



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Dividend Announcement for the Third Quarter Ended 31 March 2013

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	3rd Qtr Ended 31/03/13 RM'000	31/03/12 RM'000	Increase/ (decrease) %	9 Months Ended 31/03/13 RM'000	31/03/12 RM'000	Increase/ (decrease) %
<u>Continuing operations</u>							
Revenue		40	39	2.6	120	118	1.7
Cost of sales		-	-	-	-	-	-
Gross profit		40	39	2.6	120	118	1.7
Other (losses)/gains, net		(12)	(5)	140.0	(2)	96	n.m.
Expenses							
- Selling and distribution		(21)	(23)	(8.7)	(49)	(50)	(2.0)
- General and administrative		(1,035)	(1,009)	2.6	(3,402)	(3,480)	(2.2)
Loss before income tax		(1,028)	(998)	3.0	(3,333)	(3,316)	0.5
Income tax		-	-	-	-	-	-
Loss from continuing operations		(1,028)	(998)	3.0	(3,333)	(3,316)	0.5
<u>Discontinued operations</u>							
Loss from discontinued operations	A	(803)	(332)	141.9	(497)	(2,024)	(75.4)
Total loss	B	<u>(1,831)</u>	<u>(1,330)</u>	37.7	<u>(3,830)</u>	<u>(5,340)</u>	(28.3)
Other comprehensive income, net of tax							
Currency translation differences arising from consolidation		-	-	n.m.	(8)	-	n.m.
Total comprehensive loss		<u>(1,831)</u>	<u>(1,330)</u>	37.7	<u>(3,838)</u>	<u>(5,340)</u>	(28.1)

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 had 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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	3rd Qtr Ended		Increase/	9 Months Ended		Increase/
Note	31/03/13	31/03/12	(decrease)	31/03/13	31/03/12	(decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
Total loss attributable to:						
Equity holders of the Company	(1,831)	(1,851)	(1.1)	(3,811)	(5,466)	(30.3)
Non-controlling interests	<u>-</u>	<u>521</u>	n.m.	<u>(19)</u>	<u>126</u>	n.m.
	<u>(1,831)</u>	<u>(1,330)</u>	37.7	<u>(3,830)</u>	<u>(5,340)</u>	(28.3)
Total comprehensive loss attributable to:						
Equity holders of the Company	(1,831)	(1,851)	(1.1)	(3,819)	(5,466)	(30.1)
Non-controlling interests	<u>-</u>	<u>521</u>	n.m.	<u>(19)</u>	<u>126</u>	n.m.
	(1,831)	(1,330)	37.7	(3,838)	(5,340)	(28.1)

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 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 Capital Sdn Bhd (“HMSC”), a wholly owned subsidiary of the Company, 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. The details of the Proposed Acquisition were announced on 17 April 2012.

As at 31 March 2013, the assets and liabilities related to HMSC and its subsidiaries (collectively “HMSC Group”) had 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 had been presented separately in the statement of comprehensive income as “Profit/(loss) from discontinued operations”.

The results of the discontinued operations for the period ended 31 March 2013, and the re-measurement of the disposal group are as follows:

