

**RELIANCE PACIFIC BERHAD (244521 A)**

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**  
**FOR THE QUARTER ENDED 31 MARCH 2017**

	<u>2017</u> Current Period Quarter Ended 31-Mar (RM'000)	<u>2016</u> Preceding Period Quarter Ended 31-Mar (RM'000)	<u>2017</u> Current Year Cumulative to date 31-Mar (RM'000)	<u>2016</u> Current Year Cumulative to date 31-Mar (RM'000)
Revenue	42,285	48,147	153,940	194,199
Operating Expenses	(39,142)	(61,459) #	(163,847) **	(204,928) #
Other Operating Income	708	477	1,500	834
Depreciation and amortisation	(859)	(826)	(3,374)	(3,423)
Finance Costs	(2,435)	(1,500)	(8,831)	(9,615)
Share of results of associates	0	0	(16)	(26)
<b>Profit / (Loss) before tax</b>	<b>557</b>	<b>(15,161)</b>	<b>(20,628)</b>	<b>(22,959)</b>
Taxation	(627)	(237)	(1,912)	(1,298)
<b>Net loss for the year</b>	<b>(70)</b>	<b>(15,398)</b>	<b>(22,540)</b>	<b>(24,257)</b>
<b>Net loss Attributable to :</b>				
Equity holders of the Parent	(226)	(15,305)	(22,604)	(24,100)
Non-controlling interests	156	(93)	64	(157)
	<b>(70)</b>	<b>(15,398)</b>	<b>(22,540)</b>	<b>(24,257)</b>
<b>Basic losses per share (sen)</b>	<b>(0.03)</b>	<b>(1.78)</b>	<b>(2.63)</b>	<b>(2.81)</b>
<b>Diluted earning per share</b>	<b>N / A</b>	<b>N / A</b>	<b>N / A</b>	<b>N / A</b>

\*\* Included in the operating expenses are impairment of assets / financial assets, provision for and write off of receivables amounting to RM15.350 million.

# Included in the operating expense is impairment losses of goodwill amounting to RM12.321 million

(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 31 MARCH 2017**

	<u>2017</u> Current Period Quarter Ended 31-Mar (RM'000)	<u>2016</u> Preceding Period Quarter Ended 31-Mar (RM'000)	<u>2017</u> Current Year Cumulative to date 31-Mar (RM'000)	<u>2016</u> Preceding Year Cumulative to date 31-Mar (RM'000)
Net loss for the year	(70)	(15,398)	(22,540)	(24,257)
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translating foreign operations	1,034	(6,220)	3,558	(4,043)
Net changes in fair value of Available-for-sale	16	20	43	19
<b>Total comprehensive income / (loss) for the year</b>	<b><u>980</u></b>	<b><u>(21,598)</u></b>	<b><u>(18,939)</u></b>	<b><u>(28,281)</u></b>
<b>Total Comprehensive income /(loss) Attributable to :</b>				
Equity holders of the Parent	824	(21,505)	(19,003)	(28,124)
Non-controlling interests	<u>156</u>	<u>(93)</u>	<u>64</u>	<u>(157)</u>
	<b><u>980</u></b>	<b><u>(21,598)</u></b>	<b><u>(18,939)</u></b>	<b><u>(28,281)</u></b>

**(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 31 MARCH 2017**

	<b>As at 31-Mar-17 (RM'000) (Unaudited)</b>	<b>As at 31-Mar-16 (RM'000) (Audited)</b>
<b>ASSETS:</b>		
<b>Non Current Assets</b>		
Property, plant & equipment	242,450	245,094
Investment property	3,749	3,779
Goodwill arising on consolidation	19,714	19,714
Investment in Associates	5	21
Available-for-sales financial assets	379	396
Deferred and development expenditure	13	11
Land held for development	68,252	67,789
Deferred tax assets	0	172
<b>Total Non Current Assets</b>	<b>334,562</b>	<b>336,976</b>
<b>Current Assets</b>		
Inventories	17,827	19,474
Trade and other receivables	30,939	58,270
Development properties	43,629	40,207
Fixed and call deposits	12,808	16,547
Cash and bank balances	5,074	4,508
<b>Total Current Assets</b>	<b>110,277</b>	<b>139,006</b>
<b>Asset held for sale</b>	<b>14,517</b>	<b>23,910</b>
<b>TOTAL ASSETS</b>	<b>459,356</b>	<b>499,892</b>
<b>EQUITY AND LIABILITIES:</b>		
<b>Equity attributable to equity holders of the parent:</b>		
Share capital	200,551	171,710
Other Reserves	67,508	92,748
Retained Profit	31,964	54,568
Attributable to equity holders of the parent	300,023	319,026
<b>Non-controlling interest</b>	<b>6,255</b>	<b>6,191</b>
<b>TOTAL EQUITY</b>	<b>306,278</b>	<b>325,217</b>
<b>Non-Current Liabilities:</b>		
Term Loan	70,643	76,404
Hire purchase	212	360
Deferred tax liabilities	4,194	4,195
<b>Total Non-Current Liabilities</b>	<b>75,049</b>	<b>80,959</b>
<b>Current Liabilities</b>		
Trade and other payables	21,133	27,632
Advance from certain directors	3,129	0
Short term borrowings	53,342	65,937
Hire purchase	140	144
Taxation	285	3
<b>Total Current Liabilities</b>	<b>78,029</b>	<b>93,716</b>
<b>TOTAL LIABILITIES</b>	<b>153,078</b>	<b>174,675</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>459,356</b>	<b>499,892</b>

