

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	<u>2014</u> Current Period Quarter Ended 30-Sep (RM'000)	<u>2013</u> Preceding Period Quarter Ended 30-Sep (RM'000)	<u>2014</u> Current 6 months Cumulative to date 30-Sep (RM'000)	<u>2013</u> Preceding Year Period Ended 30-Sep (RM'000)
Revenue	42,536	65,537	85,011	112,929
Operating Expenses	(38,478)	(61,434)	(77,542)	(104,759)
Other Operating Income	10	25	173	118
Depreciation and amortisation	(957)	(911)	(1,896)	(1,791)
Finance Costs	(2,913)	(2,462)	(5,167)	(5,089)
Share of results of associates	(3)	8	1	16
Profit before tax	195	763	580	1,424
Taxation	(117)	(94)	(253)	(223)
Profit for the period	78	669	327	1,201
Profit Attributable to :				
Owner of the Parent	94	446	417	884
Non-controlling interest	(16)	223	(90)	317
	78	669	327	1,201
Basic earnings per share (sen)	0.01	0.05	0.05	0.10
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 2014)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	<u>2014</u> Current Period Quarter Ended 30-Sep (RM'000)	<u>2013</u> Preceding Period Quarter Ended 30-Sep (RM'000)	<u>2014</u> Current 6 months Cumulative to date 30-Sep (RM'000)	<u>2013</u> Preceding Year Period Ended 30-Sep (RM'000)
Profit for the period	78	669	327	1,201
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translating foreign operations	98	740	(219)	937
Net changes in fair value of Available-for-sale	(54)	11	(119)	2
Total comprehensive income for the period	<u>122</u>	<u>1,420</u>	<u>(11)</u>	<u>2,140</u>
Total Comprehensive Income Attributable to :				
Owner of the Parent	138	1,197	79	1,823
Non-controlling interest	(16)	223	(90)	317
	<u>122</u>	<u>1,420</u>	<u>(11)</u>	<u>2,140</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

	As at 30-Sep-14 (RM'000) (Unaudited)	As at 31-Mar-14 (RM'000) (Audited)
ASSETS:		
Non Current Assets		
Property, plant & equipment	229,405	230,415
Investment property	3,838	3,858
Goodwill arising on consolidation	32,035	32,035
Investment in Associates	36,857	36,856
Available-for-sales financial assets	1,084	1,207
Deferred and development expenditure	25	26
Land held for development	74,230	73,314
Deferred tax assets	213	213
Total Non Current Assets	377,687	377,924
Current Assets		
Inventories	12,157	12,245
Trade and other receivables	75,084	88,772
Development properties	42,772	41,361
Fixed and call deposits	17,588	18,922
Cash and bank balances	2,981	3,104
Total Current Assets	150,582	164,404
TOTAL ASSETS	528,269	542,328
EQUITY AND LIABILITIES:		
Equity attributable to owners of the Parent:		
Share capital	171,710	171,710
Other Reserves	99,781	100,119
Retained Profit	78,484	78,067
Attributable to equity holders of the parent	349,975	349,896
Non-controlling interest	6,046	6,136
TOTAL EQUITY	356,021	356,032
Non-Current Liabilities:		
Term Loan	56,153	67,032
Hire purchase	401	178
Deferred tax liabilities	556	556
Total Non-Current Liabilities	57,110	67,766
Current Liabilities		
Trade and other payables	16,804	18,649
Short term borrowings	97,945	99,503
Hire purchase	155	140
Taxation	234	238
Total Current Liabilities	115,138	118,530
TOTAL LIABILITIES	172,248	186,296
TOTAL EQUITY AND LIABILITIES	528,269	542,328

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	← 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)
6 months quarter ended 30 Sept 2014										
Balance at beginning of year as at 1 Apr. 2014	171,710	19,911	8,930	2,099	(3,932)	73,111	78,067	349,896	6,136	356,032
Total comprehensive income/ (loss) for the period	0	0	0	(219)	(119)	0	417	79	(90)	(11)
Balance at end of period	171,710	19,911	8,930	1,880	(4,051)	73,111	78,484	349,975	6,046	356,021
6 months quarter ended 30 Sept 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	937	2	0	884	1,823	317	2,140
Balance at end of period	171,710	19,911	8,930	2,070	(4,903)	73,111	76,938	347,767	5,929	353,696

