | 13,657 | 2,952 | 73,932 |
| 9 Months ended 31 March 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 income for the period | - | - | - | 4,962 | - | 4,962 |
| Balance at 31 March 2008 | 241,624 | (201,554) | - | 19,767 | - | 59,837 |

| | Share capital RM'000 | Accumulated losses RM'000 | Total equity RM'000 |
|---|-------------------------|---------------------------------|------------------------|
| Company | | | |
| 9 Months ended 31 March 2009 | | | |
| Balance at 1 July 2008 | 241,618 | (516) | 241,102 |
| Loss for the period, representing total recognised expense for the period | - | (380) | (380) |
| Issuance of new ordinary shares pursuant to share placement exercise | 17,264 | - | 17,264 |
| Share placement expenses | (40) | - | (40) |
| Balance at 31 March 2009 | 258,842 | (896) | 257,946 |
| 9 Months ended 31 March 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 | 241,624 | (1,018) | 240,606 |

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, 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. There were no changes in the Company's share capital for the financial quarter ended 31 March 2009. There were no outstanding treasury shares as at 31 March 2009.

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.

| | 31/03/2009 | 30/06/2008 |
|---|-------------|-------------|
| Total number of issued shares excluding treasury shares | 590,000,000 | 550,000,000 |

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 or 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 2008, 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 2008. 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.

| | 3rd Qtr Ended 31/03/2009 | 3rd Qtr Ended 31/03/2008 | 9 Months Ended 31/03/2009 | 9 Months Ended 31/03/2008 |
|--|---|---|--|--|
| Net (loss)/profit for the period attributable to equity holders (RM) | (2,727,000) | (1,012,000) | (5,204,000) | 4,962,000 |
| Weighted average number of shares (No.) | 590,000,000 | 502,747,253 | 588,918,102 | 500,909,091 |
| Basic (loss)/earnings per share (RM cents) | (0.46) | (0.20) | (0.88) | 0.99 |
| Diluted (loss)/earnings per share (RM cents) | (0.46) | (0.20) | (0.88) | 0.99 |

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 | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31/03/2009 | 30/06/2008 | 31/03/2009 | 30/06/2008 |
| Net asset value per ordinary share | RM0.12 | RM0.11 | RM0.44 | RM0.44 |

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 2009 (“3Q FY09”) vs Third Quarter Ended 31 March 2008 (“3Q FY08”)

The industry experienced seasonally lower businesses in the first three months of the calendar year primarily due to lower pre-need sale activities before and after Chinese New Year. In spite of the lower seasonal demand, the Group's revenue increased to RM4.9 million in the third quarter of the current financial year ended 31 March 2009 compared to RM1.2 million previously.

The increase in revenue was attributable to the surge in retail sales of burial plots and columbaria. Total revenue for these two products rose by a sharp 310% to RM4.1 million in 3Q FY09 from 3Q FY08's RM1 million. The Group recorded this commendable result in retail sales after setting up its marketing arm, U&U Memorial Marketing (KL) Sdn Bhd, on 1 April 2008. In addition, the acquisition of U&U Memorial Corporation (M) Sdn Bhd (“UUMC”) on 15 August 2008 also contributed to the increased revenue.

The Group revenue from other products and services also increased as a result of the Group's efforts to expand and diversify its selling and distribution channels. The Group recorded the following additional revenues for 3Q FY09:

- Sales of funeral services and construction of tombs of RM659,000 (3Q FY08: RM34,000); and
- Sales from other bereavement care services of RM125,000 (3Q FY08: Nil).

The Group's higher gross profit of RM3.0 million in 3Q FY09 (3Q FY08: RM875,000) was the direct result of the increase in revenue.

However, the Group recorded a lower gross profit margin of 61% in 3Q FY09 against the 76% seen in 3Q FY08. This reduction was due to a change in revenue mix from the incorporation of lower-margin products and services, as well as to the higher commissions paid to incentivise the sales team.

The Group posted a loss before tax of RM2.9 million for 3Q FY09 compared to a loss before tax of RM1.3 million previously. The increase in gross profit was offset by:

1. Selling and distribution expenses rose by RM726,000, largely due to the expansion and diversification of distribution channels in anticipation of an increase in retail sales.
2. General and administrative expenses rose by RM2.7 million, mainly because of increases in the following areas:
 - Directors' remuneration, staff salary and benefits of RM1.9 million;
 - Office rental of RM304,000; and
 - Operation and general administrative expenses of RM567,000.

These increases were primarily due to the Group's continuous effort to build its selling and distribution channels, its management team as well as consolidation of UUMC's expenses.

Nine Months Ended 31 March 2009 ("9M FY09") vs Nine Months Ended 31 March 2008 ("9M FY08")

Revenue for 9M FY09 marginally dropped by RM553,000 to RM16.3 million compared with RM16.9 million for 9M FY08. The change in sales strategy focusing primarily on the selling and distribution of pre-launched plots and niches to retail sale of plots and niches since the end of 3Q FY08 has lowered the sales of burial plots and niches. Nevertheless, the decrease was mitigated by additional revenues from the sales of columbaria, funeral services, construction of tombs and other bereavement care services.

