



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Dividend Announcement for the Half-Year And Second Quarter Ended 31 December 2014

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	2nd Qtr Ended 31/12/14 RM'000	31/12/13 RM'000	Increase/ (decrease) %	Half-Year Ended 31/12/14 RM'000	31/12/13 RM'000	Increase/ (decrease) %
<u>Continuing operations</u>							
Revenue		47	47	-	94	94	-
Cost of sales		-	-	-	-	-	-
Gross profit		47	47	-	94	94	-
Other (loss)/gains, net		(1,954)	(47)	4,057.4	(519)	113	n.m.
General and administrative expenses		(1,497)	(1,607)	(6.8)	(3,220)	(2,837)	13.5
Loss before income tax		(3,404)	(1,607)	111.8	(3,645)	(2,630)	38.6
Income tax credit		-	-	-	-	-	-
Loss from continuing operations		(3,404)	(1,607)	111.8	(3,645)	(2,630)	38.6
<u>Discontinued operations</u>							
(Loss)/profit from discontinued operations	A	(4,177)	486	n.m.	(3,656)	966	n.m.
Total comprehensive loss, representing total loss	B	(7,581)	(1,121)	576.3	(7,301)	(1,664)	338.8

n.m. = Not meaningful.

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

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

The Company entered into a conditional sale-and-purchase agreement (the “SPA”) with Heng Aik Koon (the “Purchaser”) on 4 July 2014 for the sale of the entire issued and paid-up capital of HMS Capital Sdn Bhd (“HMSC”), a wholly-owned subsidiary of the Company, for a cash consideration of RM10.7 million. In compliance with the provisions of FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*, the entire assets and liabilities of HMSC have been classified as a disposal group held-for-sale on the consolidated balance sheet, and the entire results of HMSC have been presented separately in the statement of comprehensive income as “Discontinued Operations” since the financial year ended 30 June 2014.

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

	Note	2nd Qtr Ended 31/12/14 RM'000	31/12/13 RM'000	Increase/ (decrease) %	Half-Year Ended 31/12/14 RM'000	31/12/13 RM'000	Increase/ (decrease) %
Interest income:							
- Bank balances	(i)	145	99	46.5	274	187	46.5
Reversal of allowances for impairment of trade and other receivables		325	300	8.3	325	300	8.3
Interest expenses:							
- Bank borrowings	(ii)	(19)	(37)	(48.6)	(38)	(74)	(48.6)
- Adjustment of trade receivables to amortised cost	(ii)	(131)	-	n.m.	(131)	-	n.m.
Depreciation of property, plant and equipment	(iii)	(11)	(83)	(86.7)	(22)	(163)	(86.5)
Operating lease expenses		(255)	(251)	1.6	(499)	(493)	1.2
Foreign exchange gain/(loss)	(iv)	585	103	467.0	(4)	28	n.m.
Investment income:							
- Fair value loss on financial assets held for trading	(v)	(2,906)	-	n.m.	(1,668)	-	n.m.
- Gain on disposal/redemption of financial assets held for trading	(v)	-	-	-	410	-	n.m.
- Dividend income	(v)	439	-	n.m.	739	-	n.m.
Write-down of inventories and development expenditure	(vi)	(4,591)	-	n.m.	(4,591)	-	n.m.

n.m. = Not meaningful.

Note (i)

The increase in interest income in 2QFY15 and 1HFY15 was in line with the increase in average deposits placed with the banks.

Note (ii)

The increase in interest expenses in 2QFY15 and 1HFY15 was due mainly to the adjustment of trade receivables to amortised cost. It was offset by a decrease in bank guarantee fees charged by the bank.

Note (iii)

The decrease in depreciation of property, plant and equipment was due to the cessation of depreciation for the HMSC group’s property, plant and equipment, in accordance with the provisions laid out under FRS 105.

Note (iv)

Exchange gains in 2QFY15 arose mainly from foreign exchange gains from the revaluation of financial assets. The increase in exchange gains was in line with the strengthening of foreign currencies against the reporting currency, the Malaysian Ringgit, during 2QFY15.

