

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE QUARTER ENDED 31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	Current Period	Preceding Period	Current 9 months	Preceding Year
	Quarter Ended	Quarter Ended	Cumulative to date	Period Ended
	31-Dec	31-Dec	31-Dec	31-Dec
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	48,644	46,862	133,655	159,791
Operating Expenses	(44,776)	(42,077)	(122,318)	(146,836)
Other Operating Income	6	42	179	160
Depreciation and amortisation	(825)	(795)	(2,721)	(2,586)
Finance Costs	(2,491)	(2,827)	(7,658)	(7,916)
Share of results of associates	5	(5)	6	11
Profit before tax	563	1,200	1,143	2,624
Taxation	(337)	(378)	(590)	(601)
Profit for the period	226	822	553	2,023
Profit Attributable to :				
Owner of the Parent	175	820	592	1,704
Non-controlling interest	51	2	(39)	319
	226	822	553	2,023
Basic earnings per share (sen)	0.02	0.10	0.07	0.20
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 31 DECEMBER 2014

	<u>2014</u> Current Period Quarter Ended 31-Dec (RM'000)	<u>2013</u> Preceding Period Quarter Ended 31-Dec (RM'000)	<u>2014</u> Current 9 months Cumulative to date 31-Dec (RM'000)	<u>2013</u> Preceding Year Period Ended 31-Dec (RM'000)
Profit for the period	226	822	553	2,023
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translating foreign operations	1,119	6	900	943
Net changes in fair value of Available-for-sale	1	800	(118)	802
Total comprehensive income for the period	<u>1,346</u>	<u>1,628</u>	<u>1,335</u>	<u>3,768</u>
Total Comprehensive Income Attributable to :				
Owner of the Parent	1,295	1,626	1,374	3,449
Non-controlling interest	51	2	(39)	319
	<u>1,346</u>	<u>1,628</u>	<u>1,335</u>	<u>3,768</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 31 DECEMBER 2014**

	As at 31-Dec-14 (RM'000) (Unaudited)	As at 31-Mar-14 (RM'000) (Audited)
ASSETS:		
Non Current Assets		
Property, plant & equipment	228,726	230,415
Investment property	3,828	3,858
Goodwill arising on consolidation	32,035	32,035
Investment in Associates	36,979	36,856
Available-for-sales financial assets	1,085	1,207
Deferred and development expenditure	24	26
Land held for development	74,608	73,314
Deferred tax assets	213	213
Total Non Current Assets	377,498	377,924
Current Assets		
Inventories	12,177	12,245
Trade and other receivables	75,950	88,772
Development properties	44,250	41,361
Fixed and call deposits	18,061	18,922
Cash and bank balances	4,078	3,104
Total Current Assets	154,516	164,404
TOTAL ASSETS	532,014	542,328
EQUITY AND LIABILITIES:		
Equity attributable to owners of the Parent:		
Share capital	171,710	171,710
Other Reserves	100,901	100,119
Retained Profit	78,659	78,067
Attributable to equity holders of the parent	351,270	349,896
Non-controlling interest	6,097	6,136
TOTAL EQUITY	357,367	356,032
Non-Current Liabilities:		
Term Loan	50,713	67,032
Hire purchase	345	178
Deferred tax liabilities	556	556
Total Non-Current Liabilities	51,614	67,766
Current Liabilities		
Trade and other payables	19,845	18,649
Short term borrowings	102,822	99,503
Hire purchase	130	140
Taxation	236	238
Total Current Liabilities	123,033	118,530
TOTAL LIABILITIES	174,647	186,296
TOTAL EQUITY AND LIABILITIES	532,014	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 31 DECEMBER 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)
9 months quarter ended 31 Dec 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	900	(118)	0	592	1,374	(39)	1,335
Balance at end of period	171,710	19,911	8,930	2,999	(4,050)	73,111	78,659	351,270	6,097	357,367
9 months quarter ended 31 Dec 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	171,710	19,911	8,930	2,076	(4,103)	73,111	77,758	349,393	5,931	355,324

