



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200609901H)

DISPOSAL OF U&U MEMORIAL CORPORATION (M) SDN BHD

1. INTRODUCTION

The Board of Directors (“**Board**”) of Asia-Pacific Strategic Investments Limited (“**Company**”) and its subsidiaries (collectively, the “**Group**”) wish to announce that its subsidiary, HMS Capital Sdn Bhd (“**HMSC**” or “**Vendor**”), has entered into a conditional sale and purchase agreement with Huen Foo Wah @ Shing Foo Hwa (“**Purchaser**”) on 10 April 2012 (“**SPA**”) in relation to the sale by HMSC of its entire equity interest in 175,000 shares in U&U Memorial Corporation (M) Sdn Bhd (“**UUMC**”), representing 70% of the issued and paid up share capital of UUMC (“**Sale Shares**”) to the Purchaser (“**Proposed Disposal**”).

2. INFORMATION ON UUMC

UUMC is a private limited company incorporated in Malaysia, and as at the date hereof, has an authorized share capital of RM500,000 comprising of 500,000 ordinary shares of RM1 each and an issued and paid up share capital of RM250,000 comprising of 250,000 ordinary shares of RM1 that have been issued and credited as fully paid-up (“**UUMC Shares**”). The current shareholders of UUMC are HMSC (holding 175,000 UUMC Shares, representing 70% of issued and paid up capital of UUMC) and U&U Memorial Management Sdn Bhd (“**UUMM**”) (holding 75,000 UUMC Shares, representing 30% of issued and paid up capital of UUMC).

UUMC is an investment holding company and has the following subsidiaries:

Name of company (Country of incorporation)	Equity interest held by UUMC	Principal activities
U & U Memorial Development (SP) Sdn Bhd (Malaysia)	100%	Agent or contractor for burial and cremation activities
U & U Memorial Development (KK) Sdn Bhd (Malaysia)	100%	Development, operation, maintenance and management of cemetery grounds and undertaking of related bereavement services
U & U Memorial Marketing (SP) Sdn Bhd (Malaysia)	100%	Sales and marketing of burial and cemetery business
U & U Memorial Marketing (KK) Sdn Bhd (Malaysia)	100%	Sales and marketing agent of bereavement services

Name of company (Country of incorporation)	Equity interest held by UUMC	Principal activities
U & U Landscaping (M) Sdn Bhd (Malaysia)	100%	Provision of general landscaping and maintenance services
U & U Fook Lok Sau (Sabah) Sdn Bhd (Malaysia)	51%	Sales and marketing agent of bereavement services

3. INFORMATION ON THE PURCHASER

The Purchaser is the managing director of UUMC and has been involved in the management of UUMC at all material times. He is also the director and shareholder of UUMM.

4. PRINCIPAL TERMS

4.1 Agreement to Sell and Purchase

Pursuant to the SPA, HMSC shall sell and the Purchaser shall purchase the Sale Shares free from any charges, mortgages, liens, pledges and all other encumbrances of whatsoever nature and with all rights of whatsoever nature attached to the Sale Shares.

4.2 Consideration

The consideration for the Proposed Disposal is RM4,400,000 ("**Consideration**"), to be payable as follow:

- (a) RM220,000 upon the execution of the SPA ("**Deposit**"); and
- (b) RM4,180,000 by way of cash payment, bank draft or banker's cheque on completion of the Proposed Disposal.

The Consideration was arrived at after arms' length negotiations between HMSC and the Purchaser and on a "willing-buyer, willing-seller" basis after taking into consideration, *inter alia*, the net liabilities position of the Disposal Group (as defined below). Based on the consolidated financial information of UUMC (and its subsidiaries, collectively, the "**Disposal Group**") as at 30 June 2011, the net tangible liabilities attributable to the Sale Shares is approximately RM1.6 million, and the net loss attributable to the Sale Shares for the financial year ended 30 June 2011 is approximately RM384,000.

No valuation report was commissioned by the Company in respect of the Sale Shares as, *inter alia*, the operations of the Disposal Group has been loss making. The book value of the Sale Shares as at 30 June 2011 is RM4,683,000. The Proposed Disposal is expected to result in a deficit of RM283,000 in proceeds over the book value of the Sale Shares.