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2014

	2014	2013
	6 months	6 months
	ended	ended
	30-Sep	30-Sep
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	580	1,424
Adjustment :-		
Non-cash items	1,895	1,775
Non-operating items (which are investing / financing)	5,163	5,080
Operating profit before changes in working capital	<u>7,638</u>	<u>8,279</u>
Changes in working capital		
Net Change in current assets	13,210	8,192
Net Change in current liabilities	(2,336)	1,208
Cash generated from operations	<u>18,512</u>	<u>17,679</u>
Interest paid	(5,167)	(5,089)
Tax Paid	(437)	(328)
Net cash flows generated from operating activities	<u>12,908</u>	<u>12,262</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	4	9
Purchase of property, plant and equipment	(757)	(758)
Purchase of land held for development	(424)	(1,919)
Net cash flows used in investing activities	<u>(1,177)</u>	<u>(2,668)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	(12,606)	(12,836)
Net cash flows (used in) / generated from financing activities	<u>(12,606)</u>	<u>(12,836)</u>
Net change in cash & cash equivalents	(875)	(3,242)
Cash & cash equivalents at beginning of period	(37,507)	(16,823)
Effects of exchange rate changes on cash & cash equivalents at end of period	(641)	(174)
Cash & cash equivalents at end of period	<u>(39,023)</u>	<u>(20,239)</u>
Cash & cash equivalents comprise the following:		
Fixed and call deposits	17,588	18,848
Cash and bank balances	2,981	3,610
Bank overdraft	(59,592)	(42,697)
	<u>(39,023)</u>	<u>(20,239)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2014)

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 2014. 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 2014.

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 2014 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

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Sept 2014 (RM'000)	Current Quarter Ended 30 Sept 2013 (RM'000)	Current 6 months Ended 30 Sept 2014 (RM'000)	Current 6 months Ended 30 Sept 2013 (RM'000)
Continuing Operations				
Hotel	9,699	9,473	20,710	20,221
Property	3,105	23,028	5,420	26,227
Tourism	28,739	32,175	56,663	64,739
RPB & others	992	861	2,217	1,742
Grand Total	42,536	65,537	85,011	112,929

b) Profit/(Loss) before taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Sept 2014 (RM'000)	Current Quarter Ended 30 Sept 2013 (RM'000)	Current 6 months Ended 30 Sept 2014 (RM'000)	Current 6 months Ended 30 Sept 2013 (RM'000)
Continuing Operations				
Hotel	1,917	1,651	3,946	3,628
Property	120	1,340	156	1,551
Tourism	(755)	(440)	(1,119)	(685)
RPB & others	(1,084)	(1,796)	(2,404)	(3,086)
Share of results of associates	(3)	8	1	16
Grand Total	195	763	580	1,424

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 September 2014 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 September 2014 and up to the date of this report other than the following:

- a) On 20 June 2014, the Group had disposed off its 39.99% stake in Menara Ampang Sdn Bhd for a total consideration of RM41.515 million.

The disposal was not completed during the quarter under review.

A11 Significant related party transactions

Significant related party transactions which were entered into on agreed terms and prices for the current period ended 30 September 2014 are set out below. The relationship of the related parties are disclosed in the audited financial statements for the financial year ended 31 March 2014 and the approved shareholders' mandate in the circular dated 6 September 2013 for recurrent related party transactions.

	Current Year Ended 30 Sept 2014 (RM'000)
Services rendered to the companies controlled by certain directors	1,514
Services rendered by the companies controlled by certain directors	367
Purchases from the companies controlled by certain directors	1,000
Sales to the companies controlled by certain directors	6,268

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 35.1% as compared to the preceding year 2nd quarter.

During the current quarter under review, the Hotel division continues to perform registering a revenue growth of 2.4%. The reduction in revenue was mainly due to:

- a) Sales of completed units in last year 2nd quarter. Current quarter revenue from Property division mainly derived from progress billing based on stages of work done.
- b) Tourism division remained challenging due to slowdown in tourist arrivals as a result of challenging business environment. The recent incidents of air disasters have an impact on the tourism industry. Hence, lower revenue registered by Tourism division.

The Group registered a lower consolidated profit before tax of RM0.195 million as compared to RM0.763 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 increased by 0.14% 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 2nd quarter under review was RM0.195 million as compared to RM0.385 million in comparison to the preceding quarter. This was as a result of lower yield achieved registered in the reporting quarter.

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

Hotel Division

Our Hotel Division will continue to grow from strength to strength with its homegrown internationally recognized hotel brand. The success of the "Avillion" brand has resulted in the further expansion of the Avillion Private Collection ("APC") in Asia and increase in the number of hotels managed by Avillion. The new development in Port Dickson and Langkawi may add another 2 hotel properties under the chain of Avillion Hotels and further increase the properties managed by APC. APC now manages a collection of high end homes in Asia.

