

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE QUARTER ENDED 31 DECEMBER 2013

	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
	Current Period	Preceding Period	Current 6 months	Preceding Year
	Quarter Ended	Quarter Ended	Cumulative to date	Period Ended
	Dec 31	Dec 31	Dec 31	Dec 31
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	46,862	50,908	159,791	162,445
Operating Expenses	-42,077	-46,053	-146,836	-150,351
Other Operating Income	42	4	160	621
Depreciation and amortisation	-795	-899	-2,586	-2,721
Finance Costs	-2,827	-3,339	-7,916	-8,490
Share of results of associates	-5	25	11	-13
Profit before tax	1,200	646	2,624	1,491
Taxation	-378	-344	-601	-827
Profit for the period	822	302	2,023	664
Profit Attributable to :				
Owner of the Parent	820	205	1,704	735
Non-controlling interest	2	97	319	-71
	822	302	2,023	664
Basic earnings per share (sen)	0.10	0.02	0.20	0.09
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 31 DECEMBER 2013

	<u>2013</u> Current Period Quarter Ended Dec 31 (RM'000)	<u>2012</u> Preceding Period Quarter Ended Dec 31 (RM'000)	<u>2013</u> Current 6 months Cumulative to date Dec 31 (RM'000)	<u>2012</u> Preceding Year Period Ended Dec 31 (RM'000)
Profit for the period	822	302	2,023	664
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translating foreign operations	6	-86	943	292
Net changes in fair value of Available-for-sale	800	-1	802	-394
Total comprehensive income for the period	<u>1,628</u>	<u>215</u>	<u>3,768</u>	<u>562</u>
Total Comprehensive Income Attributable to :				
Owner of the Parent	1,626	633	3,449	633
Non-controlling interest	<u>2</u>	<u>0</u>	<u>319</u>	<u>-71</u>
	<u>1,628</u>	<u>215</u>	<u>3,768</u>	<u>562</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 31 DECEMBER 2013

	As at Dec 31, 13 (RM'000) (Unaudited)	As at Mar 31, 13 (RM'000) (Audited)
ASSETS:		
Non Current Assets		
Property, plant & equipment	229,712	231,540
Investment property	13,122	3,898
Goodwill arising on consolidation	32,035	32,035
Investment in Associates	36,857	36,846
Available-for-sales financial assets	1,033	237
Deferred and development expenditure	200	215
Land held for development	62,704	79,058
Deferred tax assets	221	221
Total Non Current Assets	<u>375,884</u>	<u>384,050</u>
Current Assets		
Inventories	12,191	22,233
Trade and other receivables	97,476	89,550
Development properties	38,825	18,448
Fixed and call deposits	18,920	18,503
Cash and bank balances	3,064	2,734
Total Current Assets	<u>170,476</u>	<u>151,468</u>
TOTAL ASSETS	<u>546,360</u>	<u>535,518</u>
EQUITY AND LIABILITIES:		
Equity attributable to owners of the Parent:		
Share capital	171,710	171,710
Other Reserves	99,925	98,180
Retained Profit	77,758	76,054
Attributable to equity holders of the parent	349,393	345,944
Non-controlling interest	5,931	5,612
TOTAL EQUITY	<u>355,324</u>	<u>351,556</u>
Non-Current Liabilities:		
Term Loan	70,960	86,533
Hire purchase	210	205
Deferred tax liabilities	536	536
Total Non-Current Liabilities	<u>71,706</u>	<u>87,274</u>
Current Liabilities		
Trade and other payables	23,622	21,232
Short term borrowings	94,919	74,597
Hire purchase	144	118
Taxation	645	741
Total Current Liabilities	<u>119,330</u>	<u>96,688</u>
TOTAL LIABILITIES	<u>191,036</u>	<u>183,962</u>
TOTAL EQUITY AND LIABILITIES	<u>546,360</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 31 DECEMBER 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)
9 months quarter ended 31 December 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	943	802	0	1,704	3,449	319	3,768
Balance at end of period	<u>171,710</u>	<u>19,911</u>	<u>8,930</u>	<u>2,076</u>	<u>-4,103</u>	<u>73,111</u>	<u>77,758</u>	<u>349,393</u>	<u>5,931</u>	<u>355,324</u>
9 months quarter ended 31 December 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	292	-394	0	735	633	-71	562
Balance at end of period	<u>171,710</u>	<u>19,911</u>	<u>8,930</u>	<u>944</u>	<u>-4,906</u>	<u>73,111</u>	<u>75,014</u>	<u>344,714</u>	<u>5,336</u>	<u>350,050</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 31 DECEMBER 2013