(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 31 MARCH 2017**

	Refer Note	← 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)
<b>Year ended 31 March 2017</b>											
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
Transfer to share capital	<b>A</b>	28,841	(19,911)	(8,930)				0	0		0
		<b>200,551</b>	<b>0</b>	<b>0</b>	<b>(871)</b>	<b>(4,677)</b>	<b>69,455</b>	<b>54,568</b>	<b>319,026</b>	<b>6,191</b>	<b>325,217</b>
Total comprehensive income/ (loss) for the year		0	0	0	3,558	43	0	(22,604)	(19,003)	64	(18,939)
<b>Balance at end of the year</b>		<b>200,551</b>	<b>0</b>	<b>0</b>	<b>2,687</b>	<b>(4,634)</b>	<b>69,455</b>	<b>31,964</b>	<b>300,023</b>	<b>6,255</b>	<b>306,278</b>
<b>Year ended 31 March 2016</b>											
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 year		0	0	0	(4,043)	19	0	(24,100)	(28,124)	(157)	(28,281)
<b>Balance at end of the year</b>		<b>171,710</b>	<b>19,911</b>	<b>8,930</b>	<b>(871)</b>	<b>(4,677)</b>	<b>69,455</b>	<b>54,568</b>	<b>319,026</b>	<b>6,191</b>	<b>325,217</b>

**Note A :**

**The new Companies Act 2016 ("New Act"), which came into operation on 31 January 2017, abolished the concept of nominal value in share. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserve becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the New Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.**

(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 31 MARCH 2017**

	<b>2017</b>	<b>2016</b>
	<b>Year</b>	<b>Year</b>
	<b>ended</b>	<b>ended</b>
	<b>31-Mar</b>	<b>31-Mar</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(20,628)	(22,959)
Adjustment :-		
Non-cash items	5,343	15,577
Non-operating items ( which are investing / financing )	8,821	9,159
Operating profit / (loss) before changes in working capital	<u>(6,464)</u>	<u>1,777</u>
Changes in working capital		
Net Change in current assets	26,471	12,099
Net Change in current liabilities	(7,193)	804
Cash generated from operations	<u>12,814</u>	<u>14,680</u>
Interest paid	(8,831)	(9,615)
Tax Paid	(1,531)	(1,872)
Net cash flows generated from operating activities	<u>2,452</u>	<u>3,193</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Other investment	70	482
Proceeds from disposal of investment / land/ property, plant and equipment	1,821	226
Partial proceeds from disposal of investment of associates	10,254	0
Purchase of property, plant and equipment	(703)	(983)
Purchase of other investments / land held for development	(1,343)	(2,500)
Net cash flows (used in) / generated from investing activities	<u>10,099</u>	<u>(2,775)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net Bank Borrowings	(12,093)	12,232
Advance from certain directors	3,129	0
Net cash flows (used in) / generated from financing activities	<u>(8,964)</u>	<u>12,232</u>
<b>Net change in cash &amp; cash equivalents</b>	<b>3,587</b>	<b>12,650</b>
Cash & cash equivalents at beginning of the year	(19,201)	(31,600)
Effects of exchange rate changes on cash & cash equivalents	(346)	(251)
<b>Cash &amp; cash equivalents at end of the year</b>	<b><u>(15,960)</u></b>	<b><u>(19,201)</u></b>
<b>Cash &amp; cash equivalents comprise the following:</b>		
Fixed and call deposits	12,808	16,547
Cash and bank balances	5,074	4,508
Bank overdraft	(33,842)	(40,256)
	<u>(15,960)</u>	<u>(19,201)</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

### **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 year.

## 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 year to date.

## A7 Dividend Paid

There were no dividends paid during the year under review.