Note (v)

Fair value losses, gains on the disposal/redemption of financial assets and dividend income were derived from financial assets held for trading.

Note (vi)

Inventory and development expenditure written-down in 2QFY15 and 1HFY15 was due to the write-down of unsold burial plots aged more than 3 years.

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	
	31/12/14 RM'000	30/06/14 RM'000	31/12/14 RM'000	30/06/14 RM'000
ASSETS				
Current assets				
Cash and bank balances	9,914	39,680	9,914	39,680
Financial assets, at fair value through profit or loss	36,503	25,584	36,503	25,584
Other receivables	4,297	2,995	4,297	2,995
Other current assets	267	346	267	346
	<u>50,981</u>	<u>68,605</u>	<u>50,981</u>	<u>68,605</u>
Assets of disposal group classified as held-for-sale	<u>74,549</u>	<u>74,425</u>	<u>16,523</u>	<u>13,651</u>
	<u>125,530</u>	<u>143,030</u>	<u>67,504</u>	<u>82,256</u>
Non-current assets				
Investment in associated company	15,869	-	15,869	-
Property, plant and equipment	86	93	86	93
	<u>15,955</u>	<u>93</u>	<u>15,955</u>	<u>93</u>
Total assets	<u>141,485</u>	<u>143,123</u>	<u>83,459</u>	<u>82,349</u>
LIABILITIES				
Current liabilities				
Other payables	10,624	456	10,624	456
Bank overdraft	-	17,803	-	17,803
Current income tax liabilities	21	41	21	41
	<u>10,645</u>	<u>18,300</u>	<u>10,645</u>	<u>18,300</u>
Liabilities directly associated with disposal group classified as held-for-sale	<u>27,778</u>	<u>26,097</u>	<u>-</u>	<u>-</u>
	<u>38,423</u>	<u>44,397</u>	<u>10,645</u>	<u>18,300</u>
Net assets	<u>103,062</u>	<u>98,726</u>	<u>72,814</u>	<u>64,049</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	340,314	328,677	340,314	328,677
Restructuring reserve	(201,554)	(201,554)	-	-
Accumulated losses	(35,698)	(28,397)	(267,500)	(264,628)
Total equity	<u>103,062</u>	<u>98,726</u>	<u>72,814</u>	<u>64,049</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 31/12/14		As at 30/06/14	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Bank overdraft	-	-	-	17,803

The Group does not have any borrowings or debt securities repayable after one year.

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.

	2nd Qtr Ended		Half-Year Ended	
	31/12/14	31/12/13	31/12/14	31/12/13
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Total loss	(7,581)	(1,121)	(7,301)	(1,664)
Adjustments for:				
Depreciation of property, plant and equipment	11	83	22	163
Interest expenses	150	37	169	74
Income tax credit	-	-	-	(27)
Interest income	(145)	(99)	(274)	(187)
Translation differences	(10)	(12)	(8)	19
	<u>(7,575)</u>	<u>(1,112)</u>	<u>(7,392)</u>	<u>(1,622)</u>
Changes in working capital				
Inventories and development expenditure	4,704	511	4,354	135
Trade and other receivables	(457)	(924)	(2,161)	(955)
Other current assets	114	(1,263)	68	(1,346)
Financial assets, at fair value through profit or loss	(2,020)	-	(10,919)	-
Trade and other payables	(85)	271	706	931
	<u>(5,319)</u>	<u>(2,517)</u>	<u>(15,344)</u>	<u>(2,857)</u>
Cash used in operations				
Income tax (paid)/refunded, net	(18)	(5)	(20)	228
Interest received	145	99	274	187
	<u>(5,192)</u>	<u>(2,423)</u>	<u>(15,090)</u>	<u>(2,442)</u>
Net cash used in operating activities				
Cash flows from investing activities				
Investment in associated company	(5,290)	-	(5,290)	-
Additions to property, plant and equipment	(175)	(1,368)	(549)	(1,527)
	<u>(5,465)</u>	<u>(1,368)</u>	<u>(5,839)</u>	<u>(1,527)</u>
Net cash used in investing activities				
Cash flows from financing activities				
Proceeds from issuance of new ordinary shares	-	-	-	8,844
Share issue expenses	-	-	-	(384)
Proceeds from exercise of warrants	2,594	1,082	11,637	3,884
Increase in pledged short-term bank deposits	(610)	(850)	(697)	(3,350)
Repayment of finance lease liabilities, net	(20)	(19)	(40)	(39)
Interest paid	(19)	(37)	(38)	(74)
	<u>1,945</u>	<u>176</u>	<u>10,862</u>	<u>8,881</u>
Net cash from financing activities				
Net (decrease)/increase in cash and cash equivalents	(8,712)	(3,615)	(10,067)	4,912
Cash and cash equivalents at beginning of period	26,144	16,316	27,501	7,820
Effects of currency translation on cash and cash equivalents	10	12	8	(19)
Cash and cash equivalents at end of period	<u>17,442</u>	<u>12,713</u>	<u>17,442</u>	<u>12,713</u>