(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 31 DECEMBER 2014

	2014	2013
	9 months	9 months
	ended	ended
	31-Dec	31-Dec
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,143	2,624
Adjustment :-		
Non-cash items	2,715	2,575
Non-operating items (which are investing / financing)	7,654	7,904
Operating profit before changes in working capital	<u>11,512</u>	<u>13,103</u>
Changes in working capital		
Net Change in current assets	11,759	743
Net Change in current liabilities	328	2,392
Cash generated from operations	<u>23,599</u>	<u>16,238</u>
Interest paid	(7,658)	(7,916)
Tax Paid	(761)	(610)
Net cash flows generated from operating activities	<u>15,180</u>	<u>7,712</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	4	12
Purchase of property, plant and equipment	(747)	(745)
Purchase of land held for development	(424)	(10,708)
Increase of investment of associates company	(119)	0
Net cash flows used in investing activities	<u>(1,286)</u>	<u>(11,441)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	(19,171)	(11,636)
Net cash flows (used in) / generated from financing activities	<u>(19,171)</u>	<u>(11,636)</u>
Net change in cash & cash equivalents	(5,277)	(15,365)
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>(43,425)</u>	<u>(32,362)</u>
Cash & cash equivalents comprise the following:		
Fixed and call deposits	18,061	18,920
Cash and bank balances	4,078	3,064
Bank overdraft	(65,564)	(54,346)
	<u>(43,425)</u>	<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 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

Continuing Operations	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Dec 2014 (RM'000)	Current Quarter Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2014 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)
Hotel	12,323	12,900	33,033	33,121
Property	5,899	4,056	11,319	30,283
Tourism	29,343	28,700	86,006	93,439
RPB & others	1,079	1,206	3,297	2,948
Grand Total	48,644	46,862	133,655	159,791

b) Profit/(Loss) before taxation

Continuing Operations	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Dec 2014 (RM'000)	Current Quarter Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2014 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)
Hotel	3,302	3,683	7,248	7,311
Property	49	6	205	1,557
Tourism	(499)	28	(1,618)	(657)
RPB & others	(2,294)	(2,512)	(4,698)	(5,598)
Share of results of associates	5	(5)	6	11
Grand Total	563	1,200	1,143	2,624

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 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 31 December 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 31 December 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 31 Dec 2014 (RM'000)
Services rendered to the companies controlled by certain directors	2,096
Services rendered by the companies controlled by certain directors	535
Purchases from the companies controlled by certain directors	2,081
Sales to the companies controlled by certain directors	8,461

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance of the Company and its Principal Subsidiaries

On the background of a challenging operating environment, the group embarked on a market share acquisition strategy, resulting in increase of revenue and decrease in yield, particularly in the tourism division.

Group Revenue performance compared to the preceding year's quarter improved by 3.8%. However the Group Profit before tax is RM0.563 million as compared to RM1.2 million in the same quarter of FY2013/14. The lower profit was mainly due to the lower yield registered by the tourism division.

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

The Group consolidated revenue for the reporting quarter has increased by 14.36% in comparison to the preceding quarter.

The Group consolidated profit before tax for the 3rd quarter under review is RM0.563 million as compared to RM0.195 million in the preceding quarter.

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

In the wake of dampened market sentiments as a result of a patchy economic growth, anticipated higher inflation on the heels of the GST implementation, weakened global and regional economy, air disasters, political instability in the region and the world, the next 6 months will be challenging but it has some silver linings from RPB's perspective.

The unprecedented fall in oil prices will certainly result in lower airfares; weakened Ringgit that will result in making Malaysia a cheaper destination; and the return of political stability in Hong Kong and Thailand. Given these positives and barring any unforeseen circumstances, RPB is quietly confident that the next 6 months will continue to perform within the positive territory.

