



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Dividend Announcement for the Third Quarter Ended 31 March 2015

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		Increase/ (decrease)	9 Months Ended		Increase/ (decrease)
		31/03/15	31/03/14	(decrease)	31/03/15	31/03/14	(decrease)
		RM'000	RM'000	%	RM'000	RM'000	%
<u>Continuing operations</u>							
Revenue		49	48	2.1	143	142	0.7
Cost of sales		-	-	-	-	-	-
Gross profit		49	48	2.1	143	142	0.7
Other gains, net		4,303	-	n.m.	3,784	113	3,248.7
General and administrative expenses		(1,368)	(1,355)	1.0	(4,588)	(4,192)	9.4
Gain/(loss) before income tax		2,984	(1,307)	n.m.	(661)	(3,937)	(83.2)
Income tax credit	A	3	-	n.m.	3	-	n.m.
Gain/(loss) from continuing operations		2,987	(1,307)	n.m.	(658)	(3,937)	(83.3)
<u>Discontinued operations</u>							
Loss from discontinued operations	B	(1,062)	(1,193)	(11.0)	(4,718)	(227)	1,978.4
Total comprehensive gain/(loss) representing total loss	C	<u>1,925</u>	<u>(2,500)</u>	n.m.	<u>(5,376)</u>	<u>(4,164)</u>	29.1

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. Income tax expenses

	3rd Qtr Ended		Increase/ (decrease)	9 Months Ended		Increase/ (decrease)
	31/03/15	31/03/14		31/03/15	31/03/14	
	RM'000	RM'000	%	RM'000	RM'000	%
Income tax expenses						
- Overprovision in respect of prior years	3	-	n.m.	3	-	n.m.

B. 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.

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

	Note	3rd Qtr Ended		Increase/ (decrease)	9 Months Ended		Increase/ (decrease)
		31/03/15	31/03/14		31/03/15	31/03/14	
		RM'000	RM'000	%	RM'000	RM'000	%
Interest income:							
- Bank balances	(i)	148	111	33.3	422	298	41.6
Reversal of allowances for impairment of trade and other receivables	(ii)	55	-	n.m.	380	300	26.7
Interest expenses:	(iii)						
- Bank borrowings		(20)	(50)	(60.0)	(58)	(124)	(53.2)
- Adjustment of trade receivables to amortised cost		(343)	-	n.m.	(474)	-	n.m.
Depreciation of property, plant and equipment	(iv)	(10)	(78)	(87.2)	(32)	(241)	(86.7)
Operating lease expenses		(249)	(248)	0.4	(748)	(741)	0.9
Foreign exchange gain	(v)	1,075	-	n.m.	1,079	-	n.m.
Investment income:							
- Fair value gain/(loss) on financial assets held for trading	(vi)	284	-	n.m.	(1,384)	-	n.m.
- Gain on disposal/redemption of financial assets held for trading	(vi)	2,381	-	n.m.	2,791	-	n.m.
- Dividend income	(vi)	562	-	n.m.	1,301	-	n.m.
Reversal of write-down/ (write-down) of inventories and development expenditure	(vii)	49	-	n.m.	(4,542)	-	n.m.

n.m. = Not meaningful.

Note (i)

The increase in interest income in 3QFY15 and 9MFY15 was in line with the increase in average deposits placed with the banks.

Note (ii)

The reversal of allowance for impairment of trade and other receivables resulted from the cancellation of sale contracts of bad accounts.

Note (iii)

The increase in interest expenses in 3QFY15 and 9MFY15 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 (iv)

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 (v)

Exchange gain in 3QFY15 and 9MFY15 arose mainly from foreign exchange gain from the revaluation of financial assets.

