

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2009

	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Current Period Quarter Ended Jun 30 (RM'000)	Preceding Year Quarter Ended Jun 30 (RM'000)	Current 3 months Cumulative to date Jun 30 (RM'000)	Preceding Year Period Ended Jun 30 (RM'000)
Revenue	101,025	143,828	101,025	143,828
Operating Expenses	-95,958	-137,551	-95,958	-137,647
Other Operating Income	260	76	260	76
Depreciation and amortisation	-1,121	-931	-1,121	-931
Finance Costs	-3,398	-3,204	-3,398	-3,204
Share of results of associates	-41	96	-41	96
Profit before tax	767	2,218	767	2,218
Taxation	-181	-188	-181	-188
Net Profit for the period	586	2,030	586	2,030
Attributable to :				
Equity holders to the parent	520	1,808	520	1,808
Minority interests	66	222	66	222
	586	2,030	586	2,030
Basic earnings per share (sen)	0.06	0.21	0.06	0.21
Diluted earning per share	N / A	N / A	N / A	N / A

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st March 2009)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2009

	As at Jun 30, 09 (RM'000)	Year ended Mar 31, 09 (RM'000)
Non Current Assets		
Property, plant & equipment	217,120	218,641
Prepaid land lease payment	31,092	31,185
Investment property	15,765	15,775
Goodwill arising on consolidation	41,959	41,959
Investment in Associates	178	219
Investments	6,720	6,713
Deferred and development expenditure	1,097	1,113
Land held for development	27,180	27,113
Deferred tax assets	1,732	1,732
	<u>272,708</u>	<u>266,848</u>
Current Assets		
Inventories	22,596	22,752
Development properties	13,506	7,833
Trade and other receivables	196,602	198,381
Fixed and call deposits	27,021	17,119
Cash and bank balances	12,983	20,763
	<u>272,708</u>	<u>266,848</u>
Current Liabilities		
Trade and other payables	42,914	44,974
Short term borrowings	75,403	75,945
Hire purchase	95	169
Taxation	1,615	2,193
	<u>120,027</u>	<u>123,281</u>
Net Current Assets	152,681	143,567
	<u>495,524</u>	<u>488,017</u>
Equity		
Share capital	171,710	171,710
Reserves	171,387	171,969
	<u>343,097</u>	<u>343,679</u>
Attributable to equity holders of the parent	343,097	343,679
Minority interest	-1,460	-1,526
Total Equity	<u>341,637</u>	<u>342,153</u>
Long term and deferred liabilities		
Advanced from Joint Venture shareholder	8,292	7,296
Term Loan	60,361	53,300
Hire purchase	0	34
Collateralised Loan Obligation (CLO)	85,000	85,000
Deferred taxation	234	234
	<u>495,524</u>	<u>488,017</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31st March 2009)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2009

	← Attributable to Equity Holders of the Parent →							Minority Interest (RM'000)	Total Equity (RM'000)
	← Non Distributable Reserves →				Distributable Reserves				
	Share Capital (RM'000)	Share Premium Reserve (RM'000)	Share Buy-back Reserve (RM'000)	Foreign Currency Translation Reserve (RM'000)	Revaluation Reserve (RM'000)	Retained Profits (RM'000)	Total (RM'000)		
3 months quarter ended 30 June 2009									
Balance at beginning of year as at 1 Apr. 2009	171,710	19,911	8,930	-125	79,171	64,082	343,679	-1,526	342,153
Movements during the period (cumulative)	0	0	0	-1,102	0	520	-582	66	-516
Balance at end of period	<u>171,710</u>	<u>19,911</u>	<u>8,930</u>	<u>-1,227</u>	<u>79,171</u>	<u>64,602</u>	<u>343,097</u>	<u>-1,460</u>	<u>341,637</u>
3 months quarter ended 30 June 2008									
Balance at beginning of year as at 1 Apr. 2008	171,710	19,911	8,930	-4,131	0	62,411	258,831	-2,156	256,675
Movements during the period (cumulative)	0	0	0	297	0	1,808	2,105	222	2,327
Balance at end of period	<u>171,710</u>	<u>19,911</u>	<u>8,930</u>	<u>-3,834</u>	<u>0</u>	<u>64,219</u>	<u>260,936</u>	<u>-1,934</u>	<u>259,002</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st March 2009)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2009

	2009	2008
	3 months	3 months
	ended	ended
	Jun 30	Jun 30
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	767	2,218
Adjustment :-		
Non-cash items	1,111	931
Non-operating items (which are investing / financing)	-83	-199
Operating profit before changes in working capital	<u>1,795</u>	<u>2,950</u>
Changes in working capital		
Net Change in current assets	-7,297	31,470
Net Change in current liabilities	3,474	-35,344
Cash used in operations	<u>-2,028</u>	<u>-924</u>
Tax Paid	-415	-571
Net cash flows from operating activities	<u>-2,443</u>	<u>-1,495</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	31	0
Proceeds from disposal of investment property	0	3,528
Purchase of property, plant and equipment	-447	-1,783
Purchase of land held for development	-67	-94
Purchase of investment properties	0	-1,949
Net cash outflow from acquisition of subsidiary & associates companies less deposit paid in previous financial year	0	-14,975
Net cash flows from investing activities	<u>-483</u>	<u>-15,273</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	10,029	-1,678
Net cash flows from financing activities	<u>10,029</u>	<u>-1,678</u>
Net change in cash & cash equivalents	7,103	-18,446
Cash & cash equivalents at beginning of year	-12,004	29,072
Effects of exchange rate changes on cash & cash equivalents at end of year	-1,362	1,502
Cash & cash equivalents at end of period	<u>-6,263</u>	<u>12,128</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st March 2009)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2009

