



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Dividend Announcement for the First Quarter Ended 30 September 2009

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	1st Qtr Ended 30/09/2009 RM'000	1st Qtr Ended 30/09/2008 RM'000	Increase/ (decrease) %
Revenue		6,938	5,193	33.6
Cost of sales		<u>(3,110)</u>	<u>(1,702)</u>	82.7
Gross profit		3,828	3,491	9.7
Other income		300	424	(29.2)
Expenses				
- Selling and distribution		(540)	(608)	(11.2)
- General and administrative		(3,640)	(3,663)	(0.6)
- Other		-	(42)	n.m.
- Financial		<u>(309)</u>	<u>(277)</u>	11.6
Loss before income tax	A	(361)	(675)	(46.5)
Income tax expense	B	<u>(246)</u>	<u>(257)</u>	(4.3)
Net loss		<u>(607)</u>	<u>(932)</u>	(34.9)
Other comprehensive income:				
- Foreign currency translation		<u>66</u>	<u>84</u>	(21.4)
Other comprehensive income, net of tax		<u>66</u>	<u>84</u>	(21.4)
Total comprehensive income		<u><u>(541)</u></u>	<u><u>(848)</u></u>	(35.2)

	Note	1st Qtr Ended 30/09/2009 RM'000	1st Qtr Ended 30/09/2008 RM'000	Increase/ (decrease) %
Loss attributable to:				
Owner of the parent		(557)	(834)	(33.2)
Minority interests		<u>(50)</u>	<u>(98)</u>	(49.0)
		<u>(607)</u>	<u>(932)</u>	(34.9)
Total comprehensive income attributable to:				
Owner of the parent		(518)	(783)	(33.8)
Minority interests		<u>(23)</u>	<u>(65)</u>	(64.6)
		<u>(541)</u>	<u>(848)</u>	(34.9)

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 followings:

	1st Qtr Ended 30/09/2009 RM'000	1st Qtr Ended 30/09/2008 RM'000	Increase/ (decrease) %
Interest income:			
- Bank balances	(109)	(96)	13.5
- Adjustment of trade receivables to amortised cost	(56)	(301)	(81.4)
Interest expenses:			
- Finance leases	8	7	14.3
- Adjustment of other payable to amortised cost	179	179	-
- Bank guarantee	47	34	38.2
- Bank overdraft	12	9	33.3
- Term loan	63	48	31.3
Depreciation of property, plant and equipment	124	104	19.2
Foreign exchange (gain)/loss	(119)	42	n.m.
Operating lease expenses	378	423	(10.6)

B. Income tax expense

	1st Qtr Ended 30/09/2009 RM'000	1st Qtr Ended 30/09/2008 RM'000	Increase/ (decrease) %
Income tax expense			
- Current period	246	241	2.1
- Underprovision in respect of prior year	<u>-</u>	<u>16</u>	n.m.
	<u><u>246</u></u>	<u><u>257</u></u>	(4.3)

Income tax expense of RM246,000 was provided for in the first quarter ended 30 September 2009 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 against 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.

	Group		Company	
	30/09/2009 RM'000	30/06/2009 RM'000	30/09/2009 RM'000	30/06/2009 RM'000
ASSETS				
Current assets				
Cash and bank balances	24,895	29,049	9,288	12,931
Financial asset, at fair value through profit and loss	1,177	-	1,177	-
Trade and other receivables	39,430	36,999	28,596	27,022
Inventories and development expenditure	46,677	46,185	-	-
Other current assets	2,861	3,031	2,016	2,020
	<u>115,040</u>	<u>115,264</u>	<u>41,077</u>	<u>41,973</u>
Non-current assets				
Trade and other receivables	294	1,033	-	-
Investment in subsidiaries	-	-	229,087	229,087
Property, plant and equipment	2,115	2,203	308	317
Intangible assets	7,838	7,838	-	-
	<u>10,247</u>	<u>11,074</u>	<u>229,395</u>	<u>229,404</u>
Total assets	<u>125,287</u>	<u>126,338</u>	<u>270,472</u>	<u>271,377</u>
LIABILITIES				
Current liabilities				
Trade and other payables	24,269	24,569	159	235
Borrowings	2,049	2,426	-	-
Current income tax liabilities	304	208	34	34
	<u>26,622</u>	<u>27,203</u>	<u>193</u>	<u>269</u>
Non-current liabilities				
Other payable	11,870	11,691	-	-
Borrowings	2,881	3,019	-	-
Deferred income tax liabilities	103	103	-	-
	<u>14,854</u>	<u>14,813</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>41,476</u>	<u>42,016</u>	<u>193</u>	<u>269</u>
Net assets	<u>83,811</u>	<u>84,322</u>	<u>270,279</u>	<u>271,108</u>