	3rd Qtr Ended		Increase/ (decrease)	9 Months Ended		Increase/ (decrease)
	31/03/13	31/03/12		31/03/13	31/03/12	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	2,187	8,855	(75.3)	7,163	14,487	(50.6)
Cost of sales	<u>(1,072)</u>	<u>(6,768)</u>	<u>(84.2)</u>	<u>(3,298)</u>	<u>(9,647)</u>	<u>(65.8)</u>
Gross profit	1,115	2,087	(46.6)	3,865	4,840	(20.1)
Other gains, net	1,853	517	258.4	3,838	1,983	93.5
Expenses						
- Selling and distribution	(2,026)	(179)	1,031.8	(2,918)	(1,429)	104.2
- General and administration	(1,714)	(2,314)	(25.9)	(5,230)	(6,417)	(18.5)
- Finance	<u>(31)</u>	<u>(248)</u>	<u>(87.5)</u>	<u>(144)</u>	<u>(757)</u>	<u>(81.0)</u>
Loss before tax from discontinued operations	(803)	(137)	486.1	(589)	(1,780)	(66.9)
(Income tax)/tax credit	<u>-</u>	<u>(195)</u>	<u>n.m.</u>	<u>92</u>	<u>(244)</u>	<u>n.m.</u>
Loss from discontinued operations	<u>(803)</u>	<u>(332)</u>	141.9	<u>(497)</u>	<u>(2,024)</u>	(75.4)
Loss attributable to equity holders of the Company relates to:						
- Loss from continuing operations	(1,028)	(998)	3.0	(3,333)	(3,316)	0.5
- Loss from discontinued operations	<u>(803)</u>	<u>(853)</u>	<u>(5.9)</u>	<u>(478)</u>	<u>(2,150)</u>	<u>(77.8)</u>
Total	<u>(1,831)</u>	<u>(1,851)</u>	(1.1)	<u>(3,811)</u>	<u>(5,466)</u>	(30.3)

n.m. = Not meaningful.

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

	Note	3rd Qtr Ended		Increase/ (decrease)	9 Months Ended		Increase/ (decrease)
		31/03/13	31/03/12		31/03/13	31/03/12	
		RM'000	RM'000	%	RM'000	RM'000	%
Gain on disposal of subsidiaries	(i)	-	-	-	(1,692)	-	n.m.
Reversal of allowances for impairment of trade and other receivables	(ii)	(1,686)	(437)	285.8	(1,990)	(1,920)	3.6
Interest income:							
- Bank balances		(54)	(56)	(3.6)	(177)	(160)	10.6
Interest expenses:							
- Bank borrowings	(iii)	38	84	(54.8)	122	264	(53.8)
- Adjustment of other payable to amortised cost	(iv)	-	164	n.m.	-	493	n.m.
Depreciation of property, plant and equipment	(v)	111	145	(23.4)	351	431	(18.6)
Operating lease expenses	(vi)	214	242	(11.6)	655	755	(13.2)
Goodwill written off		-	-	-	196	-	n.m.

n.m. = Not meaningful.

Note (i)

On 30 July 2012, the Group completed the disposal of its entire equity interest in 175,000 shares of U&U Memorial Corporation (M) Sdn Bhd (“UUMC”), which represented 70% of the issued and paid-up share capital of UUMC, for a cash consideration of RM4,400,000 (“UUMC Disposal”). The UUMC Disposal has resulted in a gain of RM1,692,000 for the Group.

Note (ii)

There was a higher reversal of allowances for impairment of trade and other receivables in 3Q FY13 mainly because of an improvement in collections from doubtful accounts.

Note (iii)

The reduction in interest on bank borrowings was in line with the completion of the UUMC Disposal on 30 July 2012 as well as settlement of the Group’s term loan in July 2012.

Note (iv)

There was no adjustment of other payable to amortised cost in 9M FY13 as this other payable was stated at their settlement value as at 30 June 2012 and no further adjustment to amortised cost is required.

Note (v)

Lower depreciation of property, plant and equipment was attributable mainly to lower depreciable assets resulting from the completion of the UUMC Disposal.

Note (vi)

Operating lease expenses were lower mainly because of the completion of the UUMC Disposal on 30 July 2012.

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 immediately preceding financial year.