Note (vi)

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

Note (vii)

Inventory and development expenditure written-down in 9MFY15 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	
	31/03/15 RM'000	30/06/14 RM'000	31/03/15 RM'000	30/06/14 RM'000
ASSETS				
Current assets				
Cash and bank balances	12,141	39,680	12,141	39,680
Financial assets, at fair value through profit or loss	35,987	25,584	35,987	25,584
Available-for-sale financial asset	15,869	-	15,869	-
Other receivables	5,606	2,995	5,606	2,995
Other current assets	344	346	344	346
	<u>69,947</u>	<u>68,605</u>	<u>69,947</u>	<u>68,605</u>
Assets of disposal group classified as held-for-sale	75,096	74,425	19,355	13,651
	<u>145,043</u>	<u>143,030</u>	<u>89,302</u>	<u>82,256</u>
Non-current asset				
Property, plant and equipment	75	93	75	93
	<u>75</u>	<u>93</u>	<u>75</u>	<u>93</u>
Total assets	<u>145,118</u>	<u>143,123</u>	<u>89,377</u>	<u>82,349</u>
LIABILITIES				
Current liabilities				
Other payables	10,600	456	10,600	456
Bank overdraft	-	17,803	-	17,803
Current income tax liabilities	4	41	4	41
	<u>10,604</u>	<u>18,300</u>	<u>10,604</u>	<u>18,300</u>
Liabilities directly associated with disposal group classified as held-for-sale	29,387	26,097	-	-
	<u>39,991</u>	<u>44,397</u>	<u>10,604</u>	<u>18,300</u>
Net assets	<u>105,127</u>	<u>98,726</u>	<u>78,773</u>	<u>64,049</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	340,454	328,677	340,454	328,677
Restructuring reserve	(201,554)	(201,554)	-	-
Accumulated losses	(33,773)	(28,397)	(261,681)	(264,628)
Total equity	<u>105,127</u>	<u>98,726</u>	<u>78,773</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 31/03/15		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.

	3rd Qtr Ended		9 Months Ended	
	31/03/15	31/03/14	31/03/15	31/03/14
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Total profit/(loss)	1,925	(2,500)	(5,376)	(4,164)
Adjustments for:				
Depreciation of property, plant and equipment	10	78	32	241
Income tax credit	(3)	-	(3)	(27)
Interest income	(148)	(111)	(422)	(298)
Interest expenses	363	50	532	124
Translation differences	107	(1)	99	18
	<u>2,254</u>	<u>(2,484)</u>	<u>(5,138)</u>	<u>(4,106)</u>
Changes in working capital				
Inventories and development expenditure	(20)	(123)	4,334	12
Trade and other receivables	(987)	725	(3,148)	(230)
Other current assets	(55)	(120)	13	(1,466)
Financial assets, at fair value through profit or loss	516	-	(10,403)	-
Trade and other payables	172	19	878	950
	<u>1,880</u>	<u>(1,983)</u>	<u>(13,464)</u>	<u>(4,840)</u>
Cash used in operations				
Income tax (paid)/refunded, net	(13)	(6)	(33)	222
Interest received	148	111	422	298
	<u>2,015</u>	<u>(1,878)</u>	<u>(13,075)</u>	<u>(4,320)</u>
Net cash from/(used in) operating activities				
Cash flows from investing activities				
Purchase of available-for-sale financial asset	-	-	(5,290)	-
Additions to property, plant and equipment	155	(266)	(394)	(1,793)
	<u>155</u>	<u>(266)</u>	<u>(5,684)</u>	<u>(1,793)</u>
Net cash from/(used in) investing activities				
Cash flows from financing activities				
Proceeds from issuance of new ordinary shares	-	(30)	-	8,844
Share issue expenses	-	-	-	(414)
Proceeds from exercise of warrants	140	3,503	11,777	7,387
Increase in pledged short-term bank deposits	-	(2,591)	(697)	(5,941)
Repayment of finance lease liabilities, net	(150)	(20)	(190)	(59)
Interest paid	(20)	(50)	(58)	(124)
	<u>(30)</u>	<u>812</u>	<u>10,832</u>	<u>9,693</u>
Net cash (used in)/from financing activities				
Net increase/(decrease) in cash and cash equivalents	2,140	(1,332)	(7,927)	3,580
Cash and cash equivalents at beginning of period	17,442	12,713	27,501	7,820
Effects of currency translation on cash and cash equivalents	(107)	1	(99)	(18)
	<u>19,475</u>	<u>11,382</u>	<u>19,475</u>	<u>11,382</u>
Cash and cash equivalents at end of period				