## A8 Segmental Reporting

### a) Revenue

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2017 (RM'000)	Current Quarter Ended 31 Mar 2016 (RM'000)	Current Year Ended 31 Mar 2017 (RM'000)	Current Quarter Ended 31 Mar 2016 (RM'000)
<b>Continuing Operations</b>				
Hotel	11,845	10,506	40,904	40,571
Property	3,758	4,410	12,159	24,632
Tourism	26,368	32,823	98,174	126,762
RPB & others	314	408	2,703	2,234
<b>Grand Total</b>	<b>42,285</b>	<b>48,147</b>	<b>153,940</b>	<b>194,199</b>

### b) Profit/(Loss) before taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2017 (RM'000)	Current Quarter Ended 31 Mar 2016 (RM'000)	Current Year Ended 31 Mar 2017 (RM'000)	Current Year Ended 31 Mar 2016 (RM'000)
<b>Continuing Operations</b>				
Hotel	1,193	(312)	1,823	1,955
Property	1,436	(595)	1,084	(2,059)
Tourism	(882)	(193)	(10,389)	(4,847)
RPB & others	(1,190)	(14,061)	(13,130)	(17,982)
Share of results of associates	0	0	(16)	(26)
<b>Grand Total</b>	<b>557</b>	<b>\$(15,161)</b>	<b>**\$(20,628)</b>	<b>\$(22,959)</b>



**\*\* Included impairment of assets / financial assets, provision for and write off of receivables amounting to RM15.35 million.**

**# Included impairment losses of goodwill amounting to RM12.321 million.**

## **A9 Material events subsequent to the end of the financial year**

There were no material events subsequent to the end of the current financial year ended 31 March 2017 and up to the date of this report other than the following:

- a) On 21 April 2017 RPB has announced that the conclusion of the Share Sale Agreement ("SSA") between Culmen Sdn. Bhd., a wholly-owned subsidiary of the Company and Ibu Kota Developments Sdn. Bhd.

The said "SSA" relates to the sale of 39.99% stake (equivalent to 2,728,267 ordinary shares of RM1.00 each) in Menara Ampang Sdn Bhd for a cash consideration of RM41.515 million as extended on 6 August 2015 to 30 June 2017.

## **A10 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current financial year ended 31 March 2017 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 year ended 31 March 2017 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 30 August 2016 for recurrent related party transactions.

	<b>Current Year Ended 31 Mar 2017 (RM'000)</b>
Services rendered to the companies controlled by certain former directors	923
Services rendered by the companies controlled by certain former directors	186
Purchases from the companies controlled by certain former directors	280
Sales to the companies controlled by certain former directors	3,222

## **A. 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 12.2%. The lower revenue was mainly due to:

- a) Lower revenue registered by the Tourism Division due to slow down in tourist arrival to Hong Kong and Singapore.
- b) Lower revenue registered by the Property Division as a result of the deferment in the launching of the Phase 2 project in Desa Impian, Johor. The deferment was mainly due to external factors beyond our control.

The Group registered a consolidated profit before tax of RM0.557 million as compared to loss of RM15.161 million in preceding year same quarter. The losses registered in preceding year same quarter was mainly due to

- a) The negative yield registered by the Tourism Division as a result of higher cost of sale
- b) Currency fluctuation
- c) Impairment loss on goodwill amounting RM12.321 million.

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

The Group consolidated revenue for the reporting quarter has increased by 4.7% in comparison to the preceding quarter. The improved in revenue was mainly derived from the Hotel Division due to the continued aggressive sales and marketing strategy.

The Group consolidated profit before tax for the 4<sup>th</sup> quarter under review was RM0.557 million as compared to profit of RM0.234 million in the preceding quarter.

## **B3 Variance from Profit Forecast**

Not applicable.

## **B4 Commentary on Prospect**

The Group continued to register a better performance compared to the preceding quarter. After two consecutive quarters of losses, the Group has registered a small profit before tax in the 3<sup>rd</sup> and 4<sup>th</sup> Quarter of the financial year ended 31 March 2017. This augurs well for the Group and justified the major organizational and management changes that were instituted by the new management. These changes, improvement and momentum will be sustained and intensified and we are confident of more positive results in the proceeding quarters.