	Group		Company	
	31/03/13	30/06/12	31/03/13	30/06/12
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Current assets				
Cash and bank balances	3,241	7,039	3,241	7,039
Trade and other receivables	-	-	44,005	42,903
Other current assets	350	274	350	274
	<u>3,591</u>	<u>7,313</u>	<u>47,596</u>	<u>50,216</u>
Assets of disposal group classified as held-for-sale (Note (vii))	68,042	85,914	-	-
	<u>71,633</u>	<u>93,227</u>	<u>47,596</u>	<u>50,216</u>
Non-current assets				
Investment in subsidiaries	-	-	109,169	109,169
Property, plant and equipment	144	178	144	178
	<u>144</u>	<u>178</u>	<u>109,313</u>	<u>109,347</u>
Total assets	<u>71,777</u>	<u>93,405</u>	<u>156,909</u>	<u>159,563</u>
LIABILITIES				
Current liabilities				
Other payables	302	744	302	744
Current income tax liabilities	-	17	-	17
	<u>302</u>	<u>761</u>	<u>302</u>	<u>761</u>
Liabilities directly associated with disposal group classified as held-for-sale (Note (vii))	23,320	41,318	-	-
	<u>23,622</u>	<u>42,079</u>	<u>302</u>	<u>761</u>
Total liabilities	<u>23,622</u>	<u>42,079</u>	<u>302</u>	<u>761</u>
Net assets	<u>48,155</u>	<u>51,326</u>	<u>156,607</u>	<u>158,802</u>

	Group		Company	
	31/03/13	30/06/12	31/03/13	30/06/12
	RM'000	RM'000	RM'000	RM'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	269,860	269,860	269,860	269,860
Restructuring reserve	(201,554)	(201,554)	-	-
Warrant reserve	13,429	13,429	13,429	13,429
Foreign currency translation reserve	(2)	6	-	-
Accumulated losses	(33,578)	(29,767)	(126,682)	(124,487)
	<hr/>	<hr/>	<hr/>	<hr/>
	48,155	51,974	156,607	158,802
Non-controlling interests	-	(648)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total equity	48,155	51,326	156,607	158,802

Note (vii)

The major classes of assets and liabilities of the disposal group classified as held-for-sale as at 31 March 2013 are as follows:

	Group	
	31/03/13	30/06/12
	RM'000	RM'000
Assets:		
Cash and bank balances	13,546	14,665
Trade and other receivables	7,394	9,473
Inventories and development expenditure	45,861	51,338
Other current assets	190	886
Property, plant and equipment	1,051	1,714
Intangible asset	-	7,838
	<hr/>	<hr/>
Assets of disposal group classified as held-for-sale	68,042	85,914
	<hr/>	<hr/>
Liabilities:		
Trade and other payables	9,260	26,371
Borrowings	285	1,069
Other payable – non-current	13,775	13,775
Deferred income tax liabilities	-	103
	<hr/>	<hr/>
Liabilities directly associated with disposal group classified as held-for-sale	23,320	41,318
	<hr/>	<hr/>
Net assets directly associated with disposal group classified as held-for-sale	44,722	44,596
	<hr/>	<hr/>

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

Amount repayable in one year or less, or on demand:

	As at 31/03/13		As at 30/06/12	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease liabilities	81	-	157	-
Bank borrowings:				
Bank overdraft	-	-	404	-
Term loan	-	-	96	-

Amount repayable after one year:

	As at 31/03/13		As at 30/06/12	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease liabilities	204	-	412	-

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.

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.

