

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE QUARTER ENDED 30 JUNE 2013

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Current Period	Preceding Period	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	47,392	55,197	47,392	55,197
Operating Expenses	-43,324	-52,507	-43,324	-52,507
Other Operating Income	93	434	93	434
Depreciation and amortisation	-880	-894	-880	-894
Finance Costs	-2,627	-1,938	-2,627	-1,938
Share of results of associates	8	-19	8	-19
Profit before tax	661	273	661	273
Taxation	-129	-135	-129	-135
Profit for the period	533	138	533	138
Profit Attributable to :				
Owner of the Parent	439	213	439	213
Non-controlling interest	94	-75	94	-75
	533	138	533	138
Basic earnings per share (sen)	0.05	0.02	0.05	0.02
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 2013)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2013

	<u>2013</u> Current Period Quarter Ended Jun 30 (RM'000)	<u>2012</u> Preceding Period Quarter Ended Jun 30 (RM'000)	<u>2013</u> Current 3 months Cumulative to date Jun 30 (RM'000)	<u>2012</u> Preceding Year Period Ended Jun 30 (RM'000)
Profit for the period	533	138	533	138
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translating foreign operations	197	789	197	789
Net changes in fair value of Available-for-sale	-9	6	-9	6
Total comprehensive income for the period	<u>721</u>	<u>933</u>	<u>721</u>	<u>933</u>
Total Comprehensive Income Attributable to :				
Owner of the Parent	627	1,008	627	1,008
Non-controlling interest	94	-75	94	-75
	<u>721</u>	<u>933</u>	<u>721</u>	<u>933</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2013)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	As at Jun 30, 13 (RM'000) (Unaudited)	As at Mar 31, 13 (RM'000) (Audited)
ASSETS:		
Non Current Assets		
Property, plant & equipment	230,948	231,540
Investment property	3,888	3,898
Goodwill arising on consolidation	32,035	32,035
Investment in Associates	36,854	36,846
Available-for-sales financial assets	223	237
Deferred and development expenditure	205	215
Land held for development	79,502	79,058
Deferred tax assets	221	221
Total Non Current Assets	<u>383,876</u>	<u>384,050</u>
Current Assets		
Inventories	22,467	22,233
Trade and other receivables	92,121	89,550
Development properties	19,115	18,448
Fixed and call deposits	18,686	18,503
Cash and bank balances	2,829	2,734
Total Current Assets	<u>155,218</u>	<u>151,468</u>
TOTAL ASSETS	<u>539,094</u>	<u>535,518</u>
EQUITY AND LIABILITIES:		
Equity attributable to owners of the Parent:		
Share capital	171,710	171,710
Other Reserves	98,368	98,180
Retained Profit	76,493	76,054
Attributable to equity holders of the parent	346,571	345,944
Non-controlling interest	5,706	5,612
TOTAL EQUITY	<u>352,277</u>	<u>351,556</u>
Non-Current Liabilities:		
Term Loan	81,260	86,533
Hire purchase	183	205
Deferred tax liabilities	536	536
Total Non-Current Liabilities	<u>81,979</u>	<u>87,274</u>
Current Liabilities		
Trade and other payables	24,070	21,232
Short term borrowings	80,047	74,597
Hire purchase	118	118
Taxation	603	741
Total Current Liabilities	<u>104,838</u>	<u>96,688</u>
TOTAL LIABILITIES	<u>186,817</u>	<u>183,962</u>
TOTAL EQUITY AND LIABILITIES	<u>539,094</u>	<u>535,518</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2013)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2013

	← 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 2013										
Balance at beginning of year as at 1 Apr. 2013	171,710	19,911	8,930	1,133	-4,905	73,111	76,054	345,944	5,612	351,556
Total comprehensive income/ (loss) for the period	0	0	0	197	-9	0	439	627	94	721
Balance at end of period	<u>171,710</u>	<u>19,911</u>	<u>8,930</u>	<u>1,330</u>	<u>-4,914</u>	<u>73,111</u>	<u>76,493</u>	<u>346,571</u>	<u>5,706</u>	<u>352,277</u>
3 months quarter ended 30 June 2012										
Balance at beginning of year as at 1 Apr. 2012	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	<u>171,710</u>	<u>19,911</u>	<u>8,930</u>	<u>1,441</u>	<u>-4,506</u>	<u>73,111</u>	<u>74,492</u>	<u>345,089</u>	<u>5,332</u>	<u>350,421</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2013)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2013

