

**RELIANCE PACIFIC BERHAD (244521 A)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
	<b>Current Period Quarter Ended Sep 30 (RM'000)</b>	<b>Preceding Year Quarter Ended Sep 30 (RM'000)</b>	<b>Current 6 months Cumulative to date Sep 30 (RM'000)</b>	<b>Preceding Year Period Ended Sep 30 (RM'000)</b>
Revenue	93,352	138,355	194,377	282,183
Operating Expenses	-89,567	-131,970	-185,525	-269,623
Other Operating Income	257	255	517	331
Depreciation and amortisation	-1,109	-1,136	-2,230	-2,067
Finance Costs	-3,112	-3,163	-6,510	-6,367
Share of results of associates	-25	6	-66	102
<b>(Loss) / Profit before tax</b>	<b>-204</b>	<b>2,341</b>	<b>563</b>	<b>4,559</b>
Taxation	-193	-262	-374	-450
<b>Net (Loss) / Profit for the period</b>	<b>-397</b>	<b>2,079</b>	<b>189</b>	<b>4,109</b>
<b>Attributable to :</b>				
Equity holders to the parent	-389	1,666	131	3,474
Minority interests	-8	413	58	635
	<b>-397</b>	<b>2,079</b>	<b>189</b>	<b>4,109</b>
<b>Basic earnings per share (sen)</b>	<b>(0.05)</b>	<b>0.19</b>	<b>0.02</b>	<b>0.40</b>
<b>Diluted earning per share</b>	<b>N / A</b>	<b>N / A</b>	<b>N / A</b>	<b>N / A</b>

(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 SEPTEMBER 2009**

	As at Sep 30, 09 (RM'000)	Year ended Mar 31, 09 (RM'000)
Non Current Assets		
Property, plant & equipment	217,277	218,641
Prepaid land lease payment	31,003	31,185
Investment property	15,757	15,775
Goodwill arising on consolidation	41,959	41,959
Investment in Associates	153	219
Investments	6,714	6,713
Deferred and development expenditure	1,182	1,113
Land held for development	27,180	27,113
Deferred tax assets	1,732	1,732
	<u>269,559</u>	<u>266,848</u>
Current Assets		
Inventories	22,377	22,752
Development properties	10,865	7,833
Trade and other receivables	199,913	198,381
Fixed and call deposits	26,887	17,119
Cash and bank balances	9,517	20,763
	<u>269,559</u>	<u>266,848</u>
Current Liabilities		
Trade and other payables	39,866	44,974
Short term borrowings	75,662	75,945
Hire purchase	63	169
Taxation	1,666	2,193
	<u>117,257</u>	<u>123,281</u>
Net Current Assets	152,302	143,567
	<u>495,259</u>	<u>488,017</u>
Equity		
Share capital	171,710	171,710
Reserves	170,475	171,969
	<u>342,185</u>	<u>343,679</u>
Attributable to equity holders of the parent	342,185	343,679
Minority interest	-1,468	-1,526
Total Equity	<u>340,717</u>	<u>342,153</u>
Long term and deferred liabilities		
Advanced from Joint Venture shareholder	8,876	7,296
Term Loan	60,432	53,300
Hire purchase	0	34
Collateralised Loan Obligation (CLO)	85,000	85,000
Deferred taxation	234	234
	<u>495,259</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 SEPTEMBER 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)		
<b>6 months quarter ended 30 September 2009</b>									
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	-1,625	0	131	-1,494	58	-1,436
<b>Balance at end of period</b>	<b><u>171,710</u></b>	<b><u>19,911</u></b>	<b><u>8,930</u></b>	<b><u>-1,750</u></b>	<b><u>79,171</u></b>	<b><u>64,213</u></b>	<b><u>342,185</u></b>	<b><u>-1,468</u></b>	<b><u>340,717</u></b>
<b>6 months quarter ended 30 September 2008</b>									
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	3,472	78,365	3,474	85,311	635	85,946
<b>Balance at end of period</b>	<b><u>171,710</u></b>	<b><u>19,911</u></b>	<b><u>8,930</u></b>	<b><u>-659</u></b>	<b><u>78,365</u></b>	<b><u>65,885</u></b>	<b><u>344,142</u></b>	<b><u>-1,521</u></b>	<b><u>342,621</u></b>