	3rd Qtr Ended		9 Months Ended	
	31/03/13	31/03/12	31/03/13	31/03/12
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Total loss	(1,831)	(1,330)	(3,830)	(5,340)
Adjustments for:				
(Tax credit)/income tax	-	195	(92)	244
Interest income	(54)	(56)	(177)	(161)
Depreciation of property, plant and equipment	111	145	351	431
Loss/(gain) on disposal of property, plant and equipment	-	-	1	(15)
Property, plant and equipment written off	-	-	-	17
Gain on disposal of subsidiaries	-	-	(1,692)	-
Goodwill written off	-	-	196	-
Interest expense	31	248	144	757
Exchange differences arising from consolidation	-	-	(8)	-
	(1,743)	(798)	(5,107)	(4,067)
Changes in working capital				
Inventories and development expenditure	22	1,206	(593)	(286)
Trade and other receivables	317	(1,882)	1,003	(1,185)
Other current assets	(8)	81	34	243
Trade and other payables	(145)	557	(552)	1,910
Cash used in operations	(1,557)	(836)	(5,215)	(3,385)
Income tax refunded/(paid), net	267	(5)	560	(145)
Interest received	54	56	177	160
Net cash used in operating activities	(1,236)	(785)	(4,478)	(3,370)
Cash flows from investing activities				
Additions to property, plant and equipment	(11)	(9)	(46)	(122)
Proceeds from disposal of property, plant and equipment	-	3	1	25
Acquisition of non-controlling interests	-	-	(40)	-
Cash flow from disposal of subsidiaries	-	-	370	-
Net cash (used in)/from investing activities	(11)	(6)	285	(97)
Cash flows from financing activities				
Drawdown of borrowings	-	761	-	761
Repayment of borrowings	-	(274)	(96)	(813)
Increase in bank deposits pledged	(55)	(147)	(153)	(234)
Repayment of finance lease liabilities, net	(33)	(44)	(102)	(120)
Interest paid	(38)	(84)	(122)	(264)
Net cash (used in)/from financing activities	(126)	212	(473)	(670)
Net decrease in cash and cash equivalents	(1,373)	(579)	(4,666)	(4,137)
Cash and cash equivalents at beginning of period	10,346	3,880	13,639	7,438
Cash and cash equivalents at end of period	8,973	3,301	8,973	3,301

Note to statement of cash flows**A. Cash and cash equivalents**

	Group	
	31/03/13	31/03/12
	RM'000	RM'000
<i>Continuing operations:</i>		
Cash and bank balances	3,241	257
Less: Bank overdrafts	-	-
Less: Bank deposits pledged	-	-
	<u>3,241</u>	<u>257</u>
<i>Discontinued operations:</i>		
Cash and bank balances	13,546	11,283
Less: Bank overdrafts	-	(655)
Less: Bank deposits pledged	(7,814)	(7,584)
	<u>5,732</u>	<u>3,044</u>
Cash and cash equivalents	<u><u>8,973</u></u>	<u><u>3,301</u></u>

B. Cash flows attributable to discontinued operations

The impact of the discontinued operations on the cash flows of the Group is as follows:

	3rd Qtr Ended		9 Months Ended	
	31/03/13	31/03/12	31/03/13	31/03/12
	RM'000	RM'000	RM'000	RM'000
Operating cash outflows	(92)	(226)	(680)	(1,030)
Investing cash (outflows)/inflows	(10)	(6)	285	(97)
Financing cash outflows	<u>(173)</u>	<u>(465)</u>	<u>(473)</u>	<u>(1,167)</u>
Net cash outflows	<u><u>(275)</u></u>	<u><u>(697)</u></u>	<u><u>(868)</u></u>	<u><u>(2,294)</u></u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalising issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company							
	Share capital	Restructuring reserve	Warrant reserve	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
9 months ended								
31 March 2013								
Beginning of financial period	269,860	(201,554)	13,429	6	(29,767)	51,974	(648)	51,326
Total comprehensive loss	-	-	-	(8)	(3,811)	(3,819)	(19)	(3,838)
Disposal of subsidiaries	-	-	-	-	-	-	511	511
Acquisition of non-controlling interests	-	-	-	-	-	-	156	156
End of financial period	<u>269,860</u>	<u>(201,554)</u>	<u>13,429</u>	<u>(2)</u>	<u>(33,578)</u>	<u>48,155</u>	<u>-</u>	<u>48,155</u>
9 months ended								
31 March 2012								
Beginning of financial period	260,122	(201,554)	13,429	6	(13,786)	58,217	(880)	57,337
Total comprehensive loss	-	-	-	-	(5,466)	(5,466)	126	(5,340)
End of financial period	<u>260,122</u>	<u>(201,554)</u>	<u>13,429</u>	<u>6</u>	<u>(19,252)</u>	<u>52,751</u>	<u>(754)</u>	<u>51,997</u>

	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
9 months ended 31 March 2013				
Beginning of financial period	269,860	13,429	(124,487)	158,802
Total comprehensive loss	-	-	(2,195)	(2,195)
End of financial period	269,860	13,429	(126,682)	156,607
9 months ended 31 March 2012				
Beginning of financial period	260,122	13,429	(4,289)	269,262
Total comprehensive loss	-	-	(117,205)	(117,205)
End of financial period	260,122	13,429	(121,494)	152,057

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.