	2013	2012
	3 months	3 months
	ended	ended
	Jun 30	Jun 30
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	661	273
Adjustment :-		
Non-cash items	872	621
Non-operating items (which are investing / financing)	-3	-13
Operating profit before changes in working capital	<u>1,530</u>	<u>881</u>
Changes in working capital		
Net Change in current assets	-3,254	12,002
Net Change in current liabilities	2,393	2,333
Cash generated from operations	<u>669</u>	<u>15,216</u>
Tax Paid	-177	-117
Net cash flows generated from operating activities	<u>492</u>	<u>15,099</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	3	13
Proceeds from disposal of land held for development	0	9,180
Purchase of property, plant and equipment	-290	-1,674
Net cash outflow from acquisition of Associates	0	-36,399
Net cash flows used in investing activities	<u>-287</u>	<u>-28,880</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	-7,421	10,269
Net cash flows (used in) / generated from financing activities	<u>-7,421</u>	<u>10,269</u>
Net change in cash & cash equivalents	-7,216	-3,512
Cash & cash equivalents at beginning of period	-16,823	-22,424
Effects of exchange rate changes on cash & cash equivalents at end of period	-81	-30
Cash & cash equivalents at end of period	<u>-24,120</u>	<u>-25,966</u>
Cash & cash equivalents comprise the following:		
Fixed and call deposits	18,686	16,072
Cash and bank balances	2,829	2,469
Bank overdraft	-45,635	-44,507
	<u>-24,120</u>	<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 2013)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2013

	2013 3 months ended Jun 30 (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation	661
Adjustment :-	
Non-cash items	872
Non-operating items (which are investing / financing)	-3
Operating profit before changes in working capital	<u>1,530</u>
Changes in working capital	
Net Change in current assets	-3,254
Net Change in current liabilities	2,393
Cash generated from operations	<u>669</u>
Tax Paid	-177
Net cash flows generated from operating activities	<u>492</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Other investment	3
Proceeds from disposal of land held for development	0
Purchase of property, plant and equipment	-290
Net cash outflow from acquisition of Associates	0
Net cash flows used in investing activities	<u>-287</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Net Bank Borrowings	-7,421
Net cash flows (used in) / generated from financing activities	<u>-7,421</u>
Net change in cash & cash equivalents	-7,216
Cash & cash equivalents at beginning of period	-16,823
Effects of exchange rate changes on cash & cash equivalents at end of period	-81
Cash & cash equivalents at end of period	<u>-24,120</u>
Cash & cash equivalents comprise the following:	
Fixed and call deposits	18,686
Cash and bank balances	2,829
Bank overdraft	-45,635
	<u>-24,120</u>

(The Condensed Consolidated Statement of Cash Flows should be read in cc
the Audited Financial Statements for the year ended 31st March 2013)

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 IAS 34 Interim Financial Reporting, Malaysian Financial Reporting Standards ("MFRS") 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 year ended 31 March 2013. 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 2013.

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 March 2013 under the Malaysian Financial Reporting Standards (MFRS) framework.

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) Tourism

The major festivities and school holidays generally affect the performance of Hotel & Tourism 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 2013 (RM'000)	Current Quarter Ended 30 Jun 2012 (RM'000)	Current Year Ended 30 Jun 2013 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)
Hotel	10,748	9,035	10,748	9,035
Property	3,199	3,647	3,199	3,647
Tourism	32,564	41,207	32,564	41,207
RPB & others	881	1,308	881	1,308
Grand Total	47,392	55,197	47,392	55,197

b) Profit/(Loss) before taxation

Continuing Operations	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2013 (RM'000)	Current Quarter Ended 30 Jun 2012 (RM'000)	Current Year Ended 30 Jun 2013 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)
Hotel	1,977	1,617	1,977	1,617
Property	211	(408)	211	(408)
Tourism	(245)	127	(245)	127
RPB & others	(1,290)	(1,044)	(1,290)	(1,044)
Share of results of associates	8	(19)	8	(19)
Grand Total	661	273	661	273

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 2013 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 2013 and up to the date of this report other than the following:

- a) Avillion Hotels International (Aust) Pty Ltd, a wholly owned subsidiary of RPB was deregistered from the Australian Securities and Investments Commission ("ASIC") under section 601 AA(4) of the Corporations Act 2001. This was announced on 30 July 2013.

