



ASIA-PACIFIC STRATEGIC INVESTMENTS LIMITED

(Company Reg. No. 200609901H)

Financial Statements And Dividend Announcement for the Half-Year And Second Quarter Ended 31 December 2013

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR ANNOUNCEMENTS

1(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	2nd Qtr Ended		Increase/ (decrease)	Half-Year Ended		Increase/ (decrease)
		31/12/13	31/12/12	(decrease)	31/12/13	31/12/12	(decrease)
		RM'000	RM'000	%	RM'000	RM'000	%
<u>Continuing operations</u>							
Revenue		3,918	2,665	47.0	7,500	4,359	72.1
Cost of sales		<u>(1,473)</u>	<u>(1,086)</u>	35.6	<u>(2,876)</u>	<u>(1,734)</u>	65.9
Gross profit		2,445	1,579	54.8	4,624	2,625	76.2
Other gains, net		62	219	(71.7)	613	1,892	(67.6)
Expenses							
- Selling and distribution		(391)	(583)	(32.9)	(737)	(825)	(10.7)
- General and administrative		(3,200)	(2,997)	6.8	(6,117)	(5,711)	7.1
- Finance		<u>(37)</u>	<u>(66)</u>	(43.9)	<u>(74)</u>	<u>(105)</u>	(29.5)
Loss before income tax		(1,121)	(1,848)	(39.3)	(1,691)	(2,124)	(20.4)
Income tax credit	B	<u>-</u>	<u>92</u>	n.m.	<u>27</u>	<u>92</u>	(70.7)
Loss from continuing operations		<u>(1,121)</u>	<u>(1,756)</u>	(36.1)	<u>(1,664)</u>	<u>(2,032)</u>	(18.1)
<u>Discontinued operations</u>							
Profit from discontinued operations		<u>-</u>	<u>-</u>	n.m.	<u>-</u>	<u>33</u>	n.m.
Total loss		<u>(1,121)</u>	<u>(1,756)</u>	(36.1)	<u>(1,664)</u>	<u>(1,999)</u>	(16.8)
Other comprehensive income, net of tax							
Currency translation differences arising from consolidation	A	<u>-</u>	<u>(8)</u>	n.m.	<u>-</u>	<u>(8)</u>	n.m.
Total comprehensive loss		<u>(1,121)</u>	<u>(1,764)</u>	(36.5)	<u>(1,664)</u>	<u>(2,007)</u>	(17.1)

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

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

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	Note	2nd Qtr Ended		Increase/ (decrease) %	Half-Year Ended		Increase/ (decrease) %
		31/12/13 RM'000	31/12/12 RM'000		31/12/13 RM'000	31/12/12 RM'000	
Total loss attributable to:							
Equity holders of the Company		(1,121)	(1,756)	(36.2)	(1,664)	(1,980)	(16.0)
Non-controlling interests		-	-	n.m.	-	(19)	n.m.
		<u>(1,121)</u>	<u>(1,756)</u>	(36.2)	<u>(1,664)</u>	<u>(1,999)</u>	(16.8)
Total comprehensive loss attributable to:							
Equity holders of the Company		(1,121)	(1,764)	(36.5)	(1,664)	(1,988)	(16.3)
Non-controlling interests		-	-	n.m.	-	(19)	n.m.
		<u>(1,121)</u>	<u>(1,764)</u>	(36.5)	<u>(1,664)</u>	<u>(2,007)</u>	(17.1)

n.m. = Not meaningful.

