

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2012

	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
	Current Period	Preceding Year	Current 3 months	Preceding Year
	Quarter Ended	Quarter Ended	Cumulative to date	Period Ended
	Jun 30	Jun 30	Jun 30	Jun 30
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	55,197	64,033	55,197	64,033
Operating Expenses	-52,507	-60,506	-52,507	-60,494
Other Operating Income	434	96	434	96
Depreciation and amortisation	-894	-899	-894	-899
Finance Costs	-1,938	-2,329	-1,938	-2,329
Share of results of associates	-19	-12	-19	-12
Profit before tax	273	395	273	395
Taxation	-135	-193	-135	-193
Profit for the period	138	202	138	202
Profit Attributable to :				
Owner of the Parent	213	237	213	237
Non-controlling interest	-75	-35	-75	-35
	138	202	138	202
Basic earnings/(losses) per share (sen)	0.02	0.03	0.02	0.03
Diluted earning per share	N / A	N / A	N / A	N / A

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2012)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2012

	<u>2012</u> Current Period Quarter Ended Jun 30 (RM'000)	<u>2011</u> Preceding Year Quarter Ended Jun 30 (RM'000)	<u>2012</u> Current 3 months Cumulative to date Jun 30 (RM'000)	<u>2011</u> Preceding Year Period Ended Jun 30 (RM'000)
Profit for the period	138	202	138	202
Exchange differences on translating foreign operations	789	234	789	234
Net changes in fair value of Available-for-sale	6	19	6	19
Total comprehensive loss for the period	<u>933</u>	<u>455</u>	<u>933</u>	<u>455</u>
Total Comprehensive Loss Attributable to :				
Owner of the Parent	1,008	490	1,008	490
Non-controlling interest	<u>-75</u>	<u>-35</u>	<u>-75</u>	<u>-35</u>
	<u>933</u>	<u>455</u>	<u>933</u>	<u>455</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2012)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	As at Jun 30, 12 (RM'000) (Unaudited)	As at Mar 31, 12 (RM'000) (Audited)
ASSETS:		
Non Current Assets		
Property, plant & equipment	234,191	233,464
Investment property	1,821	1,827
Goodwill arising on consolidation	32,035	32,035
Investment in Associates	36,425	46
Available-for-sales financial assets	637	629
Deferred and development expenditure	275	366
Land held for development	75,379	83,897
Deferred tax assets	149	149
Total Non Current Assets	<u>380,912</u>	<u>352,413</u>
Current Assets		
Inventories	22,542	22,891
Trade and other receivables	108,974	124,170
Development properties	20,775	16,446
Fixed and call deposits	16,072	15,888
Cash and bank balances	2,469	3,008
Total Current Assets	<u>170,832</u>	<u>182,403</u>
TOTAL ASSETS	<u>551,744</u>	<u>534,816</u>
EQUITY AND LIABILITIES:		
Equity attributable to owners of the Parent:		
Share capital	171,710	171,710
Other Reserves	98,887	98,091
Retained Profit	74,492	74,279
Attributable to equity holders of the parent	345,089	344,081
Non-controlling interest	5,332	5,407
TOTAL EQUITY	<u>350,421</u>	<u>349,488</u>
Non-Current Liabilities:		
Term Loan	58,321	50,909
Hire purchase	134	157
Deferred tax liabilities	539	539
Total Non-Current Liabilities	<u>58,994</u>	<u>51,605</u>
Current Liabilities		
Trade and other payables	23,436	20,746
Short term borrowings	118,350	112,283
Hire purchase	78	78
Taxation	465	616
Total Current Liabilities	<u>142,329</u>	<u>133,723</u>
TOTAL LIABILITIES	<u>201,323</u>	<u>185,328</u>
TOTAL EQUITY AND LIABILITIES	<u>551,744</u>	<u>534,816</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2012)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2012