	Group		Company	
	30/09/2009	30/06/2009	30/09/2009	30/06/2009
	RM'000	RM'000	RM'000	RM'000
EQUITY				
Equity attributable to equity holders of the Company				
Share capital	258,849	258,843	258,849	258,843
Restructuring reserve	(201,554)	(201,554)	-	-
Warrant reserve	13,507	13,507	13,507	13,507
Foreign currency translation reserve	120	81	-	-
Retained earnings/ (accumulated losses)	10,176	10,733	(2,077)	(1,242)
	<u>81,098</u>	<u>81,610</u>	<u>270,279</u>	<u>271,108</u>
Minority interests	2,713	2,712	-	-
Total equity	<u>83,811</u>	<u>84,322</u>	<u>270,279</u>	<u>271,108</u>

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

Amount repayable in one year or less, or on demand

	As at 30/09/2009		As at 30/06/2009	
	Secured	Unsecured	Secured	Unsecured
	RM'000	RM'000	RM'000	RM'000
Finance lease	149	-	150	-
Bank borrowings:				
Bank overdraft	775	-	982	-
Term loans	1,125	-	1,294	-

Amount repayable after one year

	As at 30/09/2009		As at 30/06/2009	
	Secured	Unsecured	Secured	Unsecured
	RM'000	RM'000	RM'000	RM'000
Finance lease	425	-	462	-
Bank borrowings:				
Term loans	2,456	-	2,557	-

Details of any collateral

Finance lease

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 comprising 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. The term loan is repayable in 48 monthly instalments, the first of which commenced in August 2008. The banking facility is secured by bank 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 comprising 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. The term loan is repayable in 60 monthly instalments, the first of which commenced in August 2008. The banking facility is secured by bank deposits of RM622,000, 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 statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	1st Qtr Ended 30/09/2009 RM'000	1st Qtr Ended 30/09/2008 RM'000
Cash flows from operating activities		
Net loss	(607)	(932)
Adjustments:		
Depreciation of property, plant and equipment	124	104
Interest expense	309	277
Income tax expense	246	257
Interest income	(165)	(397)
Exchange difference arising from consolidation	66	84
Change in working capital, net of effects from acquisition of subsidiaries	(27)	(607)
Financial assets, at fair value through profit and loss	(1,177)	-
Trade and other receivables	(1,761)	2,206
Inventories and development expenditure	(492)	(5,265)
Other current assets	170	(5,344)
Trade and other payables	(300)	(3,127)
Cash used in operations	(3,587)	(12,137)
Income tax paid	(25)	(650)
Interest expense paid	(130)	(98)
Interest income received	109	95
Net cash used in operating activities	(3,633)	(12,790)
Cash flows from investing activities		
Purchase of property, plant and equipment	(36)	(209)
Acquisition of subsidiaries, net of cash acquired	-	(1,697)
Net cash used in investing activities	(36)	(1,906)
Cash flows from financing activities		
Net proceeds from issuance of shares to minority shareholders	24	2,385
Proceeds from exercise of warrants	6	-
Proceeds from issuance of new ordinary shares pursuant to share placement exercise	-	17,264
Share placement expenses paid	-	(33)
Drawdown of term loan	-	4,000
Repayment of term loan	(270)	(167)
Increase in fixed deposits pledged	-	(600)
Repayment of finance lease obligations	(38)	(29)
Net cash (used in)/provided by financing activities	(278)	22,820