Note to statement of cash flows

A. Cash and cash equivalents

	Half-Year Ended	
	31/12/13	31/12/13
	RM'000	RM'000
<i>Continuing operations:</i>		
Cash and bank balances	9,914	23,950
Less: Pledged short-term bank deposits	-	(11,237)
	<u>9,914</u>	<u>12,713</u>
<i>Discontinued operations:</i>		
Cash and bank balances	22,063	-
Less: Pledged short-term bank deposits	(14,535)	-
	<u>7,528</u>	<u>-</u>
Cash and cash equivalents	<u><u>17,442</u></u>	<u><u>12,713</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 RM'000	Restructuring reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000
Group						
6 months ended						
31 December 2014						
Beginning of financial period	328,677	(201,554)	-	-	(28,397)	98,726
Total comprehensive loss	-	-	-	-	(7,301)	(7,301)
Issuance of new ordinary shares pursuant to exercise of warrants	11,637	-	-	-	-	11,637
End of financial period	<u>340,314</u>	<u>(201,554)</u>	<u>-</u>	<u>-</u>	<u>(35,698)</u>	<u>(103,062)</u>
6 months ended						
31 December 2013						
Beginning of financial period	269,860	(201,554)	13,429	6	(33,205)	48,536
Total comprehensive loss	-	-	-	-	(1,664)	(1,664)
Issuance of new ordinary shares	8,844	-	-	-	-	8,844
Share issue expenses	(384)	-	-	-	-	(384)
Issuance of new ordinary shares pursuant to exercise of warrants	3,884	-	-	-	-	3,884
Arising from deconsolidation of subsidiary	-	-	-	(6)	6	-
End of financial period	<u>282,204</u>	<u>(201,554)</u>	<u>13,429</u>	<u>-</u>	<u>(34,863)</u>	<u>59,216</u>

	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
6 months ended 31 December 2014				
Beginning of financial period	328,677	-	(264,628)	64,049
Total comprehensive loss	-	-	(2,872)	(2,872)
Issuance of new ordinary shares pursuant to exercise of warrants	<u>11,637</u>	<u>-</u>	<u>-</u>	<u>11,637</u>
End of financial period	<u><u>340,314</u></u>	<u><u>-</u></u>	<u><u>(267,500)</u></u>	<u><u>72,814</u></u>
6 months ended 31 December 2013				
Beginning of financial period	269,860	13,429	(124,751)	158,538
Total comprehensive loss	-	-	(1,858)	(1,858)
Issuance of new ordinary shares	8,844	-	-	8,844
Share issue expenses	(384)	-	-	(384)
Issuance of new ordinary shares pursuant to exercise of warrants	<u>3,884</u>	<u>-</u>	<u>-</u>	<u>3,884</u>
End of financial period	<u><u>282,204</u></u>	<u><u>13,429</u></u>	<u><u>(126,609)</u></u>	<u><u>169,024</u></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 was as follows:

	Number of issued shares
Balance at 1 October 2014	1,159,432,442
Issuance of new ordinary shares pursuant to the exercise of the 2014 Warrants (as defined herein)	<u>50,181,365</u>
Balance at 31 December 2014	<u><u>1,209,613,807</u></u>

The Company did not have any treasury shares as at 31 December 2014.