	← Attributable to Equity Holders of the Parent →						Distributable Reserves	Non-Controlling Interest	Total Equity	
	← Non Distributable Reserves →									
	Share Capital (RM'000)	Share Premium Reserve (RM'000)	Share Buy-back Reserve (RM'000)	Foreign Currency Translation Reserve (RM'000)	Available-for-sale Reserve (RM'000)	Revaluation Reserve (RM'000)				Retained Profits (RM'000)
3 months quarter ended 30 June 2012										
Balance at beginning of year as at 1 Apr. 2012 - as previously reported	171,710	19,911	8,930	652	-4,512	73,111	74,279	344,081	5,407	349,488
Total comprehensive income/ (loss) for the period	0	0	0	789	6	0	213	1,008	-75	933
Balance at end of period	171,710	19,911	8,930	1,441	-4,506	73,111	74,492	345,089	5,332	350,421
3 months quarter ended 30 June 2011										
Balance at beginning of year as at 1 Apr. 2011 - as previously reported	171,710	19,911	8,930	465	-4,523	73,111	72,646	342,250	5,491	347,741
Total comprehensive income/ (loss) for the period	0	0	0	234	19	0	237	490	-35	455
Balance at end of period	171,710	19,911	8,930	699	-4,504	73,111	72,883	342,740	5,456	348,196

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2012)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2012

	2012	2011
	3 months	3 months
	ended	ended
	Jun 30	Jun 30
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	273	395
Adjustment :-		
Non-cash items	621	884
Non-operating items (which are investing / financing)	-13	-38
Operating profit before changes in working capital	<u>881</u>	<u>1,241</u>
Changes in working capital		
Net Change in current assets	12,002	4,136
Net Change in current liabilities	2,333	-12,397
Cash used in operations	<u>15,216</u>	<u>-7,020</u>
Tax Paid	-117	-180
Net cash flows from operating activities	<u>15,099</u>	<u>-7,200</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	13	9
Proceeds from disposal of land held for development	9,180	0
Purchase of property, plant and equipment	-1,674	-1,391
Purchase of land held for development	0	-4,520
Net cash outflow from acquisition of Associates / Subsidiary	-36,399	-12,937
Net cash flows from investing activities	<u>-28,880</u>	<u>-18,839</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	10,269	-1,968
Net cash flows from financing activities	<u>10,269</u>	<u>-1,968</u>
Net change in cash & cash equivalents	-3,512	-28,007
Cash & cash equivalents at beginning of year	-22,424	12,311
Effects of exchange rate changes on cash & cash equivalents at end of year	-30	-20
Cash & cash equivalents at end of period	<u>-25,966</u>	<u>-15,716</u>
Cash & cash equivalents comprise the following:		
Fixed and call deposits	16,072	15,764
Cash and bank balances	2,469	3,782
Bank overdraft	-44,507	-35,262
	<u>-25,966</u>	<u>-15,716</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2012)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2012

	2012 3 months ended Jun 30 (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation	273
Adjustment :-	
Non-cash items	621
Non-operating items (which are investing / financing)	-13
Operating profit before changes in working capital	<u>881</u>
Changes in working capital	
Net Change in current assets	12,002
Net Change in current liabilities	2,333
Cash used in operations	<u>15,216</u>
Tax Paid	-117
Net cash flows from operating activities	<u>15,099</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Other investment	13
Proceeds from disposal of land held for development	9,180
Purchase of property, plant and equipment	-1,674
Purchase of land held for development	0
Net cash outflow from acquisition of Associates / Subsidiary	-36,399
Net cash flows from investing activities	<u>-28,880</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Net Bank Borrowings	10,269
Net cash flows from financing activities	<u>10,269</u>
Net change in cash & cash equivalents	-3,512
Cash & cash equivalents at beginning of year	-22,424
Effects of exchange rate changes on cash & cash equivalents at end of year	-30
Cash & cash equivalents at end of period	<u>-25,966</u>
Cash & cash equivalents comprise the following:	
Fixed and call deposits	16,072
Cash and bank balances	2,469
Bank overdraft	-44,507
	<u>-25,966</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2012)

RELIANCE PACIFIC BERHAD

(Company no. 244521 A)

Notes

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The financial statements of the Group for the financial year ended 31 March 2012 were prepared in accordance with the Financial Reporting Standards ("FRSs").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2012. 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 2012.