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

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

	Note	2nd Qtr Ended		Increase/ (decrease) %	Half-Year Ended		Increase/ (decrease) %
		31/12/13 RM'000	31/12/12 RM'000		31/12/13 RM'000	31/12/12 RM'000	
Gain on disposal of subsidiaries	(i)	-	-	n.m.	-	(1,683)	n.m.
Interest income:							
- Bank balances	(ii)	(99)	(60)	65.0	(187)	(123)	52.0
Reversal of allowances for impairment of trade and other receivables		-	(221)	n.m.	(300)	(304)	(1.3)
Interest expenses:							
- Bank borrowings	(iii)	37	37	-	74	84	(11.9)
Depreciation of property, plant and equipment	(iv)	83	114	(27.2)	163	231	(29.4)
Operating lease expenses	(v)	251	215	11.1	493	441	11.8
Goodwill written off		-	-	n.m.	-	196	n.m.

n.m. = Not meaningful.

Note (i)

The gain on the disposal of subsidiaries in 1H 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 in 1H FY14 was in line with the increase in average deposits placed with the banks.

Note (iii)

Lower interest expenses in 1H FY14 was in line with the completion of the disposal of UUMC on 30 July 2012.

Note (iv)

Lower depreciation of property, plant and equipment was in line with the decrease in depreciable assets.

Note (v)

Higher operating lease expenses in 1H FY14 were the result of an increase in office rental.

B. Income tax expenses

	2nd Qtr Ended		Increase/	Half-Year Ended		Increase/
	31/12/13	31/12/12	(decrease)	31/12/13	31/12/12	(decrease)
	RM'000	RM'000	%	RM'000	RM'000	%
Income tax expenses						
- Overprovision in respect of prior years	<u>-</u>	<u>92</u>	n.m.	<u>27</u>	<u>92</u>	(70.7)

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	
	31/12/13	30/06/13	31/12/13	30/06/13
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Current assets				
Cash and bank balances	23,950	15,707	4,184	2,151
Trade and other receivables	8,931	7,418	53,682	46,881
Inventories and development expenditure	45,201	45,336	-	-
Other current assets	2,163	817	1,928	641
Income tax recoverable	-	206	-	-
	<u>80,245</u>	<u>69,484</u>	<u>59,794</u>	<u>49,673</u>
Non-current assets				
Trade receivables	-	558	-	-
Investment in subsidiaries	-	-	109,169	109,169
Property, plant and equipment	3,195	1,831	113	133
	<u>3,195</u>	<u>2,389</u>	<u>109,282</u>	<u>109,302</u>
Total assets	<u>83,440</u>	<u>71,873</u>	<u>169,076</u>	<u>158,975</u>
LIABILITIES				
Current liabilities				
Trade and other payables	10,214	9,283	41	421
Finance lease liabilities	80	79	-	-
Current income tax liabilities	11	16	11	16
	<u>10,305</u>	<u>9,378</u>	<u>52</u>	<u>437</u>
Non-current liabilities				
Other payables	13,775	13,775	-	-
Finance lease liabilities	144	184	-	-
	<u>13,919</u>	<u>13,959</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>24,224</u>	<u>23,337</u>	<u>52</u>	<u>437</u>
Net assets	<u>59,216</u>	<u>48,536</u>	<u>169,024</u>	<u>158,538</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	282,204	269,860	282,204	269,860
Restructuring reserve	(201,554)	(201,554)	-	-
Warrant reserve	13,429	13,429	13,429	13,429
Foreign currency translation reserve	-	6	-	-
Accumulated losses	(34,863)	(33,205)	(126,609)	(124,751)
Total equity	<u>59,216</u>	<u>48,536</u>	<u>169,024</u>	<u>158,538</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 31/12/13		As at 30/06/13	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease liabilities	80	-	79	-

Amount repayable after one year:

	As at 31/12/13		As at 30/06/13	
	Secured RM'000	Unsecured RM'000	Secured RM'000	Unsecured RM'000
Finance lease liabilities	144	-	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.