	1st Qtr Ended 30/09/2009 RM'000	1st Qtr Ended 30/09/2008 RM'000
Net (decrease)/increase in cash and cash equivalents	(3,947)	8,124
Cash and cash equivalents at the beginning of period	<u>20,557</u>	<u>12,563</u>
Cash and cash equivalents and the end of period	<u><u>16,610</u></u>	<u><u>20,687</u></u>

Note to statement of cash flows

Cash and cash equivalent

	30/09/2009 RM'000	30/09/2008 RM'000
Cash and bank balances	24,895	28,833
Less: Bank overdraft	(775)	(658)
Less: Short term bank deposits pledged	<u>(7,510)</u>	<u>(7,488)</u>
Cash and cash equivalents	<u><u>16,610</u></u>	<u><u>20,687</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 →						Minority interests RM'000	Total equity RM'000
	Share capital RM'000	Restructuring reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000		
Group								
3 months ended 30 September 2009								
Beginning of financial period	258,843	(201,554)	13,507	81	10,733	81,610	2,712	84,322
Total comprehensive income	-	-	-	39	(557)	(518)	(23)	(541)
Issuance of new ordinary shares pursuant to exercise of warrants	6	-	- *	-	-	6	-	6
Issuance of new ordinary shares to minority interests	-	-	-	-	-	-	24	24
End of financial period	<u>258,849</u>	<u>(201,554)</u>	<u>13,507</u>	<u>120</u>	<u>10,176</u>	<u>81,098</u>	<u>2,713</u>	<u>83,811</u>

* Less than RM1,000.

	← Attributable to equity holders of the Company →						
	Share capital RM'000	Restructuring reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interests RM'000	Total equity RM'000
3 months ended 30 September 2008							
Beginning of financial period	241,618	(201,554)	12	18,861	58,937	666	59,603
Total comprehensive income	-	-	51	(834)	(783)	(65)	(848)
Issuance of new ordinary shares pursuant to share placement exercise	17,264	-	-	-	17,264	-	17,264
Share placement expense	(33)	-	-	-	(33)	-	(33)
Issuance of new ordinary shares to minority interests	-	-	-	-	-	2,385	2,385
Arising from acquisition of subsidiaries	-	-	-	-	-	213	213
End of financial period	<u>258,849</u>	<u>(201,554)</u>	<u>63</u>	<u>18,027</u>	<u>75,385</u>	<u>3,199</u>	<u>78,584</u>

	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
3 months ended 30 September 2009				
Beginning of financial period	258,843	13,507	(1,242)	271,108
Total comprehensive income	-	-	(835)	(835)
Issuance of new ordinary shares pursuant to exercise of warrants	<u>6</u>	<u>- *</u>	<u>-</u>	<u>6</u>
End of financial period	<u>258,849</u>	<u>13,507</u>	<u>(2,077)</u>	<u>270,279</u>
3 months ended 30 September 2008				
Beginning of financial period	241,618		(516)	241,102
Total comprehensive income	-	-	(992)	(992)
Issuance of new ordinary shares pursuant to share placement exercise	17,264	-	-	17,264
Share placement expense	<u>(33)</u>	<u>-</u>	<u>-</u>	<u>(33)</u>
End of financial period	<u>258,849</u>	<u>-</u>	<u>(1,508)</u>	<u>257,341</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 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 is as follow:

	Number of issued shares
Balance at 1 July 2009	590,002,721
Issuance of new shares pursuant to exercise of warrants on 9 July 2009	<u>15,000</u>
Balance at 30 September 2009	<u>590,017,721</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:

	30/09/2009	30/09/2008
Total number of shares that may be issued on conversion of the Company's outstanding warrants	<u>589,982,279</u>	<u>-</u>

There were no outstanding treasury shares as at 30 September 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.**

	30/09/2009	30/06/2009
Total number of issued shares excluding treasury shares	<u>590,017,721</u>	<u>590,002,721</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 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 2009, 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 2009. 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.