Note to statement of cash flows

A. Cash and cash equivalents

	31/03/15 RM'000	31/03/14 RM'000
<i>Continuing operations:</i>		
Cash and bank balances	12,141	25,210
Less: Pledged short-term bank deposits	<u>-</u>	<u>(13,828)</u>
	<u>12,141</u>	<u>11,382</u>
<i>Discontinued operations:</i>		
Cash and bank balances	21,869	-
Less: Pledged short-term bank deposits	<u>(14,535)</u>	<u>-</u>
	<u>7,334</u>	<u>-</u>
Cash and cash equivalents	<u>19,475</u>	<u>11,382</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						
9 months ended 31 March 2015						
Beginning of financial period	328,677	(201,554)	-	-	(28,397)	98,726
Total comprehensive loss	-	-	-	-	(5,376)	(5,376)
Issuance of new ordinary shares pursuant to exercise of warrants	11,777	-	-	-	-	11,777
End of financial period	<u>340,454</u>	<u>(201,554)</u>	<u>-</u>	<u>-</u>	<u>(33,773)</u>	<u>105,127</u>
9 months ended 31 March 2014						
Beginning of financial period	269,860	(201,554)	13,429	6	(33,205)	48,536
Total comprehensive loss	-	-	-	-	(4,164)	(4,164)
Issuance of new ordinary shares	8,844	-	-	-	-	8,844
Share issue expense	(414)	-	-	-	-	(414)
Issuance of new ordinary shares pursuant to exercise of warrants	7,387	-	-	-	-	7,387
Arising from deconsolidation of subsidiary	-	-	-	(6)	6	-
End of financial period	<u>285,677</u>	<u>(201,554)</u>	<u>13,429</u>	<u>-</u>	<u>(37,363)</u>	<u>60,189</u>

	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
9 months ended 31 March 2015				
Beginning of financial period	328,677	-	(264,628)	64,049
Total comprehensive income	-	-	2,947	2,947
Issuance of new ordinary shares pursuant to exercise of warrants	<u>11,777</u>	<u>-</u>	<u>-</u>	<u>11,777</u>
End of financial period	<u><u>340,454</u></u>	<u><u>-</u></u>	<u><u>(261,681)</u></u>	<u><u>78,773</u></u>
9 months ended 31 March 2014				
Beginning of financial period	269,860	13,429	(124,751)	158,538
Total comprehensive loss	-	-	(2,775)	(2,775)
Issuance of new ordinary shares	8,844	-	-	8,844
Share issue expenses	(414)	-	-	(414)
Issuance of new ordinary shares pursuant to exercise of warrants	<u>7,387</u>	<u>-</u>	<u>-</u>	<u>7,387</u>
End of financial period	<u><u>285,677</u></u>	<u><u>13,429</u></u>	<u><u>(127,526)</u></u>	<u><u>171,580</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 January 2015	1,209,613,807
Issuance of new ordinary shares pursuant to the exercise of the 2013 Warrants (as defined herein)	167,000
Issuance of new ordinary shares pursuant to the exercise of the 2014 Warrants (as defined herein)	<u>2,522,000</u>
Balance at 31 March 2015	<u><u>1,212,302,807</u></u>

The Company did not have any treasury shares as at 31 March 2015.

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:

	31/03/15	31/03/14
- Warrants expiring on 16 May 2014 ("2009 Warrants")	-	69,385,269
- Warrants expiring on 9 December 2014 ("Introducer (MOU) Warrants")	-	5,500,000
- Warrants expiring on 20 March 2017 ("Introducer (SPA) Warrants")	68,220,900	16,500,000
- Warrants expiring on 16 July 2018 ("2013 Warrants")	4,539,029	1,409,871
- Warrants expiring on 6 May 2019 ("2014 Warrants")	368,332,966	-
	<u>441,092,895</u>	<u>92,795,140</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.

