



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Full Year Financial Statements And Related Announcements for the Year Ended 30 June 2012

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	Financial Year Ended 30/06/2012 RM'000	30/06/2011 RM'000	Increase/ (decrease) %
<u>Continuing operations</u>				
Revenue		157	255	(38.4)
Cost of sales		-	-	-
Gross profit		157	255	(38.4)
Other income		196	638	(69.3)
Expenses				
- Selling and distribution		(71)	(128)	(44.5)
- General and administrative		(5,279)	(5,764)	(8.4)
- Financial		(12)	-	n.m.
Loss before income tax from continuing operations	B	(5,009)	(4,999)	0.2
Income tax expense	C	(26)	(27)	(3.7)
Loss from continuing operations, net of tax		(5,035)	(5,026)	0.2
<u>Discontinued operations</u>				
Loss from discontinued operations, net of tax	A	(10,754)	(8,820)	21.9
Net loss		(15,789)	(13,846)	14.0
Other comprehensive income, net of tax				
Currency translation differences arising from consolidation		-	1	n.m.
Total comprehensive loss		(15,789)	(13,845)	14.0

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 Singapore Exchange Securities Trading Limited ("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 statements or opinions made or reports contained in this announcement.

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	Note	Financial Year Ended 30/06/2012 RM'000	30/06/2011 RM'000	Increase/ (decrease) %
Net loss for the year attributable to:				
Equity holders of the Company				
Loss from continuing operations, net of tax		(5,035)	(5,026)	0.2
Loss from discontinued operations, net of tax		<u>(10,946)</u>	<u>(8,622)</u>	27.0
		<u>(15,981)</u>	<u>(13,648)</u>	17.1
Non-controlling interests				
Loss from continuing operations, net of tax		-	-	-
Profit/(loss) from discontinued operations, net of tax		<u>192</u>	<u>(198)</u>	n.m.
		<u>192</u>	<u>(198)</u>	n.m.
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		(15,981)	(13,647)	17.1
Non-controlling interests		<u>192</u>	<u>(198)</u>	n.m.
		<u>(15,789)</u>	<u>(13,845)</u>	14.0
Attributable to:				
Equity holders of the Company				
Loss from continuing operations, net of tax		(5,035)	(5,026)	0.2
Loss from discontinued operations, net of tax		<u>(10,946)</u>	<u>(8,621)</u>	27.0
		<u>(15,981)</u>	<u>(13,647)</u>	17.1

*n.m. = not meaningful.

1(a)(ii) Notes to statement of comprehensive income

A. Discontinued operations and disposal group classified as held for sale

On 10 April 2012, the Company's wholly-owned subsidiary, HMS Capital Sdn Bhd ("HMSC") has entered into a conditional sale and purchase agreement with Huen Foo Wah @ Shing Foo Wah (the "Purchaser") 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 to the Purchaser for cash consideration of RM4,400,000 ("Proposed UUMC Disposal").

In addition, on 17 April 2012, the Company entered into a conditional sale and purchase agreement ("SPA") with Bright Eagle Enterprises Group Limited ("BEEGL") whereby the Company will acquire the entire issued and paid-up share capital of BEEGL Khalid Limited ("BEEGL-K") and BEEGL Saad Limited ("BEEGL-S") from BEEGL ("Proposed Acquisition"). Pursuant to the SPA, the entire issued and paid-up share capital of HMSC, consisting of 5,000,000 ordinary shares and valued at S\$60,726,295, will be transferred to BEEGL upon completion of the Proposed Acquisition.

As at 30 June 2012, the assets and liabilities related to HMSC and its subsidiaries (including UUMC and its subsidiaries, collectively "HMSC Group") have been presented in the balance sheet under Current assets as "Assets of disposal group classified as held-for-sale" and under Current liabilities as "Liabilities directly associated with disposal group classified as held-for-sale", and its results are presented separately in the statement of comprehensive income as "Loss from discontinued operations, net of tax".

The Proposed UUMC Disposal was completed on 30 July 2012.