(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 SEPTEMBER 2009**

	<b>2009</b>	<b>2008</b>
	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>
	<b>Sep 30</b>	<b>Sep 30</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	563	4,559
Adjustment :-		
Non-cash items	2,210	2,067
Non-operating items ( which are investing / financing )	-182	-301
Operating profit before changes in working capital	<u>2,591</u>	<u>6,325</u>
Changes in working capital		
Net Change in current assets	-11,349	27,704
Net Change in current liabilities	4,120	-37,903
Cash used in operations	<u>-4,638</u>	<u>-3,874</u>
Tax Paid	-702	-1,254
Net cash flows from operating activities	<u>-5,340</u>	<u>-5,128</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Other investment	62	0
Net Proceeds from disposal of investment property	-2	1,579
Purchase of property, plant and equipment	-894	-4,285
Purchase of land held for development	-67	-138
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>-901</u>	<u>-17,819</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Bank Borrowings	10,068	-1,800
Net cash flows from financing activities	<u>10,068</u>	<u>-1,800</u>
<b>Net change in cash &amp; cash equivalents</b>	<b>3,827</b>	<b>-24,747</b>
Cash & cash equivalents at beginning of year	-12,004	29,072
Effects of exchange rate changes on cash & cash equivalents at end of year	-1,946	2,527
<b>Cash &amp; cash equivalents at end of period</b>	<b><u>-10,123</u></b>	<b><u>6,852</u></b>

(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 SEPTEMBER 2009**

	<b>2009</b> <b>6 months</b> <b>ended</b> <b>Sep 30</b> <b>(RM'000)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before taxation	563
Adjustment :-	
Non-cash items	2,210
Non-operating items ( which are investing / financing )	-182
Operating profit before changes in working capital	<u>2,591</u>
Changes in working capital	
Net Change in current assets	-11,349
Net Change in current liabilities	4,120
Cash used in operations	<u>-4,638</u>
Tax Paid	-702
Net cash flows from operating activities	<u>-5,340</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Other investment	62
Net Proceeds from disposal of investment property	-2
Purchase of property, plant and equipment	-894
Purchase of land held for development	-67
Net cash outflow from acquisition of subsidiary & associates companies less deposit paid in previous financial year	0
Net cash flows from investing activities	<u>-901</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Net Bank Borrowings	10,068
Net cash flows from financing activities	<u>10,068</u>
<b>Net change in cash &amp; cash equivalents</b>	<b>3,827</b>
Cash & cash equivalents at beginning of year	-12,004
Effects of exchange rate changes on cash & cash equivalents at end of year	-1,946
<b>Cash &amp; cash equivalents at end of period</b>	<b><u>-10,123</u></b>

(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 4	Insurance	1 January 2010
FRS 7	Financial Instruments : Disclosures	1 January 2010
FRS 101	Presentation of Financial Statements	1 January 2010
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 2	Share-based Payment – Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 7	Financial Instruments : Disclosures	1 January 2010

Standard	Title	Effective Date
Amendments to FRS 127	Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity and Associate	1 January 2010
Amendments to FRS 132	Financial Instruments : Presentation	1 January 2010
Amendments to FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010

### **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 Sept 2009 (RM'000)	Preceding Year Quarter Ended 30 Sept 2008 (RM'000)	Current 6 months Cumulative to date 30 Sept 2009 (RM'000)	Preceding Year Period Ended 30 Sept 2008 (RM'000)
Travel	83,068	126,279	168,678	252,789
Hotel	9,173	9,862	23,339	22,929
Property	1,112	2,214	2,360	6,465
<b>Total</b>	<b>93,352</b>	<b>138,355</b>	<b>194,377</b>	<b>282,183</b>

### b) Profit/(Loss) before taxation

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 30 Sept 2009 (RM'000)	Preceding Year Quarter Ended 30 Sept 2008 (RM'000)	Current 6 months Cumulative to date 30 Sept 2009 (RM'000)	Preceding Year Period Ended 30 Sept 2008 (RM'000)
Travel	754	1,885	1,359	2,744
Hotel	2,023	2,371	5,147	5,832
Property	(575)	172	(1,266)	333
RPB & Other	(2,381)	(2,093)	(4,611)	(4,452)
Share of results of associates	(25)	6	(66)	102
<b>Total</b>	<b>(204)</b>	<b>2,341</b>	<b>563</b>	<b>4,559</b>



**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**

The Influenza A(H1N1) and the global economic crisis had an immediate impact on the hospitality and tourism industry. RPB's Travel Division has experienced slow demand and postponement in tour and travel services. This has resulted in reduction of group revenue by 32.5% as compared to the preceding year same quarter with a marginal loss of RM0.204 million registered in the current quarter.