Property Division

The Property Division is focusing on niche property developments. In accordance to the survey conducted by iProperty.com, Asia property market sentiment report (H1) 2014, the top 6 factors of consideration when purchasing property are location, price, size, security, facilities and land status of the property. Our upcoming property developments have taken into consideration most if not all of the above factors making them attractive to investors.

Desa Impian, the 165-acre mix development/township consisting of commercial, residential, education and recreation hubs in Bandar Tenggara, Johor is an existing on-going development. Phase 1 of the development which comprises of affordable landed housing is in advanced stage of completion. The entire development will take approximately 10 years to complete.

To complement the Property Division's proven track record of having successfully developed its 100 acres flagship integrated international marina resort in Admiral Cove, Port Dickson in the 1990s, a luxury senior citizen aged care resort living by the sea with wellness tourism element built into the houses will be launched. Resort services will be provided by Avillion, a homegrown internationally recognized hotel management brand. This development has ready infrastructure and is expected to be launched in second half of 2015.

The project located in Kuala Lumpur and Langkawi are currently under the planning stages. These are freehold properties expected to be launched 2015.

Tourism Division

The outlook for the aviation industry will remain challenging due to the uncertain global economic climate and geo-political concerns. The recent incidents of air disasters namely MH370 and MH17 will have impact on the tourism industry. Asia continues to be a hotbed of tourism despite the challenges. We have an established presence in Asia's leading tourist destinations of Singapore, Hong Kong and Thailand, hence when tourism picks up momentum, our stations will stand to benefit.

Barring any unforeseen circumstance, RPB remain cautiously confident to perform 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 Sept 2014 (RM'000)	Current Quarter Ended 30 Sept 2013 (RM'000)	Current 6 months Ended 30 Sept 2014 (RM'000)	Current 6 months Ended 30 Sept 2013 (RM'000)
Interest income	0	(6)	(4)	(9)
Gain on disposal of investment	0	0	(133)	0

B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Sept 2014 (RM'000)	Current Quarter Ended 30 Sept 2013 (RM'000)	Current 6 months Ended 30 Sept 2014 (RM'000)	Current 6 months Ended 30 Sept 2013 (RM'000)
a) Income Tax				
i) Current taxation	117	94	253	223
b) Total	117	94	253	223

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	57,600	1,992	59,592
ii. Revolving Credit	8,500	-	8,500
iii. Long term borrowings repayable within twelve months	29,853	-	29,853
iv. Hire Purchase repayable within 12 months	155	-	155
v. Total	<u>96,108</u>	<u>1,992</u>	<u>98,100</u>
b) Long term borrowings			
i. Long term loans	86,006	-	86,006
Less portion of long term loans payable within 12 months	<u>(29,853)</u>	<u>-</u>	<u>(29,853)</u>
	<u>56,153</u>	<u>0</u>	<u>56,153</u>
ii. Hire purchase	556	-	556
Less portion of Hire Purchase payable within 12 months	<u>(155)</u>	<u>-</u>	<u>(155)</u>
	<u>401</u>	<u>0</u>	<u>401</u>
iii. Total	56,554	0	56,554
c) Total borrowings	152,662	1,992	154,654

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 September 2014 were as follows:

	RM'000
<u>Foreign Currency</u>	
Singapore Dollar	3,889
Hong Kong Dollar	<u>7,229</u>
Total	<u>11,118</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 September 2014 are as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Sept 2014 (RM'000)	Current Quarter Ended 30 Sept 2013 (RM'000)	Current 6 months Ended 30 Sept 2014 (RM'000)	Current 6 months Ended 30 Sept 2013 (RM'000)
Net profit attributable to owner of the Parent (RM'000)	94	445	417	884
Basic ('000)				
Total Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic earnings per share(sen)	0.01	0.05	0.05	0.10

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 September 2014.

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 Sept 2014 (RM'000)	As at 30 Sept 2013 (RM'000)
Retained profits of the Company and its subsidiaries :		
Realised	79,111	77,532
Unrealised	(343)	(315)
Total Retained profits of the Company and its subsidiaries	78,768	77,217
Total share of Retained profits from associated companies :		
Realised	(284)	(279)
Total Group Retained profits as per consolidated accounts	78,484	76,938

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

Secretary

Kuala Lumpur
Date: 25 November 2014