

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE QUARTER ENDED 30 JUNE 2016

	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	Current Period	Preceding Period	Current 3 months	Current 3 months
	Quarter Ended	Quarter Ended	Cumulative to date	Cumulative to date
	30-Jun	30-Jun	30-Jun	30-Jun
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	33,292	42,493	33,292	42,493
Operating Expenses	(33,843)	(41,332)	(33,843)	(41,332)
Other Operating Income	562	62	562	62
Depreciation and amortisation	(851)	(876)	(851)	(876)
Finance Costs	(2,537)	(2,538)	(2,537)	(2,538)
Share of results of associates	(14)	14	(14)	14
Loss before tax	(3,391)	(2,177)	(3,391)	(2,177)
Taxation	(293)	(84)	(293)	(84)
Net loss for the period	(3,684)	(2,261)	(3,684)	(2,261)
Net loss Attributable to :				
Equity holders of the Parent	(3,593)	(2,228)	(3,593)	(2,228)
Non-controlling interests	(91)	(33)	(91)	(33)
	(3,684)	(2,261)	(3,684)	(2,261)
Basic losses per share (sen)	(0.42)	(0.26)	(0.42)	(0.26)
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 2016)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2016

	<u>2016</u> Current Period Quarter Ended 30-Jun (RM'000)	<u>2015</u> Preceding Period Quarter Ended 30-Jun (RM'000)	<u>2016</u> Current 3 months Cumulative to date 30-Jun (RM'000)	<u>2015</u> Preceding Year Period Ended 30-Jun (RM'000)
Net loss for the period	(3,684)	(2,261)	(3,684)	(2,261)
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translating foreign operations	519	(789)	519	(789)
Net changes in fair value of Available-for-sale	(1)	(65)	(1)	(65)
Total comprehensive loss for the period	<u><u>(3,166)</u></u>	<u><u>(3,115)</u></u>	<u><u>(3,166)</u></u>	<u><u>(3,115)</u></u>
Total Comprehensive loss Attributable to :				
Equity holders of the Parent	(3,075)	(3,082)	(3,075)	(3,082)
Non-controlling interests	<u>(91)</u>	<u>(33)</u>	<u>(91)</u>	<u>(33)</u>
	<u><u>(3,166)</u></u>	<u><u>(3,115)</u></u>	<u><u>(3,166)</u></u>	<u><u>(3,115)</u></u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2016)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	As at 30-Jun-16 (RM'000) (Unaudited)	As at 31-Mar-16 (RM'000) (Audited)
ASSETS:		
Non Current Assets		
Property, plant & equipment	244,362	245,094
Investment property	3,769	3,779
Goodwill arising on consolidation	19,714	19,714
Investment in Associates	7	21
Available-for-sales financial assets	335	396
Deferred and development expenditure	11	11
Land held for development	67,094	67,789
Deferred tax assets	128	172
Total Non Current Assets	335,420	336,976
Current Assets		
Inventories	19,833	19,474
Trade and other receivables	50,918	58,270
Development properties	40,985	40,207
Fixed and call deposits	16,744	16,547
Cash and bank balances	4,295	4,508
Total Current Assets	132,775	139,006
Asset held for sale	23,910	23,910
TOTAL ASSETS	492,105	499,892
EQUITY AND LIABILITIES:		
Equity attributable to equity holders of the parent:		
Share capital	171,710	171,710
Other Reserves	93,266	92,748
Retained Profit	50,975	54,568
Attributable to equity holders of the parent	315,951	319,026
Non-controlling interest	6,100	6,191
TOTAL EQUITY	322,051	325,217
Non-Current Liabilities:		
Term Loan	76,643	76,404
Hire purchase	307	360
Deferred tax liabilities	4,195	4,195
Total Non-Current Liabilities	81,145	80,959
Current Liabilities		
Trade and other payables	32,335	27,632
Short term borrowings	56,412	65,937
Hire purchase	158	144
Taxation	4	3
Total Current Liabilities	88,909	93,716
TOTAL LIABILITIES	170,054	174,675
TOTAL EQUITY AND LIABILITIES	492,105	499,892

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2016)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2016

