



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Full Year Financial Statements And Related Announcements for the Year Ended 30 June 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	Financial Year Ended 30/06/2014	30/06/2013 (Re-presented)	Increase/ (decrease)
		RM'000	RM'000	%
<u>Continuing operations</u>				
Revenue		189	160	18.1
Cost of sales		-	-	n.m.
Gross profit		189	160	18.1
Other gains, net		560	15	3,633.3
General and administrative expenses		(5,686)	(4,411)	28.9
Loss before income tax		(4,937)	(4,236)	16.5
Income tax expense	A	(33)	(16)	106.3
Loss from continuing operations		(4,970)	(4,252)	16.9
<u>Discontinued operations</u>	B			
(Loss)/profit from discontinued operations - net		(3,657)	795	n.m.
Total comprehensive loss, representing total loss	C	(8,627)	(3,457)	149.6

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any statements or opinions made or reports contained in this announcement.

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Note	Financial Year Ended		Increase/ (decrease) %
	30/06/2014 RM'000	30/06/2013 (Re-presented) RM'000	
Total comprehensive loss and total loss attributable to:			
Equity holders of the Company	(8,627)	(3,438)	150.9
Non-controlling interests	-	(19)	n.m.
	<u>(8,627)</u>	<u>(3,457)</u>	149.6

* n.m. = not meaningful.

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

A. Income tax expense/(credit)

	Financial Year Ended		Increase/ (decrease) %
	30/06/2014 RM'000	30/06/2013 (Re-presented) RM'000	
Continuing operations			
- Current year	36	16	125.0
- Over provision in respect of prior year	(3)	-	n.m.
	<u>33</u>	<u>16</u>	106.3

* n.m. = not meaningful.

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

Subsequent to 30 June 2014, 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. As at 30 June 2014, the assets and liabilities related to HMSC and its subsidiaries ("HMSC Group") have been presented in the balance sheet under current assets as "Assets of disposal group classified as held-for-sale", and "Liabilities directly associated with disposal group classified as held-for-sale" respectively, and the HMSC Group's operating results are presented separately in the statement of comprehensive income as "Profit/(loss) from discontinued operations, net of tax".

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

	Note	Financial Year Ended		Increase/ (decrease) %
		30/06/2014 RM'000	30/06/2013 RM'000	
Loss/(gain) on disposal of subsidiaries	(i)	-	(1,683)	n.m.
Interest income:				
- Bank balances	(ii)	(444)	(314)	41.4
Interest expenses:				
- Bank borrowings		155	149	4.0
- Adjustment of trade receivables to amortised cost		37	-	n.m.
Depreciation of property, plant and equipment	(iii)	320	435	(26.4)
Operating lease expenses	(iv)	1,010	872	15.8
Allowance/(Reversal of allowance) for impairment of trade and other receivables, net	(v)	1,707	(2,905)	n.m.
Investment income		140	-	n.m.
Fair value gain on financial assets		145	-	n.m.
Goodwill written off		-	196	n.m.

* n.m. = not meaningful.

Note (i)

The gain on the disposal of subsidiaries in FY13 consisted of the gain from the disposal of U&U Memorial Corporation (M) Sdn Bhd (“UUMC”), which was completed on 30 July 2012.

Note (ii)

Higher interest income is in line with increase in the average deposits placed with the banks.

Note (iii)

Lower depreciation of property, plant and equipment was attributable mainly to the decrease in depreciable assets.

Note (iv)

Operating lease expenses were higher mainly because of an increase in office rental.

Note (v)

Net allowance for impairment of trade and other receivables was recorded in FY14 as compared with net reversal of allowance for impairment of trade and other receivables in FY13.

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediate preceding financial year.