	2013	2012
	9 months	9 months
	ended	ended
	Dec 31	Dec 31
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,624	1,491
Adjustment :-		
Non-cash items	2,575	1,556
Non-operating items (which are investing / financing)	7,904	5,139
Operating profit before changes in working capital	<u>13,103</u>	<u>8,186</u>
Changes in working capital		
Net Change in current assets	743	20,347
Net Change in current liabilities	2,392	-7,162
Cash generated from operations	<u>16,238</u>	<u>21,371</u>
Interest paid	-7,916	-5,151
Tax Paid	-610	-234
Net cash flows generated from operating activities	<u>7,712</u>	<u>15,986</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	12	13
Proceeds from disposal of land held for development	0	9,180
Purchase of property, plant and equipment	-745	-639
Purchase of land held for development / investment in properties	-10,708	0
Net cash outflow from acquisition of Associates	0	-36,399
Net cash flows used in investing activities	<u>-11,441</u>	<u>-27,845</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	-11,636	5,278
Net cash flows (used in) / generated from financing activities	<u>-11,636</u>	<u>5,278</u>
Net change in cash & cash equivalents	-15,365	-6,582
Cash & cash equivalents at beginning of period	-16,823	-22,424
Effects of exchange rate changes on cash & cash equivalents at end of period	-174	-70
Cash & cash equivalents at end of period	<u>-32,362</u>	<u>-29,076</u>
Cash & cash equivalents comprise the following:		
Fixed and call deposits	18,920	15,905
Cash and bank balances	3,064	2,727
Bank overdraft	-54,346	-48,354
	<u>-32,362</u>	<u>-29,722</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 31 DECEMBER 2013

	2013 9 months ended Dec 31 (RM'000)
CASH FLOW FROM OPERATING ACTIVITIES	
Profit before taxation	2,624
Adjustment :-	
Non-cash items	2,575
Non-operating items (which are investing / financing)	7,904
Operating profit before changes in working capital	<u>13,103</u>
Changes in working capital	
Net Change in current assets	743
Net Change in current liabilities	2,392
Cash generated from operations	<u>16,238</u>
Interest paid	-7,916
Tax Paid	-610
Net cash flows generated from operating activities	<u>7,712</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Other investment	12
Proceeds from disposal of land held for development	0
Purchase of property, plant and equipment	-745
Purchase of land held for development / investment in properties	-10,708
Net cash outflow from acquisition of Associates	0
Net cash flows used in investing activities	<u>-11,441</u>
CASH FLOW FROM FINANCING ACTIVITIES	
Net Bank Borrowings	-11,636
Net cash flows (used in) / generated from financing activities	<u>-11,636</u>
Net change in cash & cash equivalents	-15,365
Cash & cash equivalents at beginning of period	-16,823
Effects of exchange rate changes on cash & cash equivalents at end of period	-174
Cash & cash equivalents at end of period	<u>-32,362</u>
Cash & cash equivalents comprise the following:	
Fixed and call deposits	18,920
Cash and bank balances	3,064
Bank overdraft	-54,346
	<u>-32,362</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