Hotel Division

In spite of a very challenging operating environment, this division continues to be profitable. Moving forward to the next 6 months, we expect the hotel division to continue to generate strong revenue and positive bottom-line.

The lower oil prices will likely be translated into lower airfares and lower fuel prices which will encourage travel from abroad and domestically. This augurs well for the hotel division as we expect better occupancy as well as lower operating expenditure.

Looking further into the horizon, we expect to increase the number of properties we manage with new management contracts under the "Avillion" brand as well as "Avillion Private Collection."

Property Division

In the current environment of higher interest rates and tightened credit, we expect this division to remain neutral. RPB will remain focused on the development of its Desa Impian Project in Bandar Tenggara, Johor.

Phase 1A will be completed and handed over to buyers within the next 3 months.

Phase 1B will be launched in the next few months.

Phase 2A and 2B comprises of commercial properties are currently under planning stage and will be launched at the right time.

We firmly believe that the affordably priced homes and commercial properties will receive good response from the public when launched.

B4 Commentary on Prospect

Tourism Division

The tourism division will stand to gain most from the fall of oil prices which directly translate into lower airfares. RPB's tourism companies that are located in strategic getaways of Asia particularly, Hong Kong, Singapore, Bangkok and Sydney are well poised to take advantage of stronger travel demand.

Furthermore, our Australian tourism company in Sydney has the advantage of a weak Australian Dollar translating in cheaper export of tourism services.

The political situation in Thailand and Hong Kong has stabilised and this augurs well for growth in tourist arrivals.

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 2014 (RM'000)	Current Quarter Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2014 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)
Interest income	0	(3)	(4)	(12)
Gain on disposal of investment	0	0	(133)	0

B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Dec 2014 (RM'000)	Current Quarter Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2014 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)
a) Income Tax				
i) Current taxation	337	378	590	601
b) Total	337	378	590	601

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	62,406	3,158	65,564
ii. Revolving Credit	8,500	-	8,500
iii. Long term borrowings repayable within twelve months	28,758	-	28,758
iv. Hire Purchase repayable within 12 months	130	-	130
v. Total	<u>99,794</u>	<u>3,158</u>	<u>102,952</u>
b) Long term borrowings			
i. Long term loans	79,471	-	79,471
Less portion of long term loans payable within 12 months	<u>(28,758)</u>	<u>-</u>	<u>(28,758)</u>
	<u>50,713</u>	<u>0</u>	<u>50,713</u>
ii. Hire purchase	475	-	475
Less portion of Hire Purchase payable within 12 months	<u>(130)</u>	<u>-</u>	<u>(130)</u>
	<u>345</u>	<u>0</u>	<u>345</u>
iii. Total	51,058	0	51,058
c) Total borrowings	150,852	3,158	154,010

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 December 2014 were as follows:

	RM'000
<u>Foreign Currency</u>	
Singapore Dollar	4,149
Hong Kong Dollar	<u>7,736</u>
Total	<u>11,885</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 2014 are as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Dec 2014 (RM'000)	Current Quarter Ended 31 Dec 2013 (RM'000)	Current 9 months Ended 31 Dec 2014 (RM'000)	Current 9 months Ended 31 Dec 2013 (RM'000)
Net profit attributable to owner of the Parent (RM'000)	175	820	592	1,704
Basic ('000)				
Total Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic earnings per share(sen)	0.02	0.10	0.07	0.20

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 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 31 Dec 2014 (RM'000)	As at 31 Dec 2013 (RM'000)
Retained profits of the Company and its subsidiaries :		
Realised	79,282	78,357
Unrealised	(343)	(315)
Total Retained profits of the Company and its subsidiaries	78,939	78,042
Total share of Retained profits from associated companies :		
Realised	(280)	(284)
Total Group Retained profits as per consolidated accounts	78,659	77,758

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

Secretary

Kuala Lumpur
Date: 27 February 2015