Moving forward, the Group will continue to reap the fruits arising from earlier efforts in improving the economics of doing business as well as maximizing yield. With the Group on firmer footing, we will embark aggressively to expand the Avillion hotel brand as we add a new hotel in Cameron Highlands in the current financial year. Similarly, we shall also seek to employ our existing land asset to productive use through joint ventures or similar commercial arrangements. We are also expecting modest recovery in our overseas travel as a result of cost optimization, rationalization of operations and prudent yield management.

Consequently, we shall continue to be prudent and cautiously optimistic about the Group's performance in the coming quarters.

## B5 Profit / (loss) before taxation

Profit /(loss) before taxation is derived after charging/(credited) of the following:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2017 (RM'000)	Current Quarter Ended 31 Mar 2016 (RM'000)	Current Year Ended 31 Mar 2017 (RM'000)	Current Year Ended 31 Mar 2016 (RM'000)
Interest income	(7)	(310)	(77)	(482)
Gain on disposal of investment / land / Property, plant & equipment	201	(1)	(574)	(30)
Loss on disposal of land held for development	0	101	0	101
Impairment of assets / financial assets, provision for and write off of receivables	0	0	15,350	0
Gain on disposal of investment in Associate	(861)	0	(861)	0

## B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2017 (RM'000)	Current Quarter Ended 31 Mar 2016 (RM'000)	Current Year Ended 31 Mar 2017 (RM'000)	Current Year Ended 31 Mar 2016 (RM'000)
a) Income Tax				
i) Current taxation	467	(143)	1,580	918
ii) Under provision in prior years	138	383	138	383
iii) Deferred Taxation	22	(3)	194	(3)
<b>b) Total</b>	<b>627</b>	<b>237</b>	<b>1,912</b>	<b>1,298</b>

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	32,030	1,812	33,842
ii. Revolving Credit	13,500	-	13,500
iii. Long term borrowings repayable within twelve months	6,000	-	6,000
iv. Hire Purchase repayable within 12 months	140	-	140
v. Total	<u>51,670</u>	<u>1,812</u>	<u>53,482</u>
b) Long term borrowings			
i. Long term loans	76,643	-	76,643
<b>Less</b> portion of long term loans payable within 12 months	<u>(6,000)</u>	<u>-</u>	<u>(6,000)</u>
	<u>70,643</u>	<u>0</u>	<u>70,643</u>
ii. Hire purchase	352	-	352
<b>Less</b> portion of Hire Purchase payable within 12 months	<u>(140)</u>	<u>-</u>	<u>(140)</u>
	<u>212</u>	<u>0</u>	<u>212</u>
iii. Total	70,855	0	70,855
c) Total borrowings	122,525	1,812	124,337

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 31 March 2017 was in Hong Kong Dollar for RM6.918 million.

## 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 year ended 31 March 2017 as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 31 Mar 2017 (RM'000)	Current Quarter Ended 31 Mar 2016 (RM'000)	Current Year Ended 31 Mar 2017 (RM'000)	Current Year Ended 31 Mar 2016 (RM'000)
<b>Net loss attributable to Equity holders of the Parent (RM'000)</b>	(226)	(15,305)	(22,604)	(24,100)
<b>Basic ('000)</b>				
<b>Total Weighted average number of ordinary shares</b>	<b>858,552</b>	<b>858,552</b>	<b>858,552</b>	<b>858,552</b>
<b>Basic losses per share(sen)</b>	(0.03)	(1.78)	(2.63)	(2.81)

### 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 year ended 31 March 2017.

## 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:

	<b>As at 31 Mar 2017 (RM'000)</b>	<b>As at 31 Mar 2016 (RM'000)</b>
Retained profits of the Company and its subsidiaries :		
Realised	36,475	58,892
Unrealised	(4,194)	(4,023)
<b>Total Retained profits of the Company and its subsidiaries</b>	<b>32,281</b>	<b>54,869</b>
Total share of Retained profits from associated companies :		
Realised	(317)	(301)
<b>Total Group Retained profits as per consolidated accounts</b>	<b>31,964</b>	<b>54,568</b>

BY ORDER OF THE BOARD  
LEE YOONG SHYUAN (MAICSA NO: 7064817)

Secretary

Kuala Lumpur  
Date: 29 May 2017