The Proposed Disposal is expected to result in a gain on disposal of RM1.6 million for the Group.

4.3 Completion

Completion of the sale and purchase of the Sale Shares shall take place within sixty (60) days from the date of the SPA.

5. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE CATALIST RULES

Based on the unaudited consolidated financial statements of the Group for the half year ended 31 December 2011, the relative figures in respect of the Proposed Disposal, as computed on the bases set up in Rules 1006(a) to Rule 1006(e) of the SGX-ST Listing Manual, Section B: Rules of Catalist (“**Catalist Rules**”) are as follows:

Rule 1006(a)	
Net value of the assets to be disposed of	(RM2,505,000)
Net asset value of the Group	RM54,602,000
Size of relative figure	Not meaningful
Rule 1006(b)	
Net profits attributable to the assets disposed of	(RM855,000)
Net profits of the Group	(RM3,961,000)
Size of relative figure	Not meaningful
Rule 1006(c)	
Aggregate value of consideration to be received	S\$1,808,467
Company’s market capitalization as at 9 April 2012, being the market day immediately preceding the date of the SPA	S\$23,736,358
Size of relative figure	7.6%
Rule 1006(d)	
Number of equity securities to be issued by the Company as consideration	Not applicable
Number of equity securities in issue	59,340,895
Size of relative figure	Not applicable
Rule 1006(e)	
Aggregate volume or amount of proven and probable reserves to be disposed of	Not applicable
Aggregate of the Group’s proven and probable reserves	Not applicable
Size of relative figure	Not applicable

As the relative figures as computed on the above bases exceed 5% but do not exceed 50%, the Proposed Disposal constitute a “discloseable transaction” within the meaning of Chapter 10 of the Catalist Rules and has to be immediately announced by the Company.

6. RATIONALE FOR THE PROPOSED DISPOSAL

The Disposal Group has been incurring operating losses since the acquisition by the Group on 15 August 2008. For the previous financial year ended 30 June 2011 and the half year ended

31 December 2011, the consolidated net losses of the Disposal Group was RM0.5 million and RM1.3 million respectively. Accordingly, the disposal will reduce the loss of the Group.

7. USE OF SALE PROCEEDS

The Group intends to use the proceeds from the Proposed Disposal as working capital for its businesses and operations.

8. FINANCIAL EFFECTS

For the purpose of illustration and based on the audited consolidated financial statements of the Group for the previous financial year ended 30 June 2011 (“FY2011”), the proforma financial effects of the Proposed Disposal on the Group are as follow:

Earnings per share (“EPS”)

Assuming the Proposed Disposal had been completed on 1 July 2010 and based on the audited consolidated financial statements of the Group for FY2011, the proforma EPS of the Group would be:

	Before Disposal	After disposal
Net Loss after Tax (RM'000)	(13,648)	(12,359)
EPS (RM cents)	(23)	(21)

Net tangible assets (“NTA”)

Assuming the Proposed Disposal had been completed on 30 June 2011 and based on the audited consolidated financial statements for FY2011, the proforma NTA per share of the Group would be:

	Before Disposal	After disposal
NTA of the Group (RM'000)	49,499	59,262
NTA per share (RM)	0.83	1.00

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, none of the Directors or the controlling shareholders or their associates have any interest (direct or indirect) in the Proposed Disposal, other than through their shareholdings in the Company (if any).

10. NO SERVICE AGREEMENT

No person will be appointed to the Board in connection to the Proposed Disposal and no service contracts in relation thereto will be entered into by the Company.

11. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection at the Company's registered office at 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315 during normal business hours for a period of three (3) months commencing from the date of this Announcement.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have delegated detailed supervision of this announcement) have taken all reasonable care and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, the facts stated in this announcement are fair and accurate in all material respect and that no material facts have been omitted that would render this announcement to be misleading in any material respect, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD
ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

Dato' Dr Choo Yeow Ming
Chief Executive Officer

10 April 2012

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 SGX-ST. The Sponsor has 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 of the statements or opinions made or reports contained in this announcement.

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