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

	31/12/2014	31/12/2013
- Warrants expiring on 16 May 2014 ("2009 Warrants")	-	69,385,269
- Warrants expiring on 9 December 2014 ("Introducer (MOU) Warrants")	-	11,000,000
- Warrants expiring on 20 March 2017 ("Introducer (SPA) Warrants")	68,220,900	-
- Warrants expiring on 16 July 2018 ("2013 Warrants")	4,706,029	4,647,552
- Warrants expiring on 6 May 2019 ("2014 Warrants")	370,854,966	-
	<u>443,781,895</u>	<u>85,032,821</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 immediately preceding financial year.

	31/12/14	30/06/14
Total number of issued shares excluding treasury shares	<u>1,209,613,807</u>	<u>982,031,364</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 2014, 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 Interpretations of FRS ("INT FRS") that are relevant to its operations and effective from annual periods beginning on or after 1 July 2014. 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

Half-Year Ended	<u>Continuing operations</u>		<u>Discontinued operations</u>		<u>Total</u>	
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13
Net (loss)/profit attributable to equity holders of the Company (RM'000)	<u>(3,645)</u>	<u>(2,630)</u>	<u>(3,656)</u>	<u>966</u>	<u>(7,301)</u>	<u>(1,664)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>1,139,635</u>	<u>117,173</u>	<u>1,139,635</u>	<u>117,173</u>	<u>1,139,635</u>	<u>117,173</u>
Basic (loss)/profit per share (RM sen per share)	<u>(0.32)</u>	<u>(2.2)</u>	<u>(0.32)</u>	<u>0.8</u>	<u>(0.64)</u>	<u>(1.4)</u>

2nd Qtr Ended	<u>Continuing operations</u>		<u>Discontinued operations</u>		<u>Total</u>	
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13
Net (loss)/profit attributable to equity holders of the Company (RM'000)	<u>(3,404)</u>	<u>(1,607)</u>	<u>(4,177)</u>	<u>486</u>	<u>(7,581)</u>	<u>(1,121)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>1,196,553</u>	<u>129,622</u>	<u>1,196,553</u>	<u>129,622</u>	<u>1,196,553</u>	<u>129,622</u>
Basic (loss)/profit per share (RM sen per share)	<u>(0.28)</u>	<u>(1.2)</u>	<u>(0.35)</u>	<u>0.4</u>	<u>(0.63)</u>	<u>(0.8)</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 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	
	31/12/14	30/06/14	31/12/14	30/06/14
Net asset value per ordinary share	<u>RM0.09</u>	<u>RM0.10</u>	<u>RM0.06</u>	<u>RM0.07</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

Second Quarter Ended 31 December 2014 (“2QFY15”) vs Second Quarter Ended 31 December 2013 (“2QFY14”)

Revenue

Revenue for 2QFY15 was constant year-on-year at RM47,000.

Other loss, net

The increase of RM1.9 million in this category in 2QFY15 came about mainly because of an increase of RM2.9 million in the fair value loss on financial assets held for trading, which was offset by the following gains:

- i. an increase of RM439,000 in dividend income;
- ii. an increase of RM585,000 in exchange gains.

Loss from discontinued operations

Even though the discontinued operations saw an increase in revenue and gross profit in 2QFY15 and made a write-back of RM325,000 in allowances for doubtful debt, it turned in a net loss of RM4.2 million as compared to the net profit of RM486,000 reported in 2QFY14. The main reason was an increase in operational expenses and finance expenses as well as a write-down of inventory and development expenditure of RM4.6 million in 2QFY15.

Net loss

The net loss recorded by the Group in 2QFY15 was RM7.6 million, greater than the net loss of RM1.1 million posted in 2QFY14, mainly because of an increase in the “other loss, net” category as well as the net loss from discontinued operations, as mentioned above.