Income statement disclosures

The results of HMSC Group for the year ended 30 June 2012, classified as discontinued operations, are as follows:

	Note	Financial Year Ended		Increase/ (decrease)
		30/06/2012	30/06/2011	%
		RM'000	RM'000	
Revenue		20,375	18,270	11.5
Cost of sales		<u>(12,174)</u>	<u>(8,603)</u>	41.5
Gross profit		8,201	9,667	(15.2)
Other income		324	282	14.9
Expenses				
- Selling and distribution		(2,060)	(5,507)	(62.6)
- General and administration		(8,908)	(9,161)	(2.8)
- Other		(7,319)	(2,932)	149.6
- Finance costs		<u>(986)</u>	<u>(1,120)</u>	(12.0)
Loss before tax from discontinued operations		(10,748)	(8,771)	22.5
Income tax expense	C	<u>(6)</u>	<u>(49)</u>	(87.8)
Loss from discontinued operations, net of tax		<u>(10,754)</u>	<u>(8,820)</u>	21.9

B. The net loss is determined after (crediting)/charging the following:

	30/06/2012	30/06/2011	Increase/ (decrease)
	RM'000	RM'000	%
Interest income:			
- Bank balances	(236)	(243)	(2.9)
Interest expenses:			
- Finance leases	32	23	39.1
- Adjustment of other payable to amortised cost	658	712	(7.6)
- Adjustment of trade receivables to amortised cost	4	1	300.0
- Bank guarantees	198	199	(0.5)
- Bank borrowings	106	185	(42.7)
Depreciation of property, plant and equipment	570	550	3.6
Foreign exchange gain, net	(32)	(546)	(94.1)
Operating leases expenses	1,000	1,517	(34.1)
Allowance for impairment of trade and other receivables, net	7,298	2,832	157.7

*n.m. = not meaningful.

C. Income tax expense

	Financial Year Ended		Increase/ (decrease)
	30/06/2012	30/06/2011	%
	RM'000	RM'000	
Continuing operations			
- Current year	18	29	(37.9)
- Under/(over) provision in respect of prior year	<u>8</u>	<u>(2)</u>	n.m.
	<u>26</u>	<u>27</u>	(3.7)
Discontinued operations			
- Current year	-	44	n.m.
- Under provision in respect of prior year	6	-	n.m.
- Deferred income tax	<u>-</u>	<u>5</u>	n.m.
	<u>6</u>	<u>49</u>	(87.8)
Total	<u>32</u>	<u>76</u>	(57.9)

*n.m. = not meaningful.

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	
	30/06/2012 RM'000	30/06/2011 RM'000	30/06/2012 RM'000	30/06/2011 RM'000
ASSETS				
Current assets				
Cash and bank balances	7,039	15,493	7,039	2,100
Trade and other receivables	-	16,484	-	42,188
Inventories and development expenditure	-	50,883	-	-
Other current assets	274	1,235	274	385
	<u>7,313</u>	<u>84,095</u>	<u>7,313</u>	<u>44,673</u>
Asset of disposal group classified as held-for-sale (Note *)	85,914	-	152,072	-
	<u>93,227</u>	<u>84,095</u>	<u>159,385</u>	<u>44,673</u>
Non-current assets				
Trade and other receivables	-	12	-	-
Investment in subsidiaries	-	-	-	224,540
Property, plant and equipment	178	2,138	178	228
Intangible asset	-	7,838	-	-
	<u>178</u>	<u>9,988</u>	<u>178</u>	<u>224,768</u>
Total assets	<u>93,405</u>	<u>94,083</u>	<u>159,563</u>	<u>269,441</u>
LIABILITIES				
Current liabilities				
Trade and other payables	744	21,065	744	147
Borrowings	-	1,942	-	-
Current income tax liabilities	17	32	17	32
	<u>761</u>	<u>23,039</u>	<u>761</u>	<u>179</u>
Liabilities directly associated with disposal group classified as held-for-sale (Note *)	41,318	-	-	-
	<u>42,079</u>	<u>23,039</u>	<u>761</u>	<u>179</u>
Non-current liabilities				
Other payable	-	13,117	-	-
Borrowings	-	487	-	-
Deferred income tax liabilities	-	103	-	-
	<u>-</u>	<u>13,707</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>42,079</u>	<u>36,746</u>	<u>761</u>	<u>179</u>
Net assets	<u>51,326</u>	<u>57,337</u>	<u>158,802</u>	<u>269,262</u>