	2nd Qtr Ended		Half-Year Ended	
	31/12/13	31/12/12	31/12/13	31/12/12
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Total loss	(1,121)	(1,756)	(1,664)	(1,999)
Adjustments for:				
Depreciation of property, plant and equipment	83	114	163	231
Interest expenses	37	66	74	113
Income tax credit	-	(92)	(27)	(92)
Interest income	(99)	(60)	(187)	(123)
Loss/(gain) on disposal of property, plant and equipment	-	1	-	1
Gain on disposal of subsidiaries	-	-	-	(1,683)
Goodwill written off	-	-	-	196
Exchange difference arising from consolidation	-	(8)	-	(8)
Translation differences	(12)	-	19	-
	<u>(1,112)</u>	<u>(1,735)</u>	<u>(1,622)</u>	<u>(3,364)</u>
Changes in working capital				
Inventories and development expenditure	511	(665)	135	(615)
Trade and other receivables	(924)	661	(955)	686
Other current assets	(1,263)	25	(1,346)	42
Trade and other payables	271	(104)	931	(407)
	<u>(2,517)</u>	<u>(1,818)</u>	<u>(2,857)</u>	<u>(3,658)</u>
Cash used in operations				
Income tax (paid)/refunded, net	(5)	274	228	293
Interest received	99	60	187	123
	<u>(2,423)</u>	<u>(1,484)</u>	<u>(2,442)</u>	<u>(3,242)</u>
Net cash used in operating activities				
	<u>(2,423)</u>	<u>(1,484)</u>	<u>(2,442)</u>	<u>(3,242)</u>
Cash flows from investing activities				
Additions to property, plant and equipment	(1,368)	(19)	(1,527)	(34)
Proceeds from disposal of property, plant and equipment	-	1	-	1
Acquisition of non-controlling interests	-	-	-	(40)
Disposal of subsidiaries, net of cash disposed of	-	-	-	369
	<u>(1,368)</u>	<u>(18)</u>	<u>(1,527)</u>	<u>296</u>
Net cash (used in)/from investing activities				
	<u>(1,368)</u>	<u>(18)</u>	<u>(1,527)</u>	<u>296</u>
Cash flows from financing activities				
Proceeds from issuance of new ordinary shares	-	-	8,460	-
Proceeds from exercise of warrants	1,082	-	3,884	-
Repayment of borrowings	-	-	-	(96)
Increase in bank deposits pledged	(850)	(48)	(3,350)	(98)
Repayment of finance lease liabilities, net	(19)	(33)	(39)	(69)
Interest paid	(37)	(37)	(74)	(84)
	<u>176</u>	<u>(118)</u>	<u>8,881</u>	<u>(347)</u>
Net cash from/(used in) financing activities				
	<u>176</u>	<u>(118)</u>	<u>8,881</u>	<u>(347)</u>
Net (decrease)/increase in cash and cash equivalents				
	<u>(3,615)</u>	<u>(1,620)</u>	<u>4,912</u>	<u>(3,293)</u>
Cash and cash equivalents at beginning of period	16,316	11,966	7,820	13,639
Effects of currency translation on cash and cash equivalents				
	<u>12</u>	<u>-</u>	<u>(19)</u>	<u>-</u>
Cash and cash equivalents at end of period	<u>12,713</u>	<u>10,346</u>	<u>12,713</u>	<u>10,346</u>