	Group		Company	
	30/06/2014 RM'000	30/06/2013 RM'000	30/06/2014 RM'000	30/06/2013 RM'000
ASSETS				
Current assets				
Cash and bank balances	39,680	15,707	39,680	2,151
Financial assets, at fair value through profit or loss	25,584	-	25,584	-
Trade and other receivables	2,995	7,418	2,995	46,881
Inventories and development expenditure	-	45,336	-	-
Other current assets	346	817	346	641
Income tax recoverable	-	206	-	-
	<u>68,605</u>	<u>69,484</u>	<u>68,605</u>	<u>49,673</u>
Assets of disposal group classified as held-for-sale (Note *)	74,425	-	13,651	-
	<u>143,030</u>	<u>69,484</u>	<u>82,256</u>	<u>49,673</u>
Non-current assets				
Trade and other receivables	-	558	-	-
Investment in subsidiaries	-	-	-	109,169
Property, plant and equipment	93	1,831	93	133
	<u>93</u>	<u>2,389</u>	<u>93</u>	<u>109,302</u>
Total assets	<u>143,123</u>	<u>71,873</u>	<u>82,349</u>	<u>158,975</u>
LIABILITIES				
Current liabilities				
Trade and other payables	456	9,283	456	421
Borrowings	17,803	79	17,803	-
Current income tax liabilities	41	16	41	16
	<u>18,300</u>	<u>9,378</u>	<u>18,300</u>	<u>437</u>
Liabilities directly associated with disposal group classified as held-for-sale (Note *)	26,097	-	-	-
	<u>44,397</u>	<u>9,378</u>	<u>18,300</u>	<u>437</u>
Non-current liabilities				
Other payable	-	13,775	-	-
Borrowings	-	184	-	-
	<u>-</u>	<u>13,959</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>44,397</u>	<u>23,337</u>	<u>18,300</u>	<u>437</u>
Net assets	<u>98,726</u>	<u>48,536</u>	<u>64,049</u>	<u>158,538</u>

	Group		Company	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
	RM'000	RM'000	RM'000	RM'000
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	328,677	269,860	328,677	269,860
Restructuring reserve	(201,554)	(201,554)	-	-
Warrant reserve	-	13,429	-	13,429
Foreign currency translation reserve	-	6	-	-
Accumulated losses	(28,397)	(33,205)	(264,628)	(124,751)
Total equity	98,726	48,536	64,049	158,538

Note *

The major classes of assets and liabilities of HMSC Group classified as held-for-sale as at 30 June 2014 are as follows:

	Group	
	30/06/2014	30/06/2013
	RM'000	RM'000
Assets:		
Cash and bank balances	19,462	-
Trade and other receivables	6,732	-
Inventories and development expenditure	44,838	-
Other current assets	251	-
Property, plant and equipment	3,142	-
Assets of disposal group classified as held-for-sale	74,425	-
Liabilities:		
Trade and other payables	12,138	-
Borrowings	184	-
Long term other payable	13,775	-
Liabilities directly associated with disposal group classified as held-for-sale	26,097	-
Net assets directly associated with disposal group classified as held-for-sale	48,328	-

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

Amount repayable in one year or less, or on demand

	As at 30/06/2014		As at 30/06/2013	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Bank overdraft	-	17,803	-	-
Finance lease liabilities	-	-	79	-

Amount repayable after one year

	As at 30/06/2014		As at 30/06/2013	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease liabilities	-	-	184	-

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.