	Group		Company	
	30/06/2012 RM'000	30/06/2011 RM'000	30/06/2012 RM'000	30/06/2011 RM'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	269,860	260,122	269,860	260,122
Restructuring reserve	(201,554)	(201,554)	-	-
Warrant reserve	13,429	13,429	13,429	13,429
Foreign currency translation reserve	6	6	-	-
Accumulated losses	<u>(29,767)</u>	<u>(13,786)</u>	<u>(124,487)</u>	<u>(4,289)</u>
Non-controlling interests	<u>51,974</u> (648)	<u>58,217</u> (880)	<u>158,802</u> -	<u>269,262</u> -
Total equity	<u>51,326</u>	<u>57,337</u>	<u>158,802</u>	<u>269,262</u>

Note *

The major classes of assets and liabilities of HMSC Group classified as held-for-sale as at 30 June 2012 are as follows:

	Group	
	30/06/2012 RM'000	30/06/2011 RM'000
Assets:		
Cash and bank balances	14,665	-
Trade and other receivables	9,473	-
Inventories and development expenditure	51,338	-
Other current assets	886	-
Property, plant and equipment	1,714	-
Intangible asset	<u>7,838</u>	<u>-</u>
Assets of disposal group classified as held-for-sale	<u>85,914</u>	<u>-</u>
Liabilities:		
Trade and other payables	26,371	-
Borrowings	1,069	-
Long term other payable	13,775	-
Deferred income tax liabilities	<u>103</u>	<u>-</u>
Liabilities directly associated with disposal group classified as held-for-sale	<u>41,318</u>	<u>-</u>
Net assets directly associated with disposal group classified as held-for-sale	<u>44,596</u>	<u>-</u>

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

Amount repayable in one year or less, or on demand

	As at 30/06/2012		As at 30/06/2011	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease liabilities	157	-	136	-
Bank borrowings:				
Bank overdrafts	404	-	705	-
Term loans	96	-	1,101	-

Amount repayable after one year

	As at 30/06/2012		As at 30/06/2011	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease liabilities	412	-	394	-
Bank borrowings:				
Term loans	-	-	93	-

Details of any collateral

Finance lease liabilities

Finance lease liabilities 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 the following financing facilities:
- (i) A bank guarantee of up to RM13,775,000;
 - (ii) A term loan of up to RM4 million; and
 - (iii) An overdraft facility 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 recurring monthly instalments have been duly repaid thus far. The banking facilities are secured by bank deposits of RM7,661,000 and a corporate guarantee from the Company.

- (b) The subsidiary, U&U Memorial Development (SP) Sdn Bhd ("UUMD"), was granted the following financing facilities:
- (i) A bank guarantee of up to RM500,000;
 - (ii) An overdraft facility of up to RM580,000 from a licensed bank.

The banking facilities are secured by a corporate guarantee from Credit Guarantee Corporation (M) Berhad, a corporate guarantee from U&U Memorial Corporation (M) Sdn Bhd and personal guarantees from certain directors/managers of UUMD.

- (c) The subsidiary, U&U Memorial Development (KK) Sdn Bhd, was granted a bank guarantee of up to RM300,000. The banking facility is secured by a bank deposit of RM300,000.

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.