A2 Audit Report of Preceding Annual Financial Statement

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

A3 Seasonal or Cyclical Factors

The Group is principally engaged in the following business operations:

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

The major festivities and school holidays generally affect the performance of Hotel & 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 properties.

A4 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.

A5 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.

A6 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 period to date.

A7 Dividend Paid

There were no dividends paid during the period under review.

A8 Segmental Reporting

a) Revenue

Continuing Operations	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2012 (RM'000)	Preceding Quarter Ended 30 Jun 2011 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)	Preceding Year Ended 30 Jun 2011 (RM'000)
Hotel	9,035	7,914	9,035	7,914
Property	3,647	2,243	3,647	2,243
Travel	41,207	53,876	41,207	53,876
RPB & others	1,308	0	1,308	0
Grand Total	55,197	64,033	55,197	64,033

b) Profit/(Loss) before taxation

Continuing Operations	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2012 (RM'000)	Preceding Quarter Ended 30 Jun 2011 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)	Preceding Year Ended 30 Jun 2011 (RM'000)
Hotel	1,617	1,577	1,617	1,577
Property	(408)	(45)	(408)	(45)
Travel	127	667	127	667
RPB & others	(1,044)	(1,792)	(1,044)	(1,792)
Share of results of associates	(19)	(12)	(19)	(12)
Grand Total	273	395	273	395

A9 Material events subsequent to the end of the financial period

There were no material events subsequent to the end of the current financial period ended 30 June 2012 and up to the date of this report.

A10 Changes in the Composition of the Group

There were no changes in the composition of the Group for the current financial period ended 30 June 2012 and up to the date of this report other than the following:

- a) Avillion Hotel Group Sdn Bhd and Avillion Hotels International Sdn Bhd both wholly owned subsidiaries of RPB have jointly incorporated a subsidiary company named PT. Avillion Indonesia in Indonesia. This was announced on 17 May 2012.
- b) RPB Development Sdn Bhd, a wholly owned subsidiary of RPB to announce that an application for striking off a subsidiary company known as Vector Junction Sdn Bhd under Section 308 of the Companies' Act 1965 was submitted to CCM. This was announced on 23 May 2012.
- c) ANV Productions Services Sdn Bhd which was placed under voluntary winding up was dissolved on 29 June 2012.

A11 Significant related party transactions

Significant related party transactions which were entered into on agreed terms and prices for the current period ended 30 June 2012 are set out below. The relationship of the related parties are disclosed in the audited financial statements for the financial year ended 31 March 2011 and the approved shareholders' mandate in the circular dated 29 August 2011 for recurrent related party transactions.

	Current Year Ended 30 Jun 2012 (RM'000)
Services rendered to the companies controlled by certain directors	243
Services rendered by the companies controlled by certain directors	334
Purchases from the companies controlled by certain directors	1,004
Sales to the companies controlled by certain directors	5,056

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 Group consolidated revenue for the current quarter has reduced by 13.8% as compared to the preceding year 1st quarter. The reduction in the revenue was mainly due to lower revenue registered by Travel division as a result of challenging operating environment and deferment of certain incentives group.

The Group consolidated profit before tax for the 1st quarter under review was RM0.273 million as compared to RM0.395 million in preceding year same quarter.

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

The Group consolidated revenue for the reporting quarter has slightly increased by 1.5% in comparison to the preceding quarter.

However, the Group consolidated profit before tax for the 1st quarter under review was RM0.273 million as compared to RM0.942 million in comparison to the preceding quarter. This was mainly due to the lower yield achieved and lower other income registered in the reporting quarter.

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

Looking ahead, 2012/13 will be yet another challenging year. However, we remain cautiously confident barring any unforeseen circumstances affecting the economies globally as well as Asia and Malaysia.

The World Travel & Tourism Council (WTTC) report released in July 2012 indicated that Global Travel & Tourism growth remains positive in 2012, at 2.8%. According to the report, Asia will perform at above the global average with an expected growth of 5.9%.