	Financial Year Ended	
	30/06/2014	30/06/2013
	RM'000	RM'000
Cash flows from operating activities		
Total loss	(8,627)	(3,457)
Adjustments for:		
Income tax expense/(credit)	6	(75)
Interest expense	192	185
Interest income	(444)	(314)
Depreciation of property, plant and equipment	320	435
Loss on disposal of property, plant and equipment	-	1
Gain on disposal of subsidiaries	-	(1,683)
Goodwill written-off	-	196
Translation differences	(24)	(10)
	<u>(8,577)</u>	<u>(4,722)</u>
Changes in working capital, net of effect of disposal of subsidiaries		
Trade and other receivables	(1,788)	202
Inventories and development expenditure	498	(70)
Purchase of financial assets, at fair value through profit or loss	(25,584)	-
Other current assets	220	(243)
Trade and other payables	3,311	(831)
	<u>(31,920)</u>	<u>(5,664)</u>
Cash used in operations	(31,920)	(5,664)
Income tax refunded, net	225	560
Interest received	444	314
	<u>(31,251)</u>	<u>(4,790)</u>
Net cash used in operating activities	(31,251)	(4,790)
Cash flows from investing activities		
Additions to property, plant and equipment	(1,724)	(781)
Proceeds from disposal of property, plant and equipment	-	1
Acquisition of non-controlling interests	-	(40)
Disposal of subsidiaries, net of cash disposed of	-	369
	<u>(1,724)</u>	<u>(451)</u>
Net cash used in investing activities	(1,724)	(451)
Cash flows from financing activities		
Proceeds from issuance of new ordinary shares	45,508	-
Share issue expense	(1,064)	-
Proceeds from exercise of warrants	14,373	-
Repayment of borrowings	-	(96)
Increase in bank deposits pledged	(5,951)	(226)
Interest paid	(155)	(149)
Repayment of finance lease liabilities, net	(79)	(117)
	<u>52,632</u>	<u>(588)</u>
Net cash from/(used in) financing activities	52,632	(588)
Net increase/(decrease) in cash and cash equivalents	19,657	(5,829)
Cash and cash equivalents at the beginning of year	7,820	13,639
Effects of currency translation on cash and cash equivalents	24	10
	<u>27,501</u>	<u>7,820</u>
Cash and cash equivalents at the end of year	27,501	7,820

Note to statement of cash flows

A. Cash and cash equivalents

	30/06/2014 RM'000	30/06/2013 RM'000
<i>Continuing operations:</i>		
Cash and bank balances	39,680	15,707
Less: Bank overdraft	(17,803)	-
Less: Pledged short-term bank deposits	-	(7,887)
	<u>21,877</u>	<u>7,820</u>
<i>Discontinued operations:</i>		
Cash and bank balances	19,462	-
Less: Pledged short-term bank deposits	(13,838)	-
	<u>5,624</u>	<u>-</u>
Cash and cash equivalents	<u><u>27,501</u></u>	<u><u>7,820</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 →					Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Restructuring reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
Group								
2014								
Beginning of financial year	269,860	(201,554)	13,429	6	(33,205)	48,536	-	48,536
Total comprehensive loss	-	-	-	-	(8,627)	(8,627)	-	(8,627)
Issuance of new ordinary shares	45,508	-	-	-	-	45,508	-	45,508
Share issue expenses	(1,064)	-	-	-	-	(1,064)	-	(1,064)
Issuance of new ordinary shares pursuant to exercise of warrants	14,373	-	-	-	-	14,373	-	14,373
Transfer to accumulated losses	-	-	(13,429)	-	13,429	-	-	-
Arising from deconsolidation of subsidiary	-	-	-	(6)	6	-	-	-
End of financial year	<u>328,677</u>	<u>(201,554)</u>	<u>-</u>	<u>-</u>	<u>(28,397)</u>	<u>98,726</u>	<u>-</u>	<u>98,726</u>
2013								
Beginning of financial year	269,860	(201,554)	13,429	6	(29,767)	51,974	(648)	51,326
Total comprehensive loss	-	-	-	-	(3,438)	(3,438)	(19)	(3,457)
Disposal of subsidiaries	-	-	-	-	-	-	511	511
Acquisition of non-controlling interests	-	-	-	-	-	-	156	156
End of financial year	<u>269,860</u>	<u>(201,554)</u>	<u>13,429</u>	<u>6</u>	<u>(33,205)</u>	<u>48,536</u>	<u>-</u>	<u>48,536</u>