Half-Year Ended 31 December 2014 (“1HFY15”) vs Half-Year Ended 31 December 2013 (“1HFY14”)

Revenue

Revenue remained at RM94,000 in 1HFY15, unchanged from the revenue recorded in 1HFY14.

Other loss, net

In this category, RM519,000 of other loss, net was reported in 1HFY15, compared with a gain of RM113,000 in 1HFY14. The reason was the fair value loss of RM1.7 million on financial assets held for trading, which was offset by dividend income of RM738,000 and gains on the disposal/redemption of financial assets held for trading.

General and administrative expenses

The increase in general and administrative expense in 1HFY15 of RM383,000 was due mainly to professional fees and compliance costs incurred in relation to the proposed acquisition of Coeur Gold Armenia Ltd and the acquisition of Silvermane Investments Limited (“Silvermane”) as well as higher brokerage costs of RM117,000 in relation to investments in financial instruments.

Loss from discontinued operations

The discontinued operations turned in a loss of RM3.7 million in 1HFY15 as compared to a profit of RM1.0 million in 1HFY14 mainly due to the write-down of inventory and development expenditure of RM4.6 million.

Net loss

In 1HFY15, the Group reported a net loss of RM7.3 million, which was greater than the loss of RM1.7 million reported in 1HFY14, mainly because of increases under the “other loss, net” category and in the loss from discontinued operations, as mentioned above.

B. Review of Financial Position

Cash and bank balances

The decrease of RM29.8 million in cash and bank balances was due mainly to net cash used in operating activities, the repayment of a bank overdraft, investments in financial instruments, and investments in an associated company, Silvermane. The decrease was partly offset by proceeds from the exercise of warrants.

Financial assets, at fair value through profit and loss

The increase in financial assets, at fair value through profit and loss, was attributable mainly to investments made in financial instruments to earn higher yields.

Other receivables

The increase in other receivables was due mainly to advance payments to consultants for technical due diligence carried out in connection with the proposed acquisition of Coeur Gold Armenia Limited.

Investment in associated company

This item represents a 22.3% equity interest in Silvermane.

Other payables

The increase in other payables was due to the S\$4,000,000 (approximately RM10.6 million) payable to the vendor of Silvermane in the form of a convertible promissory note. The note shall only be issued by the Company if the Amayapampa Gold Project commences production of gold.

Bank overdraft

The bank overdraft outstanding as at 30 June 2014 was fully repaid in 1QFY15.

C. Review of Cash Flow

The Group recorded a RM10.1 million decrease in cash and cash equivalents in 1HFY15. The decrease was attributed primarily to the following:

- (a) Net cash used in operating activities of RM15.1 million. The cash outflows resulted from RM7.4 million in operating losses before working capital changes, as well as negative working capital changes of RM8.0 million;
- (b) Net cash used in investing activities of RM5.8 million. The cash outflows arose mainly from cash paid on the investments of RM5.3 million in an associated company, Silvermane.

The above cash outflows were offset by net cash from financing activities. This cash inflow came mainly from proceeds from the exercise of warrants.

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

There has been no significant change in the trends or competitive environment affecting the bereavement care business in Malaysia since the last reported period. Subject to the completion of the Proposed HMSC Disposal (as defined herein), the Group intends to continue with its strategy of developing high-end memorial parks as well as providing quality bereavement care services. These initiatives will enable the Group to remain competitive.

As mentioned on page 2 of this report, the Company has entered into an SPA with the Purchaser for the disposal of the bereavement care business for a cash consideration of RM10.7 million (the "Proposed HMSC Disposal"). The Proposed HMSC Disposal is subject to shareholders' approval at an extraordinary general meeting to be convened at a later date.

B. Proposed Acquisition of Coeur Gold Armenia Ltd

On 25 February 2014, the Company entered into a conditional sale-and-purchase agreement (the "S&P Agreement") with GR Business Holdings Limited, whereby the Company will acquire the entire issued and paid-up share capital of Coeur Gold Armenia Limited (the "Target") from GR Business Holdings Limited (the "Proposed Acquisition").