	← 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 2016										
Balance at beginning of year as at 1 Apr. 2016	171,710	19,911	8,930	(871)	(4,677)	69,455	54,568	319,026	6,191	325,217
Total comprehensive income/ (loss) for the period	0	0	0	519	(1)	0	(3,593)	(3,075)	(91)	(3,166)
Balance at end of period	171,710	19,911	8,930	(352)	(4,678)	69,455	50,975	315,951	6,100	322,051
3 months quarter ended 30 June 2015										
Balance at beginning of year as at 1 Apr. 2015	171,710	19,911	8,930	3,172	(4,696)	69,455	78,668	347,150	6,348	353,498
Total comprehensive income/ (loss) for the period	0	0	0	(789)	(24)	0	(2,228)	(3,041)	(33)	(3,074)
Balance at end of period	171,710	19,911	8,930	2,383	(4,720)	69,455	76,440	344,109	6,315	350,424

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2016)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2016

	2016	2015
	3 months	3 months
	ended	ended
	30-Jun	30-Jun
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(3,391)	(2,177)
Adjustment :-		
Non-cash items	392	833
Non-operating items (which are investing / financing)	2,520	2,532
Operating profit before changes in working capital	<u>(479)</u>	<u>1,188</u>
Changes in working capital		
Net Change in current assets	7,305	2,758
Net Change in current liabilities	4,328	(1,393)
Cash generated from operations	<u>11,154</u>	<u>2,553</u>
Interest paid	(2,537)	(2,538)
Tax Paid	(569)	(180)
Net cash flows generated from operating activities	<u>8,048</u>	<u>(165)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	17	6
Proceeds from disposal of investment / land/ property, plant and equipment	2,096	226
Purchase of property, plant and equipment	(197)	(287)
Purchase of land held for development	(549)	(533)
Net cash flows used in investing activities	<u>1,367</u>	<u>(588)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	(2,131)	(6,574)
Net cash flows (used in) / generated from financing activities	<u>(2,131)</u>	<u>(6,574)</u>
Net change in cash & cash equivalents	7,284	(7,327)
Cash & cash equivalents at beginning of period	(19,201)	(31,600)
Effects of exchange rate changes on cash & cash equivalents at end of period	(106)	(139)
Cash & cash equivalents at end of period	<u>(12,023)</u>	<u>(39,066)</u>
Cash & cash equivalents comprise the following:		
Fixed and call deposits	16,744	16,086
Cash and bank balances	4,295	3,879
Bank overdraft	(33,062)	(59,031)
	<u>(12,023)</u>	<u>(39,066)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2016)

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 2016. 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 2016.

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 2016 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 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)	Current Year Ended 30 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)
Continuing Operations				
Hotel	8,172	9,229	8,172	9,229
Property	1,762	4,232	1,762	4,232
Tourism	22,692	28,463	22,692	28,463
RPB & others	666	569	666	569
Grand Total	33,292	42,493	33,292	42,493

b) Profit/(Loss) before taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)	Current Year Ended 30 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)
Continuing Operations				
Hotel	(877)	475	(877)	475
Property	(347)	(509)	(347)	(509)
Tourism	(772)	(955)	(772)	(955)
RPB & others	(1,381)	(1,202)	(1,381)	(1,202)
Share of results of associates	(14)	14	(14)	14
Grand Total	(3,391)	(2,177)	(3,391)	(2,177)

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 2016 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 2016 and up to the date of this report other than the following:

- a) On 13 May 2016 RPB has announced that RPB Development (BVI) Limited, a subsidiary company incorporated in British Virgin Islands has been struck off by the Registrar of Companies in British Virgin Islands.
- b) On 26 May 2016 RPB has announced that Avillion Hotels Worldwide Sdn Bhd, Avi Spa International Sdn Bhd and Upper House Sdn Bhd have been struck off from the Register of Companies under Section 308(4) of the Companies Act 1965.

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 2016 are set out below. The relationship of the related parties are disclosed in the audited financial statements for the financial year ended 31 March 2016 and the approved shareholders' mandate in the circular dated 28 August 2015 for recurrent related party transactions.