Although revenue dropped marginally, the Group recorded a lower gross profit of RM9.9 million for 9M FY09 (9M FY08: RM13.0 million) as gross profit margin fell by 16 percentage points to 61%. In the last quarter of FY08, the Group completed major infrastructure works for Semenyih Memorial Hills. These activities resulted in higher costs, which together with a decrease in pre-need sales following the onset of the global financial crisis, adversely impacted the Group's profitability. In addition, lower-margin ancillary products and services accounted for a higher proportion of sales, which also pared the gross profit margin for 9M FY09.

The lower gross profit, coupled with higher selling and distribution expenses, as well as higher general and administrative expenses, resulted in the Group posting a loss before tax of RM5.4 million in 9M FY09 compared with a profit before tax of RM7.1 million in 9M FY08.

Higher selling and distribution expenses were primarily attributable to the expansion and diversification of distribution channels in anticipation of an increase in retail sales. The increase in general and administrative expenses was in line with the Group's continuous effort to build its selling and distribution channels as well as its management team. These increases were in the following areas:

- Directors' remuneration, staff salary and benefits of RM4.4 million;
- Office rental of RM914,000; and
- Operation and general administrative expenses of RM2.4 million.

B. Review of Financial Position

Non-current assets

The increase of RM8.4 million in non-current assets was due mainly to goodwill arising from the acquisition of UUMC for RM7.8 million.

Current assets

As at 31 March 2009, the current assets of the Group has increased by RM21.0 million to RM97.0 million. This increase was attributed to the following factors:

1. Inventories increased by RM18.3 million to RM43.7 million (as at 30 June 2008: RM25.4 million). This increase was due mainly to:
 - Consolidation of inventories totalling RM4.0 million from the acquisition of UUMC; and
 - Additional construction costs of RM16.4 million incurred in 9M FY09.

These increases were offset by the cost of sales of burial plots, burial niches and columbaria during the period, which amounted to RM2.1 million.

2. Other receivables and deposits increased by RM7.4 million to RM8.4 million (as at 30 June 2008: RM1.0 million). The increase was attributed mainly to the payment of a refundable deposit of RM4.1 million to a stakeholder prior to commencing a review to assess the Group's potential participation in a project in China. Other reasons for the increase are detailed below:
 - Consolidation of UUMC's other receivables and deposits amounting to RM715,000;
 - Development expenditures for projects in Vietnam of RM808,000; and
 - Tax recoverable of RM1.8 million.

These increases were offset by the decline in the following areas:

- a) Cash and bank balances fell by RM3.1 million to RM16.4 million (as at 30 June 2008: RM19.5 million). This decrease was due primarily to the funding of operating activities amounting to RM24.5 million as well as payments of RM3.6 million to vendors of UUMC. The cash inflow to fund the above disbursements are generated from:
 - Net proceeds from the placement of shares amounting to RM17.2 million;
 - Net proceeds from the issuance of shares by a subsidiary to minority shareholders amounting to RM2.5 million; and
 - The drawdown/repayment of a term loan amounting to RM3.4 million.
- b) Current trade receivables dropped by RM2.0 million to RM27.8 million (as at 30 June 2008: RM29.9 million), as more collections were made during the period.

Current liabilities

The Group's current liabilities, amounting to RM26.8 million as at 31 March 2009, have increased by RM11.3 million since 30 June 2008. This increase was due mainly to:

- An amount of RM4.8 million payable to vendors of UUMC for the acquisition of UUMC;
- Consolidation of UUMC's trade payables amounting to RM3 million; and
- Other payables and accruals amounting to RM4.3 million.

Non-current liabilities

The increase in non-current liabilities of RM3.8 million was attributed primarily to the utilisation of a term loan amounting to RM3.1 million.

C. Review of Cash Flow

The Group recorded a decrease in cash and cash equivalents of RM4.4 million in 9M FY09 compared with an increase of RM11.8 million in 9M FY08. During the period under review, the Group raised an aggregate of RM22.3 million from the share placement exercise, issued shares by subsidiaries to minority shareholders and drew down a term loan.

This cash inflow was offset partly by the following:

- An operating loss before changes in working capital of approximately RM4.3 million;
- An increase in inventories of RM14.3 million;
- Decreases in trade and other payables and accruals of RM3.5 million;
- Payment of income tax of RM1.6 million; and
- Net cash outflow on the acquisition of UUMC amounting to RM1.7 million.

Despite the above-mentioned outflow, the Group ended 9M FY09 in a net cash position of RM8.2 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 global financial crisis and the political uncertainty in Malaysia have had a negative impact on businesses across all sectors, with investment sentiment turning extremely cautious. Malaysia recorded a mere 0.1% growth in GDP in the fourth quarter of 2008. Based on the data released by the Malaysia Statistics Department, external trade for January and February 2009 contracted 27.8% and 15.9% respectively year-on-year while industrial output fell 20.2% in January 2009 and declined 14.7% in February 2009. As such we expect GDP to contract for the first quarter of 2009. As a result, the directors expect trading conditions, especially for pre-need sales, to continue to be difficult in the next 12 months.

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.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net tax, 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 March 2009.

BY ORDER OF THE BOARD

**Michael Chu Siu Yin
Chief Financial Officer
15 May 2009**



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

CONFIRMATION BY THE BOARD

We, Dato' Dr. Choo Yeow Ming and Michael Chu Siu Yin, 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 nine month ended 31 March 2009 false or misleading.

BY ORDER OF THE BOARD

(SIGNED)

Dato' Dr. Choo Yeow Ming
Chairman and Chief Executive Officer

15 May 2009

(SIGNED)

Michael Chu Siu Yin
Executive Director and Chief Financial Officer