

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

	2010	2009	2010	2009
	Current Year Quarter Ended Mar 31 (RM'000)	Preceding Year Quarter Ended Mar 31 (RM'000)	Current Year Ended Mar 31 (RM'000)	Preceding Year Ended Mar 31 (RM'000)
CONTINUING OPERATIONS				
Revenue	129,166	104,019	456,711	553,618
Operating Expenses	-124,893	-94,300	-436,318	-519,452
Other Operating Income	420	2,413	1,179	3,084
Provision for diminution	0	-4,146	0	-4,146
Depreciation and amortisation	-762	-1,156	-4,412	-4,562
Finance Costs	-4,292	-3,471	-14,090	-13,615
Share of results of associates	-23	-178	-107	-103
	<hr/>	<hr/>	<hr/>	<hr/>
Profit / (Loss) before tax	-384	3,181	2,963	14,824
Taxation	-1,785	-4,089	-2,440	-4,664
	<hr/>	<hr/>	<hr/>	<hr/>
Profit /(Loss) from continuing operations	-2,169	-908	523	10,160
DISCONTINUED OPERATION				
Loss from discontinued operation, net of tax	-24	-132	-24	-132
	<hr/>	<hr/>	<hr/>	<hr/>
Net Profit / (Loss) for the year	-2,193	-1,040	499	10,028
Attributable to :				
Equity holders to the parent	-3,045	-590	-493	9,398
Minority interests	852	-450	992	630
	<hr/>	<hr/>	<hr/>	<hr/>
	-2,193	-1,040	499	10,028
Basic earnings per share (sen)				
From continuing operations	(0.35)	(0.06)	(0.06)	1.10
From discontinued operation	0.00	(0.01)	0.00	(0.01)
	<hr/>	<hr/>	<hr/>	<hr/>
Basic earnings per share (sen)	(0.35)	(0.07)	(0.06)	1.09
Diluted earning per share	N / A	N / A	N / A	N / A

(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 MARCH 2010

	Unaudited Year ended Mar 31, 10 (RM'000)	Audited Year ended Mar 31, 09 (RM'000)
Non Current Assets		
Property, plant & equipment	217,202	218,641
Prepaid land lease payment	30,819	31,185
Investment property	15,737	15,775
Goodwill arising on consolidation	41,959	41,959
Investment in Associates	112	219
Investments	6,900	6,713
Deferred and development expenditure	954	1,113
Land held for development	27,195	27,113
Deferred tax assets	230	1,732
Current Assets		
Inventories	22,506	22,752
Development properties	0	7,833
Trade and other receivables	214,943	198,381
Fixed and call deposits	22,025	17,119
Cash and bank balances	10,978	20,763
	<u>270,452</u>	<u>266,848</u>
Current Liabilities		
Trade and other payables	25,741	44,974
Short term borrowings	91,147	75,945
Collateralised Loan Obligaton (CLO)	45,000	0
Hire purchase	34	169
Taxation	1,862	2,193
	<u>163,784</u>	<u>123,281</u>
Net Current Assets	106,668	143,567
	<u>447,776</u>	<u>488,017</u>
Equity		
Share capital	171,710	171,710
Reserves	168,472	171,969
	<u>340,182</u>	<u>343,679</u>
Attributable to equity holders of the parent	340,182	343,679
Minority interest	-534	-1,526
Total Equity	<u>339,648</u>	<u>342,153</u>
Long term and deferred liabilities		
Advanced from Joint Venture shareholder	8,686	7,296
Term Loan	59,208	53,300
Hire purchase	0	34
Collateralised Loan Obligaton (CLO)	40,000	85,000
Deferred taxation	234	234
	<u>447,776</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 YEAR ENDED 31 MARCH 2010

	← 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)		
Year ended 31 March 2010									
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	-3,004	0	-493	-3,497	992	-2,505
Balance at end of period	<u>171,710</u>	<u>19,911</u>	<u>8,930</u>	<u>-3,129</u>	<u>79,171</u>	<u>63,589</u>	<u>340,182</u>	<u>-534</u>	<u>339,648</u>
Year ended 31 March 2009									
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	4,006	79,171	9,398	92,575	630	93,205
Dividend paid						-7,727	-7,727	0	-7,727
Balance at end of period	<u>171,710</u>	<u>19,911</u>	<u>8,930</u>	<u>-125</u>	<u>79,171</u>	<u>64,082</u>	<u>343,679</u>	<u>-1,526</u>	<u>342,153</u>