	Current Year Ended 30 Jun 2016 (RM'000)
Services rendered to the companies controlled by certain directors	468
Services rendered by the companies controlled by certain directors	90
Purchases from the companies controlled by certain directors	41
Sales to the companies controlled by certain directors	1,316

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

B1 Review of Performance of the Company and its Principal Subsidiaries

Group Revenue performance compared to the preceding year's quarter has reduced by 21.6%.

The Group registered a consolidated loss before tax of RM3.391million as compared to loss of RM2.177 million in preceding year same quarter. This was mainly due to:

- a) Lower revenue and yield registered by the Hotel Division due to challenging operating environment.
- b) Lower revenue registered by the Property Division as a result of softer market demand.
- c) Lower revenue registered by the Tourism Division due to slow down in tourist arrival to Hong Kong and Singapore.

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

The Group consolidated revenue for the reporting quarter has reduced by 26.2% in comparison to the preceding quarter. This was mainly due to the seasonality of the business in which the 1st quarter was traditionally a weaker quarter for the Hotel and Tourism divisions.

The Group consolidated loss before tax for the 1st quarter under review was RM3.391 million as compared to loss (before impairment of goodwill) of RM2.837 million in the preceding quarter.

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

The global and domestic economic environment continued to be challenging and fraught with uncertainties. The group will remain cautiously optimistic amidst such challenges and continually review the internal operating efficiency to ensure higher yields and operating margins.

As such, we will intensify current measures underway on improving the economics of doing business in all our hotel, property and tourism divisions. The priority is still to maximize profit over growth and turnovers. In addition, we will prudent and moderate when considering new ventures or capital investment and seek to monetize some of our unproductive assets.

Barring unforeseen circumstances, and with the implementation of performance and higher yield measures, the Group is expected to improve its performance in the near future.

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 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)	Current Year Ended 30 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)
Interest income	(17)	(6)	(17)	(6)
Gain on disposal of investment /land/ Property, plant & equipment	(473)	(29)	(473)	(29)

B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)	Current Year Ended 30 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)
a) Income Tax				
i) Current taxation	275	84	275	84
ii) Deferred Taxation	18	0	18	0
b) Total	293	84	293	84

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	31,183	1,879	33,062
ii. Revolving Credit	13,500	-	13,500
iii. Long term borrowings repayable within twelve months	9,850	-	9,850
iv. Hire Purchase repayable within 12 months	158	-	158
v. Total	<u>54,691</u>	<u>1,879</u>	<u>56,570</u>
b) Long term borrowings			
i. Long term loans	86,493	-	86,493
Less portion of long term loans payable within 12 months	<u>(9,850)</u>	<u>-</u>	<u>(9,850)</u>
	<u>76,643</u>	<u>0</u>	<u>76,643</u>
ii. Hire purchase	465	-	465
Less portion of Hire Purchase payable within 12 months	<u>(158)</u>	<u>-</u>	<u>(158)</u>
	<u>307</u>	<u>0</u>	<u>307</u>
iii. Total	76,950	0	76,950
c) Total borrowings	131,641	1,879	133,520

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 June 2016 were as follows:

	RM'000
<u>Foreign Currency</u>	
Singapore Dollar	4,189
Hong Kong Dollar	<u>8,926</u>
Total	<u>13,115</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/(losses) per share is calculated by dividing the net profit attributable to the shareholders for the current financial period ended 30 June 2016 as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)	Current Year Ended 30 Jun 2016 (RM'000)	Current Quarter Ended 30 Jun 2015 (RM'000)
Net loss attributable to Equity holders of the Parent (RM'000)	(3,593)	(2,228)	(3,593)	(2,228)
Basic ('000)				
Total Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic losses per share(sen)	(0.42)	(0.26)	(0.42)	(0.26)

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 2016.

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 2016 (RM'000)	As at 30 Jun 2015 (RM'000)
Retained profits of the Company and its subsidiaries :		
Realised	55,357	77,077
Unrealised	(4,067)	(376)
Total Retained profits of the Company and its subsidiaries	51,290	76,701
Total share of Retained profits from associated companies :		
Realised	(315)	(261)
Total Group Retained profits as per consolidated accounts	50,975	76,440

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

Secretary

Kuala Lumpur
Date: 23 August 2016