

**RELIANCE PACIFIC BERHAD (244521 A)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE QUARTER ENDED 31 DECEMBER 2009**

	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	Current Period	Preceding Year	Current 9 months	Preceding Year
	Quarter Ended	Quarter Ended	Cumulative to date	Period Ended
	31-Dec	31-Dec	31-Dec	31-Dec
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	133,168	167,416	327,545	449,599
Operating Expenses	(125,900)	(155,556)	(311,425)	(425,152)
Other Operating Income	242	340	759	671
Depreciation and amortisation	(1,420)	(1,339)	(3,650)	(3,406)
Finance Costs	(3,288)	(3,777)	(9,798)	(10,144)
Share of results of associates	(18)	(27)	(84)	75
<b>Profit before tax</b>	<b>2,784</b>	<b>7,084</b>	<b>3,347</b>	<b>11,643</b>
Taxation	(281)	(125)	(655)	(575)
<b>Net Profit for the period</b>	<b>2,503</b>	<b>6,959</b>	<b>2,692</b>	<b>11,068</b>
<b>Attributable to :</b>				
Equity holders to the parent	2,421	6,514	2,552	9,988
Minority interests	82	445	140	1,080
	<b>2,503</b>	<b>6,959</b>	<b>2,692</b>	<b>11,068</b>
<b>Basic earnings per share (sen)</b>	<b>0.28</b>	<b>0.76</b>	<b>0.30</b>	<b>1.16</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 31 DECEMBER 2009**

	As at 31-Dec-09 (RM'000)	Year ended 31-Mar-09 (RM'000)
Non Current Assets		
Property, plant & equipment	217,271	218,641
Prepaid land lease payment	30,916	31,185
Investment property	15,747	15,775
Goodwill arising on consolidation	41,959	41,959
Investment in Associates	135	219
Investments	6,714	6,713
Deferred and development expenditure	1,169	1,113
Land held for development	27,195	27,113
Deferred tax assets	1,732	1,732
	<u>279,138</u>	<u>266,848</u>
Current Assets		
Inventories	22,222	22,752
Development properties	19,040	7,833
Trade and other receivables	199,160	198,381
Fixed and call deposits	25,797	17,119
Cash and bank balances	12,919	20,763
	<u>279,138</u>	<u>266,848</u>
Current Liabilities		
Trade and other payables	40,190	44,974
Short term borrowings	83,013	75,945
Collateralised Loan Obligation (CLO)	45,000	0
Hire purchase	10	169
Taxation	1,302	2,193
	<u>169,515</u>	<u>123,281</u>
Net Current Assets	109,623	143,567
	<u>452,461</u>	<u>488,017</u>
Equity		
Share capital	171,710	171,710
Reserves	172,564	171,969
	<u>344,274</u>	<u>343,679</u>
Attributable to equity holders of the parent	344,274	343,679
Minority interest	(1,386)	(1,526)
Total Equity	<u>342,888</u>	<u>342,153</u>
Long term and deferred liabilities		
Advanced from Joint Venture shareholder	8,906	7,296
Term Loan	60,400	53,300
Hire purchase	33	34
Collateralised Loan Obligation (CLO)	40,000	85,000
Deferred taxation	234	234
	<u>452,461</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 31 DECEMBER 2009**

	← Attributable to Equity Holders of the Parent →						Minority Interest	Total Equity	
	← 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>9 months quarter ended 31 December 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	(1,957)	0	2,552	595	140	735
<b>Balance at end of period</b>	<b>171,710</b>	<b>19,911</b>	<b>8,930</b>	<b>(2,082)</b>	<b>79,171</b>	<b>66,634</b>	<b>344,274</b>	<b>(1,386)</b>	<b>342,888</b>
<b>9 months quarter ended 31 December 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	3,519	78,365	9,988	91,872	1,080	92,952
<b>Balance at end of period</b>	<b>171,710</b>	<b>19,911</b>	<b>8,930</b>	<b>(612)</b>	<b>78,365</b>	<b>72,399</b>	<b>350,703</b>	<b>(1,076)</b>	<b>349,627</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 31 DECEMBER 2009**