	Financial Year Ended	
	30/06/2012 RM'000	30/06/2011 RM'000
Cash flows from operating activities		
Net loss from continuing operations	(5,035)	(5,026)
Net loss from discontinued operations	(10,754)	(8,820)
	<hr/>	<hr/>
Total net loss	(15,789)	(13,846)
Adjustments:		
Income tax expense	32	76
Interest expense	994	1,119
Interest income	(236)	(243)
Adjustment of trade receivables to amortised cost	4	1
Depreciation of property, plant and equipment	570	550
Property, plant and equipment written off	17	31
(Gain)/loss on disposal of property, plant and equipment	(15)	7
Exchange difference arising from consolidation	-	1
	<hr/>	<hr/>
	(14,423)	(12,304)
Changes in working capital		
Trade and other receivables	7,041	13,857
Inventories and development expenditure	(455)	(2,752)
Other current assets	75	1,956
Trade and other payables	6,050	(1,377)
	<hr/>	<hr/>
Cash used in operations	(1,712)	(620)
Income tax (paid)/refunded, net	(69)	831
Interest income received	236	243
Interest expense paid	(336)	(407)
	<hr/>	<hr/>
Net cash (used in)/generate from operating activities	(1,881)	47
	<hr/>	<hr/>
Cash flows from investing activities		
Additions to property, plant and equipment	(147)	(591)
Proceeds from disposal of property, plant and equipment	25	27
	<hr/>	<hr/>
Net cash used in investing activities	(122)	(564)
	<hr/>	<hr/>
Cash flows from financing activities		
Net proceeds from issuance of new ordinary shares	9,738	-
Net proceeds from issuance of new ordinary shares to non-controlling interests	40	-
Proceeds from exercise of warrants	-	37
Repayment of term loans	(1,098)	(1,561)
(Increase)/decrease in fixed deposits pledged	(311)	306
Repayment of finance lease liabilities, net	(165)	(148)
	<hr/>	<hr/>
Net cash from/(used in) financing activities	8,204	(1,366)
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	6,201	(1,883)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of year	7,438	9,321
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	13,639	7,438
	<hr/>	<hr/>

Note to statement of cash flows

A. Cash and cash equivalents

	30/06/2012 RM'000	30/06/2011 RM'000
Continuing operations:		
Cash and bank balances	7,039	15,493
Less: Bank overdrafts	-	(705)
Less: Short-term bank deposits pledged	-	(7,350)
	<u>7,039</u>	<u>7,438</u>
Discontinued operations:		
Cash and bank balances	14,665	-
Less: Bank overdrafts	(404)	-
Less: Short-term bank deposits pledged	(7,661)	-
	<u>6,600</u>	<u>-</u>
Cash and cash equivalents	<u>13,639</u>	<u>7,438</u>

B. Cash flow attributable to discontinued operations

The cash flows attributable to HMSC Group are as follows:

	Financial Year Ended	
	30/06/2012 RM'000	30/06/2011 RM'000
Operating	1,696	3,787
Investing	(122)	(564)
Financing	<u>(1,534)</u>	<u>(1,403)</u>
Net cash inflows	<u>40</u>	<u>1,820</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 →						Non-controlling 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	Accumulated losses RM'000	Total RM'000		
Group 2012								
Beginning of financial year	260,122	(201,554)	13,429	6	(13,786)	58,217	(880)	57,337
Total comprehensive income/(loss)	-	-	-	-	(15,981)	(15,981)	192	(15,789)
Issuance of new ordinary shares	9,809	-	-	-	-	9,809	-	9,809
Share issue expenses	(71)	-	-	-	-	(71)	-	(71)
Issuance of new ordinary shares to non-controlling interests	-	-	-	-	-	-	40	40
End of financial year	<u>269,860</u>	<u>(201,554)</u>	<u>13,429</u>	<u>6</u>	<u>(29,767)</u>	<u>51,974</u>	<u>(648)</u>	<u>51,326</u>
2011								
Beginning of financial year	260,083	(201,554)	13,431	5	(138)	71,827	(682)	71,145
Total comprehensive loss	-	-	-	1	(13,648)	(13,647)	(198)	(13,845)
Issuance of new ordinary shares pursuant to exercise of warrants	39	-	(2)	-	-	37	-	37
End of financial year	<u>260,122</u>	<u>(201,554)</u>	<u>13,429</u>	<u>6</u>	<u>(13,786)</u>	<u>58,217</u>	<u>(880)</u>	<u>57,337</u>

	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
2012				
Beginning of financial year	260,122	13,429	(4,289)	269,262
Total comprehensive loss	-	-	(120,198)	(120,198)
Issuance of new ordinary shares	9,809	-	-	9,809
Share issue expenses	(71)	-	-	(71)
	<u>269,860</u>	<u>13,429</u>	<u>(124,487)</u>	<u>158,802</u>
End of financial year	<u>269,860</u>	<u>13,429</u>	<u>(124,487)</u>	<u>158,802</u>