(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 31 Dec 2013 (RM'000)	Current Quarter Ended 31 Dec 2012 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2012 (RM'000)
Hotel	12,900	12,191	33,121	30,810
Property	4,056	3,340	30,283	10,812
Tourism	28,700	34,566	93,439	117,886
RPB & others	1,206	811	2,948	2,937
Grand Total	46,862	50,908	159,791	162,445

b) Profit/(Loss) before taxation

Continuing Operations	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Dec 2013 (RM'000)	Current Quarter Ended 31 Dec 2012 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2012 (RM'000)
Hotel	3,683	2,862	7,311	7,334
Property	6	486	1,557	(25)
Tourism	28	27	(657)	528
RPB & others	(2,512)	(2,754)	(5,598)	(6,333)
Share of results of associates	(5)	25	11	(13)
Grand Total	1,200	646	2,624	1,491

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 31 December 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 31 December 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 31 December 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 9 months Ended 31 Dec 2013 (RM'000)
Services rendered to the companies controlled by certain directors	1,029
Services rendered by the companies controlled by certain directors	977
Purchases from the companies controlled by certain directors	6,260
Sales to the companies controlled by certain directors	17,121

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 1.6% as compared to the preceding year 3rd quarter. While revenue for the Hotel and Property Division continue to grow, the lower revenue registered by Tourism Division as a result of challenging operating environment has resulted in the slight reduction in revenue for the 3rd quarter.

The Group consolidated profit before tax for the 3rd quarter under review has improved by 76% as compared to the preceding year same quarter. The improvement was mainly contributed by the Hotel 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 28.5% in comparison to the preceding quarter. The higher revenue in the preceding quarter was mainly contributed by Property Division due to sale of property and the recognition of progress billing based on the work done at site.

The Group consolidated profit before tax has improved by 57.3% in comparison to the preceding quarter. The improvement was mainly due to the higher revenue and yield achieved by the Hotel Division.

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 31 Dec 2013 (RM'000)	Current Quarter Ended 31 Dec 2012 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2012 (RM'000)
Interest income	(3)	(1)	(12)	(272)
Gain on disposal of land held for development	0	0	0	(328)

B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Dec 2013 (RM'000)	Current Quarter Ended 31 Dec 2012 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2012 (RM'000)
a) Income Tax				
i) Current taxation	378	344	601	827
b) Total	378	344	601	827

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	52,413	1,933	54,346
ii. Revolving Credit	8,500	-	8,500
iii. Long term borrowings repayable within twelve months	32,073	-	32,073
iv. Hire Purchase repayable within 12 months	144	-	144
v. Total	<u>93,130</u>	<u>1,933</u>	<u>95,063</u>
b) Long term borrowings			
i. Long term loans	103,033	-	103,033
Less portion of long term loans payable within 12 months	<u>(32,073)</u>	<u>-</u>	<u>(32,073)</u>
	<u>70,960</u>	<u>0</u>	<u>70,960</u>
ii. Hire purchase	354	-	354
Less portion of Hire Purchase payable within 12 months	<u>(144)</u>	<u>-</u>	<u>(144)</u>
	<u>210</u>	<u>0</u>	<u>210</u>
iii. Total	71,170	0	71,170
c) Total borrowings	164,300	1,933	166,233

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 Dec 2013 were as follows:

	RM'000
<u>Foreign Currency</u>	
Singapore Dollar	2,688
Hong Kong Dollar	<u>6,976</u>
Total	<u>9,664</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 31 December 2013 are as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Dec 2013 (RM'000)	Current Quarter Ended 31 Dec 2012 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2012 (RM'000)
Net profit attributable to owner of the Parent (RM'000)	820	205	1,704	735
Basic ('000)				
Total Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic earnings per share(sen)	0.10	0.02	0.20	0.09

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 31 December 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 31 Dec 2013 (RM'000)	As at 31 Dec 2012 (RM'000)
Retained profits of the Company and its subsidiaries :		
Realised	78,357	75,693
Unrealised	(315)	(390)
Total Retained profits of the Company and its subsidiaries	78,042	75,303
Total share of Retained profits from associated companies :		
Realised	(284)	(289)
Total Group Retained profits as per consolidated accounts	77,758	75,014

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

Secretary

Kuala Lumpur
Date: 28 February 2014