	<b>2009</b>	<b>2008</b>
	<b>9 months</b>	<b>9 months</b>
	<b>ended</b>	<b>ended</b>
	<b>31-Dec</b>	<b>31-Dec</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,347	11,643
Adjustment :-		
Non-cash items	3,620	3,406
Non-operating items ( which are investing / financing )	(257)	(301)
Operating profit before changes in working capital	<u>6,710</u>	<u>14,748</u>
Changes in working capital		
Net Change in current assets	(18,057)	21,067
Net Change in current liabilities	3,902	(36,208)
Cash used in operations	<u>(7,445)</u>	<u>(393)</u>
Tax Paid	(960)	(1,657)
Net cash flows from operating activities	<u>(8,405)</u>	<u>(2,050)</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	(2,288)	(6,528)
Purchase of land held for development	(81)	(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>(2,309)</u>	<u>(20,062)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Bank Borrowings	10,017	(1,970)
Net cash flows from financing activities	<u>10,017</u>	<u>(1,970)</u>
<b>Net change in cash &amp; cash equivalents</b>	<b>(697)</b>	<b>(24,082)</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	(2,460)	2,574
<b>Cash &amp; cash equivalents at end of period</b>	<u><b>(15,161)</b></u>	<u><b>7,564</b></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 1	First Time Adoption of Financial Reporting Standards	1 July 2010
FRS 3	Business Combinations	1 July 2010
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 127	Consolidated and Separate Financial Statements	1 July 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

## A2 Changes in Accounting Policies (Cont'd)

Standard	Title	Effective Date
Amendments to FRS 2	Share-based Payment	1 July 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 7	Financial Instruments : Disclosures	1 January 2010
Amendments to FRS 8	Operating Segments	1 January 2010
Amendments to FRS 107	Statement of Cash Flows	1 January 2010
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendments to FRS 110	Events after the Reporting period	1 January 2010
Amendments to FRS 116	Property, Plant & Equipment	1 January 2010
Amendments to FRS 118	Revenue	1 January 2010
Amendments to FRS 119	Employee Benefits	1 January 2010
Amendments to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendments to FRS 123	Borrowing Costs	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
Amendments to FRS 128	Investments in Associates	1 January 2010
Amendments to FRS 131	Interest in Joint Ventures	1 January 2010
Amendments to FRS 132	Financial Instruments : Presentation	1 January 2010
Amendments to FRS 134	Interim Financial Reporting	1 January 2010
Amendments to FRS 136	Impairment of Assets	1 January 2010
Amendments to FRS 138	Intangible Assets	1 January 2010
Amendments to FRS 138	Intangible Assets	1 July 2010
Amendments to FRS 139	Financial Instruments : Recognition and Measurement	1 January 2010
Amendments to FRS 140	Investment Property	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 31 Dec 2009 (RM'000)	Preceding Year Quarter Ended 31 Dec 2008 (RM'000)	Current 9 months Cumulative to date 31 Dec 2009 (RM'000)	Preceding Year Period Ended 31 Dec 2008 (RM'000)
Travel	121,706	154,937	290,384	407,726
Hotel	10,113	11,301	33,453	34,230
Property	1,349	1,178	3,708	7,643
<b>Total</b>	<b>133,168</b>	<b>167,416</b>	<b>327,545</b>	<b>449,599</b>

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

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 31 Dec 2009 (RM'000)	Preceding Year Quarter Ended 31 Dec 2008 (RM'000)	Current 9 months Cumulative to date 31 Dec 2009 (RM'000)	Preceding Year Period Ended 31 Dec 2008 (RM'000)
Travel	3,283	6,226	4,642	8,970
Hotel	2,300	2,436	7,448	8,268
Property	(532)	396	(1,799)	729
RPB	(2,249)	(1,947)	(6,860)	(6,399)
Share of results of associates	(18)	(27)	(84)	75
<b>Total</b>	<b>2,784</b>	<b>7,084</b>	<b>3,347</b>	<b>11,643</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**

Consolidated revenue of the Group for the current quarter has reduced by 20.5% as compared to the preceding year 3<sup>rd</sup> quarter.