2011

Beginning of financial year	260,083	13,431	(4,570)	268,944
Total comprehensive income	-	-	281	281
Issuance of new ordinary shares pursuant to exercise of warrants	39	(2)	-	37
	<u>260,122</u>	<u>13,429</u>	<u>(4,289)</u>	<u>269,262</u>
End of financial year	<u>260,122</u>	<u>13,429</u>	<u>(4,289)</u>	<u>269,262</u>

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, against the total number of issued shares excluding treasury shares of the issuer, 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 April 2012	59,340,895
Issuance of new ordinary shares on 18 May 2012	<u>10,000,000</u>
Balance at 30 June 2012	<u>69,340,895</u>

The number of shares that may be issued on conversion of the Company's outstanding warrants as at the end of financial year is as follow:

	30/06/2012	30/06/2011
Total number of shares that may be issued on conversion of the Company's outstanding warrants	<u>58,657,027</u>	<u>58,657,027</u>

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.

	30/06/2012	30/06/2011
Total number of issued shares excluding treasury shares	<u>69,340,895</u>	<u>59,340,895</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 2011, except as disclosed in Section 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 July 2011. 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.

Group loss used for the calculation of basic loss per share:

	Financial Year Ended	
	30/06/2012	30/06/2011
<u>Continuing operations:</u>		
Net loss attributable to equity holders of the Company (RM'000)	(5,035)	(5,026)
Weighted average number of shares ('000)	60,519	59,339
Basic loss per share (RM cents)	<u>(8.3)</u>	<u>(8.5)</u>

Discontinued operations:

Net loss attributable to equity holders of the Company (RM'000)	(10,946)	(8,622)
Weighted average number of shares ('000)	60,519	59,339
Basic loss per share (RM cents)	<u>(18.1)</u>	<u>(14.5)</u>
Total basic loss per share (RM cents)	<u>(26.4)</u>	<u>(23.0)</u>

(a) Diluted loss per share

The Company's dilutive potential ordinary shares are the warrants. However, no diluted loss per share has been presented as the exercise of the dilutive warrants would result in anti-dilution of loss per share.

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	
	30/06/2012	30/06/2011	30/06/2012	30/06/2011
Net asset value per ordinary share	<u>RM0.74</u>	<u>RM0.97</u>	<u>RM2.29</u>	<u>RM4.54</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

Financial Year Ended 30 June 2012 ("FY12") vs. Financial Year Ended 30 June 2011 ("FY11")

Continuing operations

In FY12, the Group recorded a lower revenue of RM157,000 as compared to RM255,000 in FY11.

Lower general and administration expenses coupled with lower other income in FY12 resulted in a net loss of RM5.0 million, which is comparable to the net loss recorded in FY11.

Discontinued operations

Revenue in FY12 amounted to RM20.4 million, up by RM2.1 million as compared to FY11. The increase was mainly due to higher sale of burial plots and tomb construction which increased by RM2.2 million and RM812,000 respectively. The gross margin of 40% in FY12 was lower than the 53% in FY11 due to the higher proportion of sale of lower margin burial plots at the new Kota Kinabalu facility.

Continued efforts in cost control as well as lower cash incentives resulted in a lower operating expenses which reduced from RM14.7 million in FY11 to RM11.0 million in FY12. However, higher allowance for impairment of trade receivable of RM7.3 million in FY12 as compared to RM2.8 million in FY11 resulted in loss before income tax of RM10.7 million, higher than RM8.8 million recorded in FY11.

Overall Group

The net loss recorded by the Group was RM15.8 million, RM1.9 million higher than the net loss seen in FY11.

B. Review of Financial Position

The review of financial position below reflects the aggregate of the continuing and discontinued operations.

There were no major variances in the Group's balance sheet as at 30 June 2012 compared to 30 June 2011 except as discussed below:

1. Cash and bank balances increased by RM6.2 million to RM21.7 million largely due to the net proceeds from the issuance of new ordinary shares during the financial year; and
2. Current trade and other receivables dropped by RM7.0 million, mainly attributable to the collections during the year and additional allowance for impairment of trade and other receivables made during the year of RM7.3 million.