	1st Qtr Ended 30/09/2009	1st Qtr Ended 30/09/2008
Net loss for the period attributable to owner of the parent (RM)	(557,000)	(834,000)
Weighted average number of shares (No.)	590,016,254	586,956,522
Basic loss per share (RM cents)	<u>(0.09)</u>	<u>(0.14)</u>

The Company’s dilutive potential ordinary shares are the warrants. However, no diluted loss per share was presented for financial period ended 30 September 2009 as the exercise of the dilutive warrants will result in anti-dilution of loss per share.

Dilutive earnings per share is not presented for the financial period ended 30 September 2008 as there were no potential dilutive ordinary shares existing during the financial period.

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	
	30/09/2009	30/06/2009	30/09/2009	30/06/2009
Net asset value per ordinary share	<u>RM0.14</u>	<u>RM0.14</u>	<u>RM0.46</u>	<u>RM0.46</u>

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

First Quarter Ended 30 September 2009 ("1QFY10") vs First Quarter Ended 30 September 2008 ("1QFY09")

Revenue increased by RM1.7 million to RM6.9 million in 1QFY10, which was mainly attributable to the higher sales of burial plots in Unique Memorial Park, a memorial park acquired in August 2008. In addition, other bereavement care services continued to contribute positively to the Group's revenue, of which, revenue from tomb construction increased by RM545,000 in 1QFY10 as compared to 1QFY09.

In line with the higher revenue, the Group's gross profit increased by RM337,000 to RM3.8 million in 1QFY10. However, the Group experienced a lower gross profit margin of 55% in 1QFY10 as compared to 67% in 1QFY09. This was mainly attributable to higher cost of inventory for burial plots sold in 1QFY10 as compared to the previous financial period under review, as well as lower-margin ancillary products and services accounting for a higher proportion of sales. The Group's higher cost of inventory for burial plots in 1QFY10 was resulted from the higher stage of completion of the development works in the memorial parks as compared to 1QFY09.

The Group recorded a lower loss before income tax of RM607,000 in 1QFY10, which was mainly attributable to the higher revenue for the period under review.

B. Review of Financial Position

The Group balance sheet did not record any material variances as at 30 September 2009 as compared to 30 June 2009 except for the following:

1. Increase of RM2.4 million in trade receivables as a result of an increase in credit sales during the period.
2. The purchase of quoted investments amounting to RM1.2 million.
3. Decrease in cash and bank balances of RM4.2 million. This was mainly attributable to the utilisation of funds towards operating activities during the period.

C. Review of Cash Flow

The Group recorded a decrease in cash and cash equivalents of RM3.9 million in 1QFY10. This decrease was primarily attributable to net decrease in working capital of RM3.6 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. The barriers to entry for this industry are thus high and there is no significant change in the competitive landscape in the industry. The Group will continue with its strategy to develop high end memorial parks and to also provide quality bereavement care services. This will enable the Group to stay competitive against other operators.

The world economy appears to be recovering from the impact of the financial crisis. The investment sentiment in certain sectors has improved. The Group revenue for the quarter has increased and it is expected that this momentum will be continued 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.

- (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 30 September 2009.

BY ORDER OF THE BOARD

**Lee Keng Mun
Chief Financial Officer
13 November 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 which may render the financial results for the first quarter ended 30 September 2009 to be false or misleading.

BY ORDER OF THE BOARD

(SIGNED)

Dato' Dr. Choo Yeow Ming
Chairman

13 November 2009

(SIGNED)

Michael Chu Siu Yin
Executive Director