Note to statement of cash flows

A. Cash and cash equivalents

	Half-Year Ended	
	31/12/13	31/12/12
	RM'000	RM'000
Cash and bank balances	23,950	4,386
Less: Bank deposits pledged	<u>(11,237)</u>	<u>-</u>
Cash and cash equivalents	<u>12,713</u>	<u>10,346</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	Non-controlling interests	Total equity
	Share capital	Restructuring reserve	Warrant reserve	Foreign currency translation reserve	Accumulated losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
6 months ended								
31 December 2013								
Beginning of financial period	269,860	(201,554)	13,429	6	(33,205)	48,536	-	48,536
Total comprehensive loss	-	-	-	-	(1,664)	(1,664)	-	(1,664)
Issuance of new ordinary shares	8,844	-	-	-	-	8,844	-	8,844
Share issue expenses	(384)	-	-	-	-	(384)	-	(384)
Issuance of new ordinary shares pursuant to exercise of warrants	3,884	-	-	-	-	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>	<u>-</u>	<u>59,216</u>
6 months ended								
31 December 2012								
Beginning of financial period	269,860	(201,554)	13,429	6	(29,767)	51,974	(648)	51,326
Total comprehensive loss	-	-	-	(8)	(1,980)	(1,988)	(19)	(2,007)
Disposal of subsidiaries	-	-	-	-	-	-	511	511
Acquisition of non-controlling interests	-	-	-	-	-	-	156	156
End of financial period	<u>269,860</u>	<u>(201,554)</u>	<u>13,429</u>	<u>(2)</u>	<u>(31,747)</u>	<u>49,986</u>	<u>-</u>	<u>49,986</u>

	Share capital RM'000	Warrant reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
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	3,884	-	-	3,884
End of financial period	<u>282,204</u>	<u>13,429</u>	<u>(126,609)</u>	<u>169,024</u>
6 months ended 31 December 2012				
Beginning of financial period	269,860	13,429	(124,487)	158,802
Total comprehensive loss	-	-	(1,541)	(1,541)
End of financial period	<u>269,860</u>	<u>13,429</u>	<u>(126,028)</u>	<u>157,261</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 2013	125,643,599
Issuance of new ordinary shares pursuant to the exercise of the 2013 Warrants (as defined herein)	<u>8,390,650</u>
Balance at 31 December 2013	<u>134,034,249</u>

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

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

	31/12/2013	31/12/2012
Total number of shares that may be issued on conversion of the Company's outstanding warrants:		
- Warrants expiring on 16 May 2014 ("2009 Warrants")	69,385,269*	58,657,027
- Warrants expiring on 16 July 2018 ("2013 Warrants")	<u>4,647,552</u>	<u>-</u>
	<u>74,032,821</u>	<u>58,657,027</u>

* As announced on 17 July 2013, an additional 10,728,254 of the 2009 Warrants were issued pursuant to the 2009 Warrants Adjustments (as defined in the Company's announcement dated 12 June 2013) as a result of the Rights cum Warrants Issue (as defined in the Company's announcement dated 7 May 2013).

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.

	31/12/13	30/06/13
Total number of issued shares excluding treasury shares	<u>134,034,249</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 Interpretations 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

Half-Year Ended	Total	
	31/12/13	31/12/12
Net loss attributable to equity holders of the Company (RM'000)	(1,664)	(1,980)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	117,173	89,320
Basic loss per share (RM cents per share)	<u>(1.4)</u>	<u>(2.2)</u>

2nd Quarter Ended	Total	
	31/12/13	31/12/12
Net loss attributable to equity holders of the Company (RM'000)	(1,121)	(1,756)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	129,622	89,320
Basic loss per share (RM cents per share)	<u>(0.9)</u>	<u>(2.0)</u>

b) Diluted loss per share

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

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

(a) **current financial period reported on; and**

(b) **immediately preceding financial year.**

	Group		Company	
	31/12/13	30/06/13	31/12/13	30/06/13
Net asset value per ordinary share	<u>RM0.44</u>	<u>RM0.70</u>	<u>RM1.26</u>	<u>RM2.29</u>

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A. Review of Financial Performance

Second Quarter Ended 31 December 2013 (“2Q FY14”) vs Second Quarter Ended 31 December 2012 (“2Q FY13”)

Revenue and gross profit

The Group's revenue in 2Q FY14 was higher than that recorded in 2Q FY13. The increase was due mainly to new products launched as well as the continuous marketing campaign carried out by the Group. In line with the increase in revenue, the Group reported higher gross profit of RM2.4 million as compared with the RM1.6 million seen in 2Q FY13.