(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 YEAR ENDED 31 MARCH 2010

	Unaudited Year ended Mar 31 2010 (RM'000)	Audited Year ended Mar 31 2009 (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation		
Continuing operations	2,963	14,824
Discontinued operation	-24	-132
	<hr/> 2,939	<hr/> 14,692
Adjustment :-		
Non-cash items	4,186	8,266
Non-operating items (which are investing / financing)	-366	-13
	<hr/> 6,759	<hr/> 22,945
Operating profit before changes in working capital		
Changes in working capital		
Net Change in current assets	-9,611	8,213
Net Change in current liabilities	-14,117	-44,116
	<hr/> -16,968	<hr/> -12,958
Cash used in operations		
Tax Paid	-1,208	-2,152
	<hr/> -18,176	<hr/> -15,110
Net cash flows from operating activities		
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend paid	0	-7,727
Other investment	101	91
Net Proceeds from disposal of investment property	0	1,490
Purchase of property, plant and equipment		21
Purchase of property, plant and equipment	-3,424	-10,009
Purchase of land held for development	-81	-139
Net cash outflow from acquisition of subsidiary & associates companies less deposit paid in previous financial year	0	-12,414
	<hr/> -3,404	<hr/> -28,687
Net cash flows from investing activities		
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	22,844	2,843
	<hr/> 22,844	<hr/> 2,843
Net cash flows from financing activities		
Net change in cash & cash equivalents	1,264	-40,954
Cash & cash equivalents at beginning of year	-12,004	29,073
Effects of exchange rate changes on cash & cash equivalents at end of year	-4,240	-123
	<hr/> -14,980	<hr/> -12,004
Cash & cash equivalents at end of period		

(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 YEAR ENDED 31 MARCH 2010

	Unaudited Year ended Mar 31 2010 (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation	
Continuing operations	2,963
Discontinued operation	-24
	<hr/> 2,939
Adjustment :-	
Non-cash items	4,186
Non-operating items (which are investing / financing)	-366
	<hr/> 6,759
Operating profit before changes in working capital	
Changes in working capital	
Net Change in current assets	-9,611
Net Change in current liabilities	-14,117
	<hr/> -16,968
Cash used in operations	
Tax Paid	-1,208
	<hr/> -18,176
Net cash flows from operating activities	<hr/> <hr/> -18,176
CASH FLOW FROM INVESTING ACTIVITIES	
Dividend paid	0
Other investment	101
Net Proceeds from disposal of investment property	0
Purchase of property, plant and equipment	
Purchase of property, plant and equipment	-3,424
Purchase of land held for development	-81
Net cash outflow from acquisition of subsidiary & associates companies less deposit paid in previous financial year	0
	<hr/> -3,404
Net cash flows from investing activities	<hr/> <hr/> -3,404
CASH FLOW FROM FINANCING ACTIVITIES	
Net Bank Borrowings	22,844
	<hr/> 22,844
Net cash flows from financing activities	<hr/> <hr/> 22,844
Net change in cash & cash equivalents	1,264
Cash & cash equivalents at beginning of year	-12,004
Effects of exchange rate changes on cash & cash equivalents at end of year	-4,240
	<hr/> -14,980
Cash & cash equivalents at end of period	<hr/><hr/>-14,980

(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

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. Any new/revised Financial Reporting Standards which have been issued and relevant to our Group will only take effect from the new financial year starting 1 April 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 Year Quarter Ended 31 Mar 2010 (RM'000)	Preceding Year Quarter Ended 31 Mar 2009 (RM'000)	Current Year Ended 31 Mar 2010 (RM'000)	Preceding Year Ended 31 Mar 2009 (RM'000)
Travel	72,430	85,830	362,814	493,556
Hotel	9,263	9,246	42,716	43,476
Property	47,473	8,943	51,181	16,586
Total	129,166	104,019	456,711	553,618

b) Profit/(Loss) before taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31 Mar 2010 (RM'000)	Preceding Year Quarter Ended 31 Mar 2009 (RM'000)	Current Year Ended 31 Mar 2010 (RM'000)	Preceding Year Ended 31 Mar 2009 (RM'000)
Continuing Operations				
Travel	(3,641)	6,348	1,001	15,318
Hotel	557	564	8,005	8,832
Property	4,413	341	2,614	1,070
RPB	(1,690)	252	(8,550)	(6,147)
Sub-total	(361)	7,505	3,070	19,073
Provision for diminution	0	(4,146)	0	(4,146)
Profit /(Loss) after provision for diminution	(361)	3,359	3,070	14,927
Share of results of associates	(23)	(178)	(107)	(103)
Total from Continuing Operations	(384)	3,181	2,963	14,824
Discontinued Operation	(24)	(132)	(24)	(132)
Grand Total	(408)	3,049	2,939	14,692

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.