C. Review of Cash Flow

In FY12, the Group recorded an increase in cash and cash equivalents of RM6.2 million. This increase arose primarily from the net proceeds from the issuance of new ordinary shares during the year of RM9.7 million. The increase was partly offset by a net cash outflow of RM1.9 million in operating activities. This cash outflow was a result of higher operating loss before working capital changes of RM14.4 million offset by positive changes in working capital of RM12.7 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.

A. Bereavement care business

As mentioned in Paragraph 1a(ii), the Proposed Disposal of UUMC was completed on 30 July 2012. The disposal of UUMC will significantly impact the revenue of the Group in next financial year. However, we believe that the disposal of the loss making UUMC will benefit the Group.

With the completion of the Proposed Disposal of UUMC and the RM4.4 million cash receipt from the disposal, we will utilize our resources to develop our memorial park and augment the range of products and services available for the premium markets. We believe that these efforts will enable us to maintain our standing as the premier brand in Malaysia's bereavement care industry.

B. Proposed Acquisition of BEEGL-K and BEEGL-S

As mentioned in Paragraph 1(a)(ii), the Company has entered into a Sale and Purchase Agreement ("SPA") to acquire 100% equity interest in BEEGL-K and BEEGL-S from Bright Eagle Enterprises Group Limited ("BEEGL"). BEEGL has secured two joint development agreements ("JDAs") for the conversion of up to seven fuel oil-based power generation units into coal-based power generators in Pakistan. BEEGL-K and BEEGL-S are two special purpose vehicles incorporated by BEEGL to carry out the rights and obligations of the JDAs. Pursuant to the SPA, the remaining bereavement care business of the Group will be transferred to BEEGL.

The Proposed Acquisition will change the Group's core business from bereavement care to the provision of engineering solutions in the power generation industry. As announced on 16 August 2012, the Company has extended the Long Stop Date (as defined in the SPA) by another four months to 16 December 2012.

The Proposed Acquisition is expected to take more than six months to complete and is not expected to have any significant impact on the Group in the next reporting period.

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 financial year ended 30 June 2012.

13. Utilisation of Proceeds

As at 30 June 2012, the status in terms of utilisation of proceeds from the issuance of 10,000,000 new ordinary shares at \$0.40 per share which completed on 18 May 2012 was as follows:

Purpose	Actual utilisation S\$'000	As a percentage of gross proceeds %	Proposed utilisation ratio %
General working capital	1,185	29.6	30-60*
Expenses in relation to the Proposed Acquisition	32	0.8	30-60*
Share issue expense	9	0.2	^
Total	<u>1,226</u>	<u>30.6</u>	

Note:

* Proposed utilisation ratio as a percentage of net proceeds, after deducting all share issue expenses.

^ Share issue expense is estimated to be S\$30,000.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL-YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group is organised into business units based on both geography and business segment. The Group had only one reportable operating segment; provision of bereavement care business in Malaysia which includes provision of burial plots, provision of columbarium niches, provision of burial niches, provision of funeral services and construction of tombs.

The Group's revenue and profit for the financial years ended 30 June 2012 and 30 June 2011 were derived mainly from the sale of burial plots to customers in Malaysia. The principal assets employed by the Group are located in Malaysia as well. Accordingly, no segmental information has been presented.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to Section 8 for a review of the Group's performance.

16. A breakdown of sales

	Latest financial year RM'000	Previous financial year RM'000	Increase/ (decrease) %
(a) Sales reported for first half year			
- Continuing operations	79	126	(37.3)
- Discontinued operations	5,632	9,695	(41.9)
(b) Operating loss after tax before deducting non- controlling interests reported for first half year			
- Continuing operations	(2,318)	(2,812)	(17.6)
- Discontinued operations	(1,692)	(1,125)	50.4
(c) Sales reported for second half year			
- Continuing operations	78	129	(39.5)
- Discontinued operations	14,743	8,575	71.9
(d) Operating loss after tax before deducting non- controlling interests reported for second half year			
- Continuing operations	(2,717)	(2,214)	22.7
- Discontinued operations	(9,062)	(7,695)	17.8

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

- (a) Ordinary**
- (b) Preference**
- (c) Total**

Not applicable.

18. Interested-persons transactions

Not applicable.

BY ORDER OF THE BOARD

Lee Keng Mun
Chief Financial Officer
29 August 2012