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 2013 are set out below. The relationship of the related parties are disclosed in the audited financial statements for the financial year ended 31 March 2013 and the approved shareholders' mandate in the circular dated 6 September 2012 for recurrent related party transactions.

	Current Year Ended 30 Jun 2013 (RM'000)
Services rendered to the companies controlled by certain directors	277
Services rendered by the companies controlled by certain directors	329
Purchases from the companies controlled by certain directors	810
Sales to the companies controlled by certain directors	5,188

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 14.1% 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.

However, the Group consolidated profit before tax for the 1st quarter under review was RM0.661 million as compared to RM0.273 million in preceding year same quarter. The improvement was as a result of higher profit registered by the Hotel and Property Division.

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

The Group consolidated revenue for the reporting quarter has reduced by 10.3% in comparison to the preceding quarter. This was mainly due to the seasonality of the business in which 1st quarter was traditionally a weaker quarter.

The Group consolidated profit before tax for the 1st quarter under review was RM0.661 million. This was as a result of lower revenue achieved and higher expenses due to the enhancement of the hotel property.

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

Whilst the growths of existing hotels are expected to be positive, the Hotel Division is poised to benefit with the expansion of its Avillion Private Collection (APC) and new Hotel Management Contracts.

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 Desaru Tourism Development Plan will be an added impetus to the demand of Desa Impian by virtue of its close proximity to IRDA and Desaru.

A few development projects are now being planned for launching from year 2014 to 2017.

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

Barring any unforeseen circumstance, RPB remain cautiously confident to performance well in the current financial year.

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 2013 (RM'000)	Current Quarter Ended 30 Jun 2012 (RM'000)	Current Year Ended 30 Jun 2013 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)
Interest income	(3)	(119)	(3)	(119)
Gain on disposal of land held for development	0	(306)	0	(306)
Depreciation and amortization	880	894	880	894
Finance costs	2,627	1,938	2,627	1,938

B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2013 (RM'000)	Current Quarter Ended 30 Jun 2012 (RM'000)	Current Year Ended 30 Jun 2013 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)
a) Income Tax				
i) Current taxation	129	135	129	135
b) Total	129	135	129	135

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	43,642	1,993	45,635
ii. Revolving Credit	8,500	-	8,500
iii. Long term borrowings repayable within twelve months	25,912	-	25,912
iv. Hire Purchase repayable within 12 months	118	-	118
v. Total	<u>78,172</u>	<u>1,993</u>	<u>80,165</u>
b) Long term borrowings			
i. Long term loans	107,172	-	107,172
Less portion of long term loans payable within 12 months	<u>(25,912)</u>	<u>-</u>	<u>(25,912)</u>
	<u>81,260</u>	<u>0</u>	<u>81,260</u>
ii. Hire purchase	301	-	301
Less portion of Hire Purchase payable within 12 months	<u>(118)</u>	<u>-</u>	<u>(118)</u>
	<u>183</u>	<u>0</u>	<u>183</u>
iii. Total	81,443	0	81,443
c) Total borrowings	159,615	1,993	161,608

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 June 2013 were as follows:

	RM'000
Foreign Currency	
Singapore Dollar	3,536
Hong Kong Dollar	<u>6,806</u>
Total	<u>10,342</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 2013 are as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2013 (RM'000)	Current Quarter Ended 30 Jun 2012 (RM'000)	Current Year Ended 30 Jun 2013 (RM'000)	Current Year Ended 30 Jun 2012 (RM'000)
Net profit attributable to owner of the Parent (RM'000)	439	213	439	213
Basic ('000)				
Total Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic earnings per share(sen)	0.05	0.02	0.05	0.02

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 2013.

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 2013 (RM'000)	As at 30 Jun 2012 (RM'000)
Retained profits of the Company and its subsidiaries :		
Realised	77,095	75,178
Unrealised	(315)	(390)
Total Retained profits of the Company and its subsidiaries	76,780	74,788
Total share of Retained profits from associated companies :		
Realised	(287)	(296)
Total Group Retained profits as per consolidated accounts	76,493	74,492

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

Secretary

Kuala Lumpur
Date: 30 August 2013