A. 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 increased by 24.2% as compared to the preceding year 4th quarter. The increased was mainly due to the completion and handover of one block of Hotel Suite to the buyer in March 2010.

However, the group has registered a consolidated loss before tax and MI of RM0.408 million in the 4th quarter under review mainly due:

- a) one off payment from the downsizing of its business operation in Australia and the centralization in Malaysia.
- b) political situation in Bangkok which has resulted in poor demand in travel and tourism related services to Thailand.

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

The consolidated revenue and profit before tax and MI has reduced by 3% and 114.7% respectively in comparison to the 3rd quarter. This was mainly due to:

- a) Seasonality in which 3rd quarter was traditionally the strongest quarter for the Group.
- b) One off payment from the downsizing of its business operation in Australia and the centralization in Malaysia.
- c) Political situation in Bangkok which has resulted in poor demand in travel and tourism related services to and from Thailand.

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 Year Quarter Ended 31 Mar 2010 (RM'000)	Preceding Year Quarter Ended 31 Mar 2009 (RM'000)	Current Year Ended 31 Mar 2010 (RM'000)	Preceding Year Ended 31 Mar 2009 (RM'000)
a) Income Tax				
i) Current taxation	285	1,619	940	2,194
ii) Under provision in prior years	0	700	0	700
b) Deferred tax	1,500	1,770	1,500	1,770
c) Total	1,785	4,089	2,440	4,664

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.

	RM'000
Total investment at cost	10,730
Less: Total Provision for diminution to date	<u>(3,958)</u>
Total investment at cost after provision for diminution	<u>6,772</u>
Total investment at carrying value/book value	6,772
Total investment at market value	6,772

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	23,591	24,391	47,982
ii. Revolving Credit	16,159	9,500	25,659
iii. Long term borrowings repayable within twelve months	17,506	-	17,506
iv. Collateralised Loan obligation	-	45,000	45,000
v. Lease and Hire Purchase repayable within 12 months	34	-	34
vi. Total	<u>57,290</u>	<u>78,891</u>	<u>136,181</u>
b) Long term borrowings			
i. Long term loans	76,714	-	76,714
Less portion of long term loans payable within 12 months	<u>17,506</u>	<u>-</u>	<u>17,506</u>
	<u>59,208</u>	<u>0</u>	<u>59,208</u>
ii. Collateralised Loan obligation	<u>-</u>	<u>40,000</u>	<u>40,000</u>
iii. Lease and Hire purchase	34	-	34
Less portion of Lease and Hire Purchase payable within 12 months	<u>(34)</u>	<u>-</u>	<u>(34)</u>
	<u>0</u>	<u>-</u>	<u>0</u>
iv. Total	59,208	40,000	99,208
c) Total borrowings	116,498	118,891	235,389

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 March 2010 were as follows:

	RM'000
<u>Foreign Currency</u>	
Singapore Dollar	1,805
Hong Kong Dollar	<u>3,409</u>
Total	<u>5,214</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	
		FC'000	RM'000
AUD Less than 1 year	130	60	178

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 year ended 31 March 2010 are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31 Mar 2010 (RM'000)	Preceding Year Quarter Ended 31 Mar 2009 (RM'000)	Current Year Ended 31 Mar 2010 (RM'000)	Preceding Year Ended 31 Mar 2009 (RM'000)
Net Profit / (Loss) attributable to equity holders to the parent (RM'000):				
Continuing Operations	(3,033)	(523)	(481)	9,465
Discontinued Operation	(12)	(67)	(12)	(67)
Total	(3,045)	(590)	(493)	9,398
Basic ('000)				
Total Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic earnings per share(sen)				
Continuing Operations	(0.35)	(0.06)	(0.06)	1.10
Discontinued Operation	0.00	(0.01)	0.00	(0.01)
Total	(0.35)	(0.07)	(0.06)	1.09

b) Diluted Profit per share

N/A.

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

Secretary

Kuala Lumpur
Date: 31 May 2010