	31/03/15	30/06/14
Total number of issued shares excluding treasury shares	<u>1,212,302,807</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

9 Months Ended	<u>Continuing operations</u>		<u>Discontinued operations</u>		<u>Total</u>	
	31/03/15	31/03/14	31/03/15	31/03/14	31/03/15	31/03/14
Net loss attributable to equity holders of the Company (RM’000)	<u>(658)</u>	<u>(3,937)</u>	<u>(4,718)</u>	<u>(227)</u>	<u>(5,376)</u>	<u>(4,164)</u>
Weighted average number of ordinary shares outstanding for basic loss per share (’000)	<u>1,162,731</u>	<u>123,476</u>	<u>1,162,731</u>	<u>123,476</u>	<u>1,162,731</u>	<u>123,476</u>
Basic loss per share (RM sen per share)	<u>(0.06)</u>	<u>(3.2)</u>	<u>(0.40)</u>	<u>(0.2)</u>	<u>(0.46)</u>	<u>(3.4)</u>

3rd Qtr Ended	<u>Continuing operations</u>		<u>Discontinued operations</u>		<u>Total</u>	
	31/03/15	31/03/14	31/03/15	31/03/14	31/03/15	31/03/14
Net profit/(loss) attributable to equity holders of the Company (RM’000)	<u>2,987</u>	<u>(1,307)</u>	<u>(1,062)</u>	<u>(1,193)</u>	<u>1,925</u>	<u>(2,500)</u>
Weighted average number of ordinary shares outstanding for basic loss per share (’000)	<u>1,209,919</u>	<u>136,400</u>	<u>1,209,919</u>	<u>136,400</u>	<u>1,209,919</u>	<u>136,400</u>
Basic earnings/(loss) per share (RM sen per share)	<u>0.25</u>	<u>(0.9)</u>	<u>(0.09)</u>	<u>(0.9)</u>	<u>0.16</u>	<u>(1.8)</u>

b) Diluted loss per share

The Company’s dilutive potential ordinary shares are the warrants. However, no diluted loss per share was presented for 9MFY15 as the exercise of the warrants would result in anti-dilution of loss per share.

3rd Qtr Ended	<u>Continuing operations</u>		<u>Discontinued operations</u>		<u>Total</u>	
	31/03/15	31/03/14	31/03/15	31/03/14	31/03/15	31/03/14
Net profit/(loss) attributable to equity holders of the Company (RM'000)	<u>2,987</u>	<u>(1,307)</u>	<u>(1,062)</u>	<u>(1,193)</u>	<u>1,925</u>	<u>(2,500)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>1,430,162</u>	<u>136,400</u>	<u>1,430,162</u>	<u>136,400</u>	<u>1,430,162</u>	<u>136,400</u>
Diluted earnings/(loss) per share (RM sen per share)	<u>0.21</u>	<u>(0.9)</u>	<u>(0.07)</u>	<u>(0.9)</u>	<u>0.14</u>	<u>(1.8)</u>

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital excluding treasure shares of the issuer at the end of the :-

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

	<u>Group</u>		<u>Company</u>	
	31/03/15	30/06/14	31/03/15	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

Third Quarter Ended 31 March 2015 ("3QFY15") vs Third Quarter Ended 31 March 2014 ("3QFY14")

Revenue and gross profit

Revenue for 3QFY15 was steady quarter-to-quarter at approximately RM50,000.

Other gains, net

The increase of RM4.3 million in 3QFY15 came about mainly because of: (i) a gain of RM2.4 million on the disposal/redemption of financial assets held for trading; (ii) a fair value gain of RM284,000 on financial assets held for trading; (iii) an exchange gain of RM1.1 million; and (iv) dividend income of RM562,000.

Loss from discontinued operations

Discontinued operations saw a lower net loss of RM1.0 million in 3QFY15 as compared to the net loss of RM1.2 million reported in 3QFY14, mainly due to an increase in revenue and gross profit. This was offset by an increase in operational expenses and finance expenses.

Net gain

The Group reported a net gain of RM2.0 million in 3QFY15 as compared to a net loss of RM2.5 million posted in 3QFY14, mainly because of the increase in other gains, net as mentioned above.

9 Months Ended 31 March 2015 (“9MFY15”) vs 9 Months Ended 31 March 2014 (“9MFY14”)

Revenue

Revenue remained at approximately RM140,000 in 9MFY15, unchanged from the revenue recorded in 9MFY14.

Other gains, net

Other gains, net totalled RM3.8 million in 9MFY15, compared with a gain of RM113,000 in 9MFY14. This was due to the gains of RM2.8 million on the disposal/redemption of financial assets held for trading, dividend income of RM1.3 million, as well as an exchange gain of RM1.1 million, which was offset by a fair value loss of RM1.4 million on financial assets.