The Target is an investment holding company organised and existing under the laws of the Republic of Seychelles, and it holds controlling interests in the two companies set out below:

- (a) Vayk Gold LLC ("VGL"), a company incorporated in the Republic of Armenia. The Target holds 80% of the entire issued share capital of VGL; and
- (b) Vardani Zartong Ltd ("VZL"), a company registered in the "Meghri" Territorial Subdivision of the State Register Book of Legal Entities of the Republic of Armenia. The Target holds 80% of the entire issued share capital of VZL.

These two companies in turn hold mining exploration rights in the Azatek and Sofi Bina Mineral Deposits in Armenia, in respect of gold, silver, antimony and copper.

The aggregate consideration payable by the Company in relation to the Acquisition is S\$500,000,000, subject to adjustments in accordance with the terms of the S&P Agreement. The consideration shall be payable in the form of 1,347,136,209 new shares of the Company allotted and issued to the Vendor.

The proposed acquisition, if undertaken and completed, is expected to result in a “very substantial acquisition” or reverse takeover of the Company, and is conditional upon approval by shareholders as well as approval by the SGX-ST.

As announced on 9 February 2015, the Long-Stop date of the S&P Agreement has been extended for another four months to 24 June 2015.

C. Acquisition of Silvermane

On 9 December 2014, the Company completed the acquisition of 22.3% of the issued and paid-up share capital of Silvermane for the aggregate consideration of S\$6,000,000 of which (a) S\$2,000,000 has been paid to the vendor of Silvermane and (b) in the event that Amayapampa Gold Project commences production of gold, S\$4,000,000 will be payable in the form of a non-transferable convertible note to be issued by the Company to the vendor in lieu of cash payment.

Silvermane holds approximately 90% interest in the Amayapampa Gold Project which has 23.2 tonnes of gold resources.

Please refer to the Company announcement dated 10 December 2014 for the full details of the acquisition.

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 December 2014.

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 December 2014.

14. Utilisation of Proceeds

A. Rights-cum-warrants issue completed on 7 May 2014 (“2014 Rights-cum-Warrants Issue”)

On 7 May 2014, the Company issued 715,210,185 new ordinary shares at S\$0.02 per share pursuant to the 2014 Rights-cum-Warrants issue. The status in terms of utilisation of proceeds was as follows:

Use of Proceeds	Actual utilisation S\$'000	As a percentage of gross proceeds %	Proposed utilisation ratio %
Defraying costs and expenses arising from the Proposed Acquisition (as defined herein)	479	3.3	30-70*
Funding growth and expansion	-	-	10-30*
General working capital	1,425	10.0	10-30*
Share issue expenses	265	1.9	
Total	2,169	15.2	

Note:

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

With respect to the S\$1,425,000 used for general working capital, the breakdown was as follows:

General working capital – Purpose of utilisation	Percentage utilised (%)
Payment of employee compensation and directors’ fees	47.6
Payment of office overheads	16.3
Payment of professional fees and other compliance costs	7.3
Payment to suppliers	28.8
Total	100.0

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

B. Proceeds from exercise of 2014 Warrants

As at 31 December 2014, a total of 294,173,854 of the 2014 Warrants had been exercised and S\$5,883,477 had been received by the Group. Of this amount, S\$2,000,000 was utilised for investments in an associated company.

C. Proceeds from exercise of Introducer (MOU) Warrants

As at 31 December 2014, 12,500,000 Introducer (MOU) Warrants had been exercised and S\$1,559,000 had been received by the Group. The proceeds had not been utilised as at 31 December 2014.

BY ORDER OF THE BOARD

Lee Keng Mun
Chief Financial Officer
13 February 2015



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 that might render the financial results for the half-year ended 31 December 2014 false or misleading in any material respect.

BY ORDER OF THE BOARD

(SIGNED)

Dato' Dr Choo Yeow Ming
Director

13 February 2015

(SIGNED)

Lee Keng Mun
Director