RPB's Hotel Division is poised to benefit from this expected growth with the expansion of its Avillion Private Collection (APC) and new Hotel Management Contracts.

RPB's Travel Division is also well poised to perform positively in the new financial year by virtue of being located in established major tourist destinations of Hong Kong, Singapore, Thailand and Australia.

As for the Property Division, we are fast tracking the development of the affordable and landed development of Desa Impian in Johor. The Iskandar Regional Development (IRDA) and the recently announced Desaru Tourism Development Plan by the Prime Minister will be an added impetus to the demand of Desa Impian by virtue of its close proximity to IRDA and Desaru.

B5 Profit before taxation

Profit before taxation is derived after charging / (credited) of the following:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2012 (RM'000)	Preceding Quarter Ended 30 Jun 2011 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)	Preceding Year Ended 30 Jun 2011 (RM'000)
Interest income	(119)	(78)	(119)	(78)
Gain on disposal of land held for development / property, plant & equipment	(306)	(18)	(306)	(18)
Commission	(9)	0	(9)	0
Depreciation and amortization	894	899	894	899
Finance costs	1,938	2,329	1,938	2,329

B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2012 (RM'000)	Preceding Quarter Ended 30 Jun 2011 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)	Preceding Year Ended 30 Jun 2011 (RM'000)
a) Income Tax				
i) Current taxation	135	193	135	193
b) Total	135	193	135	193

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

B7 Corporate proposals

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

B8 Group Borrowings

a) Banking Facilities

	Secured (RM'000)	Unsecured (RM'000)	Total (RM'000)
a) Short term borrowings			
i. Overdraft	25,585	18,922	44,507
ii. Revolving Credit	5,000	3,500	8,500
iii. Long term borrowings repayable within twelve months	65,343	-	65,343
iv. Hire Purchase repayable within 12 months	78	-	78
v. Total	<u>96,006</u>	<u>22,422</u>	<u>118,428</u>
b) Long term borrowings			
i. Long term loans	123,664	-	123,664
Less portion of long term loans payable within 12 months	<u>65,343</u>	<u>-</u>	<u>65,343</u>
	<u>58,321</u>	<u>0</u>	<u>58,321</u>
ii. Hire purchase	212	-	212
Less portion of Hire Purchase payable within 12 months	<u>(78)</u>	<u>-</u>	<u>(78)</u>
	<u>134</u>	<u>0</u>	<u>134</u>
iii. Total	58,455	0	58,455
c) Total borrowings	154,461	22,422	176,883

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 June 2012 were as follows:

	RM'000
Foreign Currency	
Singapore Dollar	2,382
Hong Kong Dollar	<u>3,907</u>
Total	<u>6,289</u>

B9 Derivative Financial Instruments

The Group is not a party to any financial instruments, which may have an effect to the derivative financial instruments at the date of this report.

B10 Material Litigation

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

B11 Earnings Per Share

a) Basic

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders for the current financial period ended 30 June 2012 are as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2012 (RM'000)	Preceding Quarter Ended 30 Jun 2011 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)	Preceding Year Ended 30 Jun 2011 (RM'000)
Net profit attributable to owner of the Parent (RM'000)	213	237	213	237
Basic ('000)				
Total Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic earnings per share(sen)	0.02	0.03	0.02	0.03

b) Diluted

Diluted earnings per share were not computed as the Company does not have any dilutive potential ordinary shares in issue as at the end of the current financial period ended 30 June 2012.

B12 Realised and Unrealised Profits or Losses

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, is as follows:

	As at 30 Jun 2012 (RM'000)	As at 30 Jun 2011 (RM'000)
Retained profits of the Company and its subsidiaries :		
Realised	75,327	73,616
Unrealised	(539)	(482)
Total Retained profits of the Company and its subsidiaries	74,788	73,134
Total share of Retained profits from associated companies :		
Realised	(296)	(251)
Total Group Retained profits as per consolidated accounts	74,492	72,883

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

Secretary

Kuala Lumpur
Date: 30 August 2012