Loss from discontinued operations

The discontinued operations reported a loss of RM4.7 million in 9MFY15 as compared to a loss of RM227,000 in 9MFY14, mainly due to the write-down of inventory and development expenditure of RM4.5 million.

Net loss

Despite recording higher other gains, net in 9MFY15, the Group reported a greater net loss of RM5.3 million as compared with a net loss of RM4.2 million in 9MFY14. This was mainly due to an increase in loss from discontinued operations.

B. Review of Financial Position

Cash and bank balances

The decrease of RM27.5 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 available-for-sale financial asset. The decrease in cash and bank balances 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 of RM10.4 million, was attributable mainly to investments made in financial instruments to earn higher yield.

Other receivables

The increase in other receivables of RM2.6 million arose from advance payments to consultants for technical due diligence carried out in connection with the proposed acquisition of Coeur Gold Armenia Limited.

Available-for-sale financial asset

This consists of a 22.3% equity interest in Silvermane Investments Limited (“Silvermane”). Silvermane holds approximately 90% interest in the Amayapampa Gold Project which has 23.2 tonnes of gold resources. This equity interest was acquired on 9 December 2014, as announced on 10 December 2014. The Company reclassified investment in Silvermane from an investment in associate company to available-for-sale financial assets, after reassessment by the Company pursuant to which it was concluded that the Company does not have significant influence over Silvermane. As such, the investment in Silvermane did not meet the requirements as an associate company in accordance with FRS28 *Investment in Associates and Joint Venture*.

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

In 9MFY15, the Group recorded a RM7.9 million decrease in cash and cash equivalents. The decrease was attributed primarily to the following factors:

- (a) Net cash used in operating activities of RM13.1 million. The cash outflows resulted from RM5.1 million in operating losses before working capital changes, as well as negative working capital changes of RM8.3 million;
- (b) Net cash used in investing activities of RM5.7 million. The cash outflows arose mainly from cash paid on the investments of RM5.3 million in available-for-sale financial asset, which comprised the 22.3% equity interest in 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 of the bereavement care business in Malaysia since the last reporting 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 “Acquisition”).

The Target is an investment holding company organised and existing under the laws of the Republic of Seychelles and holds controlling interests in the two companies as set out below. The two companies in turn hold mining exploration rights in the Azatek and Sofi Bina Mineral Deposits, Armenia, in respect of gold, silver, antimony and copper:

- (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 by 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.

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 the 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 by another four months to 24 June 2015.

C. Proposed Acquisition of Century 21 Hong Kong Limited

On 8 May 2015, the Company entered into a sale and purchase agreement with Menkin Limited (Menkin”) whereby the Company will acquire the entire issued and paid-up share capital of Century 21 Hong Kong Limited (“Century 21 HK”) from the Menkin (the “Century 21 Acquisition”).

Century 21 HK is a company engaged in the provision of franchise service in Hong Kong and Macau.

The aggregate consideration payable by the Company in relation to the Century 21 Acquisition is S\$1,000,000 which will be satisfied by the allotment and issuance of 33,333,333 new ordinary shares in the capital of the Company at the agreed issue price of S\$0.03 per share, and is conditional upon, among others, approval by the shareholders at an EGM to be convened at a later date.

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 2015.

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 2015.

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 Acquisition	968	6.8	30-70*
Funding growth and expansion	-	-	10-30*
General working capital	1,948	13.6	10-30*
Share issue expenses	265	1.8	
Total	<u>3,181</u>	<u>22.2</u>	

Note:

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

With respect to the S\$1,948,000 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	48.5
Payment of office overheads	19.5
Payment of professional fees and other compliance costs	11.0
Payment to suppliers	21.0
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 March 2015, a total of 368,332,966 of the 2014 Warrants had been exercised and S\$6,937,544 had been received by the Group. Of this amount, S\$2,000,000 was utilised for investments in available-for-sale financial asset.

C. Proceeds from exercise of the Introducer (MOU) Warrants

As at 31 March 2015, 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 March 2015.

BY ORDER OF THE BOARD

Lee Keng Mun
Chief Financial Officer
13 May 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 nine months and the third quarter ended 31 March 2015 false or misleading in any material respect.

BY ORDER OF THE BOARD

Dato' Dr Choo Yeow Ming
Director

Lee Keng Mun
Director

13 May 2015