	2009 3 months ended Jun 30 (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation	767
Adjustment :-	
Non-cash items	1,111
Non-operating items (which are investing / financing)	-83
Operating profit before changes in working capital	<u>1,795</u>
Changes in working capital	
Net Change in current assets	-7,297
Net Change in current liabilities	3,474
Cash used in operations	<u>-2,028</u>
Tax Paid	-415
Net cash flows from operating activities	<u>-2,443</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Other investment	31
Proceeds from disposal of investment property	0
Purchase of property, plant and equipment	-447
Purchase of land held for development	-67
Purchase of investment properties	0
Net cash outflow from acquisition of subsidiary & associates companies less deposit paid in previous financial year	0
Net cash flows from investing activities	<u>-483</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Net Bank Borrowings	10,029
Net cash flows from financing activities	<u>10,029</u>
Net change in cash & cash equivalents	7,103
Cash & cash equivalents at beginning of year	-12,004
Effects of exchange rate changes on cash & cash equivalents at end of year	-1,362
Cash & cash equivalents at end of period	<u>-6,263</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st March 2009)

RELIANCE PACIFIC BERHAD

(Company no. 244521 A)

Notes

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1 Accounting Policies

The interim financial statements have been prepared under the historical cost convention.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 March 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2009.

A2 Changes in Accounting Policies

The significant accounting policies adopted in the interim financial statements are consistent with those adopted by the Group in the audited financial statements for the year ended 31 March 2009 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") and Interpretation that are relevant to its operations which have been issued but are not effective:

Standard	Title	Effective Date
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendments to FRS 1	First Time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity and Associate	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

Other than disclosed above, the directors do not anticipate that the application of the above new FRSs, Amendments and Interpretation, when they are effective, will have a material impact on the results and the financial position of the Group and of the Company.

The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The possible impacts of FRS 123 on the financial statements upon its initial application are not disclosed as the existing accounting policies of the Group are consistent with the requirements under this new standard.

A3 Audit Report of Preceding Annual Financial Statement

The annual audited financial statement in the preceding year was not qualified.

A4 Seasonal or Cyclical Factors

The Group is principally engaged in the following business operations:

- a) Travel
- b) Hotel
- c) Property

The major festivities and school holidays generally affect the performance of Travel Division. The performance of Property Division is affected by the sentiments of the property cycle, as the division's profitability is dependent on the sale of its resort properties.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

A6 Accounting Estimates

There were no changes in estimates of amounts reported in prior financial quarters of the current financial year or in prior financial years that have a material effect in the current financial quarter.

A7 Issuance or Repayment of Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year to date.

A8 Dividend Paid

There were no dividends paid during the period under review.

A9 Segmental Reporting

a) Revenue

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 30 Jun 2009 (RM'000)	Preceding Year Quarter Ended 30 Jun 2008 (RM'000)	Current 3 months Cumulative to date 30 Jun 2009 (RM'000)	Preceding Year Period Ended 30 Jun 2008 (RM'000)
Travel	85,610	126,510	85,610	126,510
Hotel	14,167	13,067	14,167	13,067
Property	1,248	4,251	1,248	4,251
Total	101,025	143,828	101,025	143,828

b) Profit/(Loss) before taxation

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 30 Jun 2009 (RM'000)	Preceding Year Quarter Ended 30 Jun 2008 (RM'000)	Current 3 months Cumulative to date 30 Jun 2009 (RM'000)	Preceding Year Period Ended 30 Jun 2008 (RM'000)
Travel	605	859	605	859
Hotel	3,124	3,461	3,124	3,461
Property	(691)	161	(691)	161
RPB & Other	(2,230)	(2,359)	(2,230)	(2,359)
Share of results of associates	(41)	96	(41)	96
Total	767	2,218	767	2,218

A10 Valuation of Property, Plant and Equipment

Land and buildings of the Group have not been revalued for the current financial year to date.

A11 Subsequent Material Events

There were no material events subsequent to the end of the current quarter.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter.

A13 Contingent Liabilities and Contingent Asset

There were no contingent liabilities and contingent Asset for the current financial year to date.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance of the Company and its Principal Subsidiaries

Consolidated revenue of the Group for the current quarter has reduced by 29.8% as compared to the preceding year 1st quarter.

The consolidated profit before tax has reduced by 65.4% from RM2.218 million in the preceding year 1st quarter to RM0.767 million for the 1st quarter under review.

The global economic crisis and of late the Influenza A(H1N1) had an immediate impact on the hospitality and tourism industry. RPB's Travel Division has experienced postponement and slow demand in tour and travel services. This has resulted in the reduction in group revenue and profit.