Other gains, net

The reduction in other gains in 2Q FY14 came about mainly because there was no reversal of allowances for impairment of trade and other receivables, whereas there was such a reversal in 2Q FY13, amounting to RM221,000.

Selling and distribution expenses

The reduction in selling and distribution expenses recorded in 2Q FY14 arose mainly because no sale incentives were granted to customers, whereas incentives totalling RM205,000 were reported in 2Q FY13.

Net loss

The net loss recorded by the Group in 2Q FY14 was RM1.1 million, lower than the net loss of RM1.8 million posted in 2Q FY13 due mainly to higher gross profit as mentioned above.

Half-Year Ended 31 December 2013 (“1H FY14”) vs Half-Year Ended 31 December 2012 (“1H FY13”)

Revenue and gross profit

Revenue in 1H FY14 stood at RM7.5 million, RM3.1 million higher than that recorded in 1H FY13. The increase in revenue arose mainly from the sale of columbaria and tomb construction, which increased by RM2.0 million and RM841,000 respectively. In line with the higher revenue, gross profit rose to RM4.6 million.

Other gains, net

Other gains, net, were lower in 1H FY14 than in 1H FY13, during which the Group recorded a one-off gain of RM1.7 million on the disposal of subsidiaries.

Income tax credit

The income tax credit in 1H FY14 arose from the reversal of income tax overprovided in previous years.

Net loss

The Group reported a lower loss after income tax of RM1.7 million as compared with the RM2.0 million reported in 1H FY13.

B. Review of Financial Position as at 31 December 2013 vs 30 June 2013

Cash and bank balances

The increase in cash and bank balances was due mainly to funds raised from the issuance of new ordinary shares pursuant to the rights issue completed on 17 July 2013 as well as proceeds from the exercise of warrants totalling RM12.3 million. The positive cash flow was partially offset by net cash used in operating activities and the purchase of property, plant and equipment.

Trade and other receivables

The increase in trade and other receivables was a result of higher credit sales during the period.

Other current assets

The RM1.3 million increase in other current assets arose mainly because a deposit amounting to RM1.6 million ("Escrow Sum") was placed with an escrow agent pursuant to the proposed acquisition of Coeur Gold Armenia Ltd. The Escrow Sum is refundable upon the occurrence of any one of the following events, whichever is the earliest:

- (a) the MOU (as defined herein) has lapsed;
- (b) the proposed acquisition has been aborted; or
- (c) the proposed acquisition has been completed.

Non-current trade receivables

The Company grants certain customers easy payment terms of up to 24 months and amounts collectable in excess of 12 months from the balance sheet date are classified as non-current trade receivables. As at 31 December 2013, such trade receivables amounted to Nil as compared to RM588,000 as at 30 June 2013.

Property, plant and equipment

Property, plant and equipment increased by RM1.4 million in 1H FY14, largely because of construction costs for the funeral parlour.

Trade and other payables

Trade and other payables stood at RM10.2 million as at 31 December 2013, RM0.9 million higher than that recorded in 30 June 2013. This was because higher sales commission was accrued in line with higher sales in 1H FY14 and higher deferred sales in respect of tomb construction and funeral package.

Current income tax liabilities

Lower income tax liabilities as at 31 December 2013 was mainly due to tax instalments paid during the period.

Non-current finance lease liabilities

Lower non-current finance lease liabilities as at 31 December 2013 was mainly due to finance lease instalment paid during the period.

C. Review of Cash Flow for 1H FY14 vs 1H FY13

The Group recorded a RM4.9 million increase in cash and cash equivalents in 1H FY14. The increase was attributed primarily to the proceeds from the rights issue completed on 17 July 2013 as well as proceeds from the exercise of warrants totalling RM12.3 million. The positive cash flow was partly offset by the following:

- (a) A RM3.4 million increase in pledged short-term deposits;
- (b) Additions to property, plant and equipment amounting to RM1.5 million, which arose mainly from construction costs for the funeral parlour; and
- (c) Net cash used in operating activities. The cash outflows resulted from RM1.6 million in operating losses before working capital changes as well as negative working capital changes of RM1.2 million. This was partially offset by net income tax refunded and interest received of RM0.4 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

A. Bereavement care business

The construction of the funeral parlours on the land leased from the Ulu Langat Hokkien Association was completed in December 2013. Operations will commence once the certificate of fitness is received from the relevant authorities.