There have been no changes in the Company's share capital since the end of the previous period reported on.

The Company did not have any treasury shares as at 31 March 2013.

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

	31/03/13	31/03/12
Total number of shares that may be issued on conversion of the Company's outstanding warrants	58,657,027	58,657,027

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 immediately preceding financial year.

	31/03/13	30/06/12
Total number of issued shares excluding treasury shares	69,340,895	69,340,895

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 as the Company did not have any treasury shares as at 31 March 2013.

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 2012

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 Interpretations of FRS ("INT FRS") that are relevant to its operations and effective from annual periods beginning on or after 1 July 2012. 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.**

a) Basic loss per share

	<u>Continuing operations</u>		<u>Discontinued operations</u>		<u>Total</u>	
9 Months Ended	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Net loss attributable to equity holders of the Company (RM'000)	(3,333)	(3,316)	(478)	(2,150)	(3,811)	(5,466)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	69,341	59,341	69,341	59,341	69,341	59,341
Basic loss per share (RM cents per share)	<u>(4.8)</u>	<u>(5.6)</u>	<u>(0.7)</u>	<u>(3.6)</u>	<u>(5.5)</u>	<u>(9.2)</u>

3rd Quarter Ended	<u>Continuing operations</u>		<u>Discontinued operations</u>		<u>Total</u>	
	31/03/13	31/03/12	31/03/13	31/03/12	31/03/13	31/03/12
Net loss attributable to equity holders of the Company (RM'000)	(1,028)	(998)	(803)	(853)	(1,831)	(1,851)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	69,341	59,341	69,341	59,341	69,341	59,341
Basic loss per share (RM cents per share)	<u>(1.5)</u>	<u>(1.7)</u>	<u>(1.1)</u>	<u>(1.4)</u>	<u>(2.6)</u>	<u>(3.1)</u>

b) Diluted loss per share

The Company's dilutive potential ordinary shares are the warrants. However, no diluted loss per share was presented as the exercise of the 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 excluding treasury shares of the issuer at the end of the :-

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	31/03/13	30/06/12	31/03/13	30/06/12
Net asset value per ordinary share	<u>RM0.69</u>	<u>RM0.74</u>	<u>RM2.26</u>	<u>RM2.29</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

Third Quarter Ended 31 March 2013 ("3Q FY13") vs Third Quarter Ended 31 March 2012 ("3Q FY12")

Continuing operations

The Group's revenue and loss after income tax in 3Q FY13 were on a par with those recorded in 3Q FY12, amounting to RM40,000 and RM1.0 million respectively.

Discontinued operations

Revenue and gross profit

Revenue was lower in 3Q FY13 mainly because of the exclusion of UUMC Group's revenue upon completion of the UUMC Disposal on 30 July 2012. In line with the lower revenue, gross profit amounted to RM1.1 million in 3Q FY13, compared with RM2.1 million in 3Q FY12. However, the gross profit margin increased by 27.4%, which was attributable mainly to the higher proportion of sales of premium products offered by Semenyih Memorial Hills, which earned better margins.

Other gains, net

There were higher other gains, net in 3Q FY13 mainly because of a higher reversal of allowances for impairment loss of trade receivables amounting to RM1.7 million.

Selling and distribution expenses

The increase in selling and distribution expenses by RM1.8 million in 3Q FY13 was attributable mainly to higher incentives of RM1.7 million (3Q FY12: RM6,000) given to customers to encourage them to complete their burial plot purchases promptly.