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

Consolidated revenue of the Group for the reporting quarter has reduced by 7.6% in comparison to the preceding quarter resulting in a marginally loss of RM0.204 million in the current quarter.

This was mainly due to the following:

- a) Seasonality in which 2<sup>nd</sup> quarter is traditionally the weakest quarter for the travel industry.
- b) Impact of Influenza A(H1N1) which has resulted in low demand and postponement of tour and travel services.

## **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 Sept 2009 (RM'000)	Preceding Year Quarter Ended 30 Sept 2008 (RM'000)	Current 6 months Cumulative to date 30 Sept 2009 (RM'000)	Preceding Year Period Ended 30 Sept 2008 (RM'000)
a) Income Tax				
i) Current taxation	193	262	374	450
<b>b) Total</b>	<b>193</b>	<b>262</b>	<b>374</b>	<b>450</b>

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.

	<b>RM'000</b>
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	6,262

## 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	23,996	22,530	46,526
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	63	-	63
v. Total	<u>43,695</u>	<u>32,030</u>	<u>75,725</u>
b) Long term borrowings			
i. Long term loans	63,909	-	63,909
<b>Less</b> portion of long term loans payable within 12 months	<u>3,477</u>	<u>-</u>	<u>3,477</u>
	<u>60,432</u>	<u>0</u>	<u>60,432</u>
ii. Collateralised Loan obligation	<u>-</u>	<u>85,000</u>	<u>85,000</u>
iii. Lease and Hire purchase	63	-	63
<b>Less</b> portion of Lease and Hire Purchase payable within 12 months	<u>(63)</u>	<u>-</u>	<u>(63)</u>
	<u>0</u>	<u>-</u>	<u>0</u>
iv. Total	<u>60,432</u>	<u>85,000</u>	<u>145,432</u>
c) Total borrowings	104,127	117,030	221,157

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 September 2009 were as follows:

	RM'000
<u>Foreign Currency</u>	
Singapore Dollar	1,720
Hong Kong Dollar	<u>3,706</u>
Total	<u>5,423</u>

## 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	
EUR	100	56	282	07 Dec 2009
USD	200	73	252	10 Dec 2009
YEN	5,000	926	35	24 Dec 2009
EUR	100	100	504	13 Jan 2010
YEN	5,000	5,000	191	15 Jan 2010
USD	300	300	1,024	25 Jan 2010
YEN	5,000	10,000	371	28 Jan 2010
AUD	30	30	93	10 Feb 2010
AUD	50	50	157	12 Feb 2010
AUD	80	80	253	16 Feb 2010
USD	200	200	681	17 Feb 2010
EUR	100	100	505	18 Feb 2010

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 September 2009 are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 30 Sept 2009 (RM'000)	Preceding Year Quarter Ended 30 Sept 2008 (RM'000)	Current 6 months Cumulative to date 30 Sept 2009 (RM'000)	Preceding Year Period Ended 30 Sept 2008 (RM'000)
<b>Net (Loss)/Profit attributable to equity holders to the parent (RM'000)</b>	<b>(398)</b>	<b>1,666</b>	<b>131</b>	<b>3,474</b>
<b>Basic ('000) Weighted average number of ordinary shares</b>	<b>858,552</b>	<b>858,552</b>	<b>858,552</b>	<b>858,552</b>
<b>Basic earnings per share(sen)</b>	<b>(0.05)</b>	<b>0.19</b>	<b>0.02</b>	<b>0.40</b>

### b) Diluted Profit per share

N/A.

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

Secretary

Kuala Lumpur  
Date: 30 November 2009