	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
2014				
Beginning of financial year	269,860	13,429	(124,751)	158,538
Total comprehensive loss	-	-	(153,306)	(153,306)
Issuance of new ordinary shares	45,508	-	-	45,508
Share issue expenses	(1,064)	-	-	(1,064)
Issuance of new ordinary shares pursuant to exercise of warrants	14,373	-	-	14,373
Transfer to accumulated losses	-	(13,429)	13,429	-
End of financial year	<u>328,677</u>	<u>-</u>	<u>(264,628)</u>	<u>64,049</u>
2013				
Beginning of financial year	269,860	13,429	(124,487)	158,802
Total comprehensive loss	-	-	(264)	(264)
End of financial year	<u>269,860</u>	<u>13,429</u>	<u>(124,751)</u>	<u>158,538</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 April 2014	142,771,930
Issuance of new ordinary shares pursuant to the exercise of the 2013 Warrants (as defined herein)	272,798
Issuance of new ordinary shares pursuant to the exercise of the Introducer (MOU) Warrants (as defined herein)	7,000,000
Issuance of new ordinary shares pursuant to the 2014 Rights cum Warrant issue (as defined herein)	715,210,185
Issuance of new ordinary shares pursuant to the exercise of the 2014 Warrants (as defined herein)	<u>116,776,451</u>
Balance at 30 June 2014	<u><u>982,031,364</u></u>

The Company did not have any treasury shares as at 30 June 2014.

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

	30/06/2014	30/06/2013
- Warrants expired on 16 May 2014 ("2009 Warrants")	-	58,657,027
- Warrants expiring on 16 July 2018 ("2013 Warrants")	4,709,704	-
- Warrants expiring on 9 December 2014 ("Introducer (MOU) Warrants")	15,740,300	-
- Warrants expiring on 20 March 2017 ("Introducer (SPA) Warrants")	68,220,900	-
- Warrants expiring 6 May 2019 ("2014 Warrants")	598,433,734	-
	<u>687,104,638</u>	<u>58,657,027</u>

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding financial year.

	30/06/2014	30/06/2013
Total number of issued shares excluding treasury shares	<u>982,031,364</u>	<u>69,340,895</u>

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation are consistent with those applied to the audited financial statements for the financial year ended 30 June 2013, 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 Interpretation of FRS ("INT FRS") that are relevant to its operations and effective from annual periods beginning on or after 1 July 2013. 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

12 Months Ended	Continuing operations		Discontinued operations		Total	
	30/06/14	(Re-presented) 30/06/13	30/06/14	(Re-presented) 30/06/13	30/06/14	(Re-presented) 30/06/13
Net loss attributable to equity holders of the Company (RM'000)	<u>(4,970)</u>	<u>(4,252)</u>	<u>(3,657)</u>	<u>814</u>	<u>(8,627)</u>	<u>(3,438)</u>
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	<u>433,733</u>	<u>244,660</u>	<u>433,733</u>	<u>244,660</u>	<u>433,733</u>	<u>244,660</u>
Basic loss per share (RM cents per share)	<u>(1.1)</u>	<u>(1.7)</u>	<u>(0.8)</u>	<u>0.3</u>	<u>(1.9)</u>	<u>(1.4)</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 of the issuer at the end of the:-

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

	Group		Company	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Net asset value per ordinary share	<u>RM0.10</u>	<u>RM0.70</u>	<u>RM0.07</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

Financial Year Ended 30 June 2014 (“FY14”) vs. Financial Year Ended 30 June 2013 (“FY13”)

Revenue

Higher revenue of RM189,000 in FY14 as compared to RM160,000 in FY13 was due mainly to higher service income earned.

Other gains, net

The increase in net other gains in FY14 was attributable mainly to gains of RM140,000 from investments in financial instruments, fair value gain on financial assets of RM145,000 and foreign exchange gains of RM239,000.

General and administrative expenses

The higher general and administrative expenses in FY14 were due mainly to the following increases:

- (i) an increase of RM853,000 in professional fees incurred in relation to the corporate exercises;
- (ii) an increase in employee compensation by RM388,000; and
- (iii) an increase in office rental by RM126,000.