General and administrative expenses and finance expenses

General and administrative expenses and finance expenses in 3Q FY13 were lower than in 3Q FY12 by RM600,000 and RM217,000 respectively. The improvement was attributable mainly to exclusion of UUMC's expenses upon the completion of the UUMC Disposal on 30 July 2012.

Net loss

The Group reported a loss after income tax of RM803,000, which was greater than the RM332,000 posted in 3Q FY12. This was mainly due to lower gross profit and higher selling and distribution expenses despite having recorded higher other gains and lower general and administrative expenses as discussed above.

Overall group

The net loss recorded by the Group was RM1.8 million, comparable to the RM1.9 million posted in 3Q FY12.

9 Months Ended 31 March 2013 ("9M FY13") vs 9 Months Ended 31 March 2012 ("9M FY12")

Continuing operations

Revenue and net loss for 9M FY13 amounted to RM120,000 and RM3.3 million respectively. The levels were largely unchanged from those seen in 9M FY12.

Discontinued operations

Revenue and gross profit

Revenue in 9M FY13 stood at RM7.2 million, RM7.3 million lower than that recorded in 9M FY12. The decrease in revenue arose mainly from the exclusion of UUMC Group's revenue upon the completion of the UUMC Disposal.

Gross profit amounted to RM3.9 million, which is in line with the lower sales recorded in 9M FY12. However, gross margins improved to 54% from 33% in 9M FY12. The improvement was due mainly to exclusion of low-margin sales from UUMC upon the completion of the UUMC Disposal in July 2012.

Other gains, net

The Group's other gains, net stood at RM3.8 million for 9M FY13, up RM1.9 million from levels in 9M FY12. These other gains consist mainly of a gain of RM1.7 million from the UUMC Disposal and a reversal of allowances for impairment loss of trade receivables amounting to RM2.0 million.

Selling and distribution expenses

The increase in selling and distribution expenses by RM1.5 million in 9M FY13 was attributable mainly to higher incentives of RM1.9 million (9M FY12: RM121,000) given to customers.

General and administrative expenses and finance expenses

General and administrative expenses and finance expenses in 9M FY13 were lower than in 9M FY12 by RM1.2 million and RM613,000 respectively. The improvement was attributable mainly to exclusion of UUMC's expenses upon the completion of the UUMC Disposal on 30 July 2012.

Tax credit

The tax credit of RM92,000 reported in 9M FY13 was a result of the reversal of deferred tax liabilities, which are no longer required.

Net loss

The Group reported a loss after income tax of RM497,000 in 9M FY13 as compared with a loss after income tax of RM2.0 million in 9M FY12.

Overall group

The Group's net loss in 9M FY13 was an improvement over that seen in 9M FY12, amounting to RM3.8 million, compared with the RM5.3 million recorded previously.

B. Review of Financial Position

Cash and bank balances

Cash and bank balances decreased by RM3.8 million in 9M FY13. The decrease was attributable mainly to the utilisation of funds for operating activities.

Other current assets

The RM76,000 increase in other current assets in 9M FY13 was due mainly to higher prepaid expenses as at 31 March 2013.

Property, plant and equipment

Property, plant and equipment decreased by RM34,000 in 9M FY13. The decrease was due solely to depreciation charge for the period.

Other payables

The RM442,000 decrease in other payables of in 9M FY13 was attributable mainly to the settlement of amounts owing to other creditors.

Current income tax liabilities

The decrease of current income tax liabilities in 9M FY13 was due solely to the payment of income tax instalments to the tax authority.

Assets of disposal group classified as held-for-sale and liabilities directly associated with disposal group classifies as held-for-sale

The decrease in the assets of the disposal group classified as held-for-sale and the liabilities directly associated with the disposal group classified as held-for-sale was in line with the deconsolidation of UUMC's balance sheet from the Group's statement of financial position upon completion of the UUMC Disposal.