B2 Material Changes in the Quarterly Results as compared with the Preceding quarter

Consolidated revenue of the Group for the reporting quarter has improved by 1.65% in comparison to the preceding quarter. The Consolidated profit before tax has reduced by 30.9% in comparison to the preceding quarter. This was mainly due to the lower yield in view of the current economic environment and the impact of Influenza A(H1N1).

B3 Commentary on Prospect

The business landscape in 2009/10 is regarded as the toughest ever for travel and tourism industry players. While there are "green shoots" reported, the recovery, at best, remains patchy. We therefore anticipate that the industry in Asia would come under increasing competitive pressures and softer demand. Having faced the challenges of the past year, we remain cautiously optimistic and are bracing ourselves to face even greater challenges ahead. The Management is even more determined than ever to emerge stronger.

RPB will stay on track and align our plans to realize our vision to emerge as the Dominant Regional Player.

B4 Variance from Profit Forecast

Not applicable.

B5 Taxation

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 30 Jun 2009 (RM'000)	Preceding Year Quarter Ended 30 Jun 2008 (RM'000)	Current 3 months Cumulative to date 30 Jun 2009 (RM'000)	Preceding Year Period Ended 30 Jun 2008 (RM'000)
a) Income Tax				
i) Current taxation	181	188	181	188
b) Total	181	188	181	188

The Group tax rate is higher than the statutory tax rate applicable due to the Provision of taxation on profit by certain subsidiary companies.

B6 Acquisition and Disposal of Unquoted Investment and Properties

There were no acquisition and disposal of unquoted investments during the current quarter.

B7 Quoted Securities

- a) There were no purchase and disposal of quoted securities during the Current quarter.
- b) Investments in quoted securities as at the end of the reporting period.

	RM'000
Total investment at cost	10,730
Less: Provision for diminution	<u>(4,146)</u>
Total investment at cost after provision for diminution	<u>6,584</u>
Total investment at carrying value/book value	6,584
Total investment at market value	6,302

B8 Corporate proposals

There were no other corporate proposals announced during the current quarter.

B9 Group Borrowings

a. Banking Facilities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
a) Short term borrowings			
i. Overdraft	17,036	29,231	46,267
ii. Revolving Credit	16,159	9,500	25,659
iii. Long term borrowings repayable within twelve months	3,477	-	3,477
iv. Lease and Hire Purchase repayable within 12 months	95	-	95
v. Total	<u>36,767</u>	<u>38,731</u>	<u>75,498</u>
b) Long term borrowings			
i. Long term loans	63,838	-	63,838
Less portion of long term loans payable within 12 months	<u>3,477</u>	<u>-</u>	<u>3,477</u>
	<u>60,361</u>	<u>0</u>	<u>60,361</u>
ii. Collateralised Loan obligation	<u>-</u>	<u>85,000</u>	<u>85,000</u>
iii. Lease and Hire purchase	95	-	95
Less portion of Lease and Hire Purchase payable within 12 months	<u>(95)</u>	<u>-</u>	<u>(95)</u>
	<u>0</u>	<u>-</u>	<u>0</u>
iv. Total	60,361	85,000	145,361
c) Total borrowings	97,128	123,731	220,859

B10 Off Balance Sheet Financial Instruments

The Group had entered into the following forward foreign currency contracts to hedge its committed purchases in foreign currencies:

Currency	Contract Amounts FC'000	Outstanding Contract Amount		Expiry
		FC'000	RM'000	
USD	75	6	23	07 Sept 2009
YEN	5,000	5,000	182	12 Nov 2009

As foreign currency contracts are entered into to hedge the Group's purchases in foreign currencies, the contracted rates will be used to convert the foreign currency amounts in Ringgit Malaysia.

These Contracts are short-term in nature and as such, we do not calculate the difference between contracted rates and spot rates and therefore do not take up the difference in the income statement for the current interim period.

Forward foreign exchange contracts are used to confirm foreign currency payments of the Group. The maturity period of each contract depends on the term of payments agreed with our suppliers. The purpose of hedging is to preserve the value of trade payable against market risk. There are no other cash requirements for the above forward foreign contracts besides a small fee.

B11 Material Litigation

There was no material litigation pending as at the date of this announcement.

B12 Basic Profit Per Share

a) Basic Profit per share

Basic Profit per share is calculated by dividing the net profit attributable to the shareholders for the current financial quarter and period ended 30 June 2009 are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 30 Jun 2009 (RM'000)	Preceding Year Quarter Ended 30 Jun 2008 (RM'000)	Current 3 months Cumulative to date 30 Jun 2009 (RM'000)	Preceding Year Period Ended 30 Jun 2008 (RM'000)
Net Profit attributable to equity holders to the parent (RM'000)	520	1,808	520	1,808
Basic ('000) Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic earnings per share(sen)	0.06	0.21	0.06	0.21

b) Diluted Profit per share

N/A.

BY ORDER OF THE BOARD
TAN BEE LENG (MAICSA NO: 7009994)

Secretary

Kuala Lumpur
Date: 27 August 2009