Loss/profit from discontinued operations - net

Despite recording higher revenue in the sale of columbaria, tomb construction and burial plots, the Group posted a net loss of RM3.7 million in discontinued operations in FY14 as compared with a net profit of RM795,000 in FY13. The FY14 losses were mainly attributable to a higher cost of sales of RM7.3 million (FY13: RM4.2 million) and a higher allowance for impairment of trade and other receivables of RM1.7 million (FY13: reversal of allowance for impairment of RM2.9 million).

Net loss

The Group reported a net loss of RM8.6 million in FY14 as compared with the net loss of RM3.5 million posted in FY13.

B. Review of Financial Position

Trade and other receivables

Inventories and development expenditure

Other current assets

Property, plant and equipment

Trade and other payables

Long term payable

The decrease in the above assets and liabilities were due mainly to the assets and liabilities of HMSC Group being reclassified as “Assets of disposal group classified as held-for-sale” and “Liabilities directly associated with disposal group classified as held-for-sale”, the details of which were disclosed in page 5 of this report.

Cash and bank balances

The increase in cash and bank balances arose mainly from the proceeds from the issuance of new shares pursuant to the rights-cum-warrants issues and conversion of warrants totaling RM59.0 million. The proceeds were utilised partly for the operating expenses of the Group as well as investments in financial instruments.

Financial assets, at profit and loss through profit and loss

The financial assets as at 30 June 2014 consisted of short term financial instruments. While pending the deployment of the net proceeds raised from the 2014 Rights cum Warrants Issue and warrants exercised towards its intended use, the Group utilised such proceeds to invest in financial instruments to earn higher yield.

Borrowings

Borrowings as at 30 June 2014 represent bank overdraft. The Group had time deposits amounting to RM31.5 million which expired on 2 July 2014. Pending the withdrawal of the time deposits, the Group utilised the bank overdraft for the settlement of purchase consideration in connection with investment in financial instruments, which was due on 30 June 2014.

C. Review of Cash Flow

In FY14, the Group recorded an increase in cash and cash equivalents of RM19.7 million. The increase was attributed primarily to the following factors:

- i.) Net cash from financing activities of RM52.6 million. This is mainly from the proceeds from the issuance of shares as well as from the exercise of warrants.
- ii.) Net cash used in operating activities of RM31.3 million. This cash outflow resulted from RM8.6 million in operating loss before working capital changes and a negative change in working capital of RM23.3 million. These items were offset by tax refunded and interest income earned totalling RM669,000.
- iii.) Net cash used in investing activities of RM1.7 million. The cash outflows from investing activities arose from the purchase of property, plant and equipment.

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 construction of the funeral parlour on the land leased from the Ulu Langat Hokkien Association was completed in December 2013 and operations commenced in July 2014. The operations of the funeral parlour are not expected to have any significant impact on the Group's results for the financial year ending 30 June 2015.

As mentioned in page 2 of this report, the Company has entered into the 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 in an extra ordinary general meeting to be convened.

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 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 24 June 2014, the Long-Stop date of the S&P Agreement has been extended for another four months to 24 October 2014. As announced on 13 August 2014, Canaccord Genuity Singapore Pte. Ltd. has been appointed as the financial adviser in respect of the Proposed Acquisition.

11. If a decision regarding dividend has been made:

- (a) **Whether an interim(final) ordinary dividend has been declared (recommended); and**

- (b) (i) **Amount per share cents**
(ii) **Previous corresponding period cents**

None.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net tax, state the tax rate and the country where dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) **The date the dividend is payable.**

Not applicable.

- (e) **The date on which Registrable Transfers received by the company up to 5.00 pm will be registered before entitlements to the dividend determined.**

Not applicable.

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

No dividend has been declared for the financial year ended 30 June 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 financial year ended 30 June 2014.