The Group reported higher revenue for the first two quarters of FY14 as compared with the first two quarters of FY13. However, the Group might not be able to achieve higher revenue in 3Q FY14 as it expects to post seasonally lower sales for the January to March 2014 period because of the Chinese Lunar New Year, since cultural taboos tend to hamper pre-need sales activities during this auspicious period.

B. Proposed Acquisition of Coeur Gold Armenia Ltd

On 3 September 2013, the Company entered into a non-binding memorandum of understanding (“MOU”) with:

- i. Mr George H. Richmond (the “Vendor”) to acquire 100% of Coeur Gold Armenia Ltd (the “Target”), which has 25 years of mining exploration rights to the Azatek and Sofi Bina regions of Armenia, in return for cash as well as new shares of the Company; and

- ii. China Global Energy & Resources Ltd (the “Placee”), under which the Placee will subscribe for the share capital of the Company (the “Placement”).

The two transactions were to be completed simultaneously and would be inter-conditional upon each other.

On 1 November 2013, the Company, the Vendor and the Placee agreed to extend the validity of the MOU for two months, until 2 January 2014. On 2 January 2014, the Company, the Vendor and the Placee agreed to a further extension of the validity of the MOU until 2 March 2014.

As announced on 2 January 2014, the Vendor and the Placee have formed a joint venture to hold the Target. In light of this development and based on ongoing discussions between the parties, it is currently intended that the Company and the Placee will no longer undertake the Placement.

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.

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 2013.

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

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

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"), this being one of the many components of First Consideration to be satisfied by the Company and as provided for under paragraph 3.2 of the April Announcement	50 - 70
ii. To pay for the some of the expenses incurred by the Company in connection with the Proposed Acquisition as defined in the April Announcement	10 - 30
iii. General working capital of the Company	10 - 30

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

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

Note:

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

With respect to the S\$2,400,000 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	52.8
Payment of office overheads	26.8
Payment of professional fees and other compliance costs	14.0
Payment to suppliers	6.4
Total	<u>100.0</u>

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

B. Rights cum Warrants Issue completed on 17 July 2013

On 17 July 2013, the Company issued 34,670,447 new ordinary shares at S\$0.10 per share pursuant to the 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 %
Funding growth and expansion	745	22.8	50-70*
General working capital	1,633	50.0	30-50*
Share issue expenses	153	4.7	#
Total	<u>2,531</u>	<u>77.5</u>	

Note:

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

Share issue expenses are estimated at S\$200,000.

With respect to the S\$1,633,000 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	36.6
Payment of office overheads	20.0
Payment of professional fees and other compliance costs	7.6
Payment to suppliers	35.8
Total	<u>100.0</u>

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

C. Proceeds from exercise of the 2013 Warrants

As at 31 December 2013, a total of 30,347,895 of the 2013 Warrants had been exercised and S\$1,517,395 had been received by the Group. The Group utilised S\$904,000 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	56.9
Payment of office overheads	11.2
Payment of professional fees and other compliance costs	16.9
Payment to suppliers	15.0
Total	<u>100.0</u>

BY ORDER OF THE BOARD

Lee Keng Mun
Chief Financial Officer
5 February 2014



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 2013 false or misleading in any material respect.

BY ORDER OF THE BOARD

(SIGNED)

Dato' Dr Choo Yeow Ming
Director

5 February 2014

(SIGNED)

Lee Keng Mun
Director