The reduction in revenue was mainly due to lower contribution from Travel Division. The lower contribution was due to lower demand for travel services as a result of Influenza A(H1N1) and lower tour prices.

The reduction in revenue has resulted in the consolidated profit before tax reduced by 60.7% from RM7.084 million to RM2.784 million as compared to the preceding year same quarter.

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

3<sup>rd</sup> quarter was traditionally the strongest quarter for the Group. With the strong performance achieved by Travel and Hotel divisions, the consolidated revenue and profit before tax has improved by 43% and 146% respectively in comparison to the preceding quarter.

### **B3 Commentary on Prospect**

The business landscape in 2009/10 is regarded as the toughest ever for travel and tourism industry players. While recovery is in progress, we remain cautiously optimistic and are bracing ourselves to face any unforeseen challenges ahead.

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 31 Dec 2009 (RM'000)	Preceding Year Quarter Ended 31 Dec 2008 (RM'000)	Current 9 months Cumulative to date 31 Dec 2009 (RM'000)	Preceding Year Period Ended 31 Dec 2008 (RM'000)
a) Income Tax i) Current taxation	281	125	655	575
<b>b) Total</b>	<b>281</b>	<b>125</b>	<b>655</b>	<b>575</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	7,260

#### 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	23,918	24,262	48,180
ii. Revolving Credit	16,159	9,500	25,659
iii. Long term borrowings repayable within twelve months	9,174	-	9,174
iv. Collateralised Loan obligation	-	45,000	45,000
v. Lease and Hire Purchase repayable within 12 months	10	-	10
vi. Total	<u>49,261</u>	<u>78,762</u>	<u>128,023</u>
b) Long term borrowings			
i. Long term loans	69,574	-	69,574
Less portion of long term loans payable within 12 months	<u>9,174</u>	<u>-</u>	<u>9,174</u>
	<u>60,400</u>	<u>0</u>	<u>60,400</u>
ii. Collateralised Loan obligation	<u>-</u>	<u>40,000</u>	<u>40,000</u>
iii. Lease and Hire purchase	43	-	43
Less portion of Lease and Hire Purchase payable within 12 months	<u>(10)</u>	<u>-</u>	<u>(10)</u>
	<u>33</u>	<u>-</u>	<u>33</u>
iv. Total	60,433	40,000	100,433
c) Total borrowings	109,694	118,762	228,456

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 December 2009 were as follows:

	RM'000
<u>Foreign Currency</u>	
Singapore Dollar	1,708
Hong Kong Dollar	<u>3,610</u>
Total	<u>5,318</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	70	356	11 Mar 2010
YEN	5,000	5,000	188	24 May 2010
USD	100	100	343	24 May 2010
YEN	5,000	5,000	187	24 May 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 31 December 2009 are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter Ended 31 Dec 2009 (RM'000)	Preceding Year Quarter Ended 31 Dec 2008 (RM'000)	Current 9 months Cumulative to date 31 Dec 2009 (RM'000)	Preceding Year Period Ended 31 Dec 2008 (RM'000)
<b>Net Profit attributable to equity holders to the parent (RM'000)</b>	<b>2,421</b>	<b>6,514</b>	<b>2,552</b>	<b>9,988</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>0.28</b>	<b>0.76</b>	<b>0.30</b>	<b>1.16</b>

### b) Diluted Profit per share

N/A.

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

Secretary

Kuala Lumpur  
Date: 25 February 2010