14. Utilisation of Proceeds

A. Share placement completed on 18 May 2012

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”), being one of the many components of First Consideration to be satisfied by the Company and as provided 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	30 - 60
iii. General working capital of the Company	30 - 60

As announced on 31 July 2012 and 24 June 2014, the Company revised the intended use of the proceeds and, as at 30 June 2014, 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	3,305	82.6	96.0*
Expenses in relation to the Proposed Acquisition	159	4.0	4.0*
Share issue expenses	25	0.6	
Total	3,489	87.2	

Note:

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

With respect to the S\$3,305,000 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	54.4
Payment of office overheads	26.5
Payment of professional fees and other compliance costs	11.6
Payments to suppliers	7.5
	<hr/>
Total	100.0
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The use of the proceeds is in accordance with the stated use.

B. Rights cum warrants issue completed on 17 July 2013 (“2013 Rights cum Warrants Issue”)

On 17 July 2013, the Company issued 34,670,447 new ordinary shares at S\$0.10 per share pursuant to the 2013 Rights cum Warrant 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 %
Funding growth and expansion	1,396	40.3	50-70 [#]
General working capital	1,651	47.6	30-50 [#]
Share issue expenses	164	4.7	
	<hr/>	<hr/>	
Total	3,211	92.6	
	<hr/> <hr/>	<hr/> <hr/>	

Note:

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

With respect to the S\$1,651,000 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	42.4
Payment of office overheads	20.0
Payment of professional fees and other compliance costs	8.0
Payment to suppliers	29.6
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Total	100.0
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The use of proceeds is in accordance with the stated use.

C. Proceeds from exercise of 2013 Warrants

As at 30 June 2014, a total of 33,533,374 of the 2013 Warrants had been exercised and S\$1,676,561 had been received by the Group. The Group utilised all the proceeds for general working capital and the breakdown was as follows:

General working capital – Purpose of utilisation	Percentage Utilised (%)
Payment of employee compensation and directors' fees	43.3
Payment of office overheads	18.1
Payment of professional fees and other compliance costs	14.5
Payment to suppliers	24.1
Total	100.0

D. Proceeds from exercise of Introducer (MOU) Warrants

As at 30 June 2014, 12,500,000 Introducer (MOU) Warrants had been exercised and S\$1,559,000 had been received by the Group. The Group had not utilised the proceeds as at 30 June 2014.

E. 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 Group has not utilised the proceeds as at 30 June 2014 except for the payment of S\$265,000 for share issue expenses.

F. Proceeds from exercise of 2014 Warrants

As at 30 June 2014, a total of 166,776,451 of the 2014 Warrants had been exercised and S\$2,335,529 has been received by the Group. The Group had not utilised the proceeds as at 30 June 2014

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL-YEAR ANNOUNCEMENT

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

The Group is organised into business units based on both geography and business segment. For FY14, the Group had only one reportable operating segment: the provision of bereavement care business in Malaysia, which includes provision of burial plots, provision of columbarium niches, provision of burial niches, provision of funeral services and construction of tombs.

The Group’s revenue and profit for the financial years ended 30 June 2014 and 30 June 2013 were derived mainly from the sale of burial plots and columbaria to customers in Malaysia. The principal assets employed by the Group are located in Malaysia as well. Accordingly, no segmental information has been presented.

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

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

17. A breakdown of sales

	Latest financial year RM'000	Previous financial year RM'000	Increase/ (decrease) %
(a) Sales reported for first half-year			
- Continuing operations	94	80	17.5
- Discontinued operations	7,406	4,976	48.8
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for first half-year			
- Continuing operations	(2,630)	(2,301)	14.3
- Discontinued operations	966	301	220.9
(c) Sales reported for second half-year			
- Continuing operations	95	80	18.8
- Discontinued operations	6,683	5,447	22.7
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half- year			
- Continuing operations	(2,340)	(1,951)	19.9
- Discontinued operations	(4,623)	494	n.m.

* n.m. = not meaningful.

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

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

Not applicable.

19. Interested-persons transactions

Not applicable.

BY ORDER OF THE BOARD

Lee Keng Mun
Director/Chief Financial Officer
4 September 2014