C. Review of Cash Flow

The Group recorded a RM4.7 million decrease in cash and cash equivalents in 9M FY13. The decrease was attributed primarily to the following:

- i.) net cash used in operating activities of RM4.5 million. This negative cash flow recorded in operating activities was attributable mainly to an operating loss before working capital changes of RM5.1 million offset by the tax refunded of RM560,000.
- ii.) Net cash used in financing activities of RM473,000. The cash outflows from financing activities arose from the repayment of bank borrowings and related interest totalling RM320,000 as well as a RM153,000 increase in bank deposits pledged.

The decrease was offset partially by a net cash inflow of RM370,000 from the disposal of UUMC.

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

The Malaysia Parliament was dissolved on 3 April 2013 and polling day was set for 5 May 2013. The Group expects trading conditions to remain difficult over the next quarter as investors and potential customers will hold back purchases of our pre-need products because of concerns over the results of the general election.

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 a 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 17 December 2012, the Company extended the Long Stop Date (as defined in the SPA) by another four months, until 16 April 2013 subject to the following conditions:

- (a) BEEGL will consider the Company's suggestions and carry out a restructuring and optimisation of its existing shareholders and project participants in order to increase the reliability and feasibility of the projects (the "Restructuring and Optimisation").
- (b) The Restructuring and Optimisation shall be completed prior to the expiry of the Long Stop Date which might involve the projects contemplated under the SPA being carried out by or assigned to affiliated parties of BEEGL, subject to the required approval for such interested-party transactions being obtained.

As announced on 16 April 2013, the Long Stop Date has been further extended by one month, until 16 May 2013, for BEEGL to complete the Restructuring and Optimisation.

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. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to the effect.

No dividend has been declared for the quarter ended 31 March 2013.

13. If the Group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained for the quarter ended 31 March 2013.

14. Utilisation of Proceeds

On 18 May 2012, the Company completed the issuance of 10,000,000 new ordinary shares at S\$0.40 per share. The proceeds from the issuance of new shares were initially to be utilised as follows:

Use of Proceeds	Percentage Allocation (%)
i. To fund part of the Cash Consideration as defined in the Company's announcement dated 17 April 2012 (the "April Announcement"), this being one of the many components of First Consideration to be satisfied by the Company and as provided for under paragraph 3.2 of the April Announcement	50 - 70
ii. To pay for the some of the expenses incurred by the Company in connection with the Proposed Acquisition as defined in the April Announcement	10 - 30
iii. As a general working capital of the Company	10 - 30

As announced on 31 July 2012, the Company revised the intended use of the proceeds and, as at 31 March 2013, the status in terms of utilisation was as follows:

Use of Proceeds	Actual utilisation S\$'000	As a percentage of gross proceeds %	Proposed utilisation ratio %
General working capital	2,400	60.0	30-60*
Expenses in relation to the Proposed Acquisition	159	4.0	30-60*
Share issue expenses	25	0.6	^
Total	<u>2,584</u>	<u>64.6</u>	

Note:

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

^ Share issue expenses are estimated at S\$30,000.

With respect to the S\$2,400,000 used for general working capital, the breakdown is as follows:

General working capital – Purpose of utilisation	Percentage utilised (%)
Payment of employee compensation and directors' fees	52.8
Payment of office overheads	26.8
Payment of professional fees and other compliance costs	14.0
Payments to suppliers	6.4
Total	<u>100.0</u>

The use of the proceeds is in accordance with the stated use.

BY ORDER OF THE BOARD

Lee Keng Mun
Chief Financial Officer
30 April 2013



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

CONFIRMATION BY THE BOARD

We, Dato' Dr Choo Yeow Ming and Lee Keng Mun, 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 nine months and the third quarter ended 31 March 2013 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

(SIGNED)

(SIGNED)

Dato' Dr Choo Yeow Ming
Director

Lee Keng Mun
Director

30 April 2013