

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE QUARTER ENDED 30 JUNE 2017

	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</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	35,469	33,292	35,469	33,292
Operating Expenses	(33,641)	(33,843)	(33,641)	(33,843)
Other Operating Income	414	562	414	562
	<u>2,242</u>	<u>11</u>	<u>2,242</u>	<u>11</u>
Depreciation and amortisation	(1,831)	(851)	(1,831)	(851)
Finance Costs	(1,901)	(2,537)	(1,901)	(2,537)
Share of results of associates	0	(14)	0	(14)
Loss before tax	(1,490)	(3,391)	(1,490)	(3,391)
Taxation	(398)	(293)	(398)	(293)
Net loss for the period	<u>(1,888)</u>	<u>(3,684)</u>	<u>(1,888)</u>	<u>(3,684)</u>
Net loss Attributable to :				
Equity holders of the Parent	(1,792)	(3,593)	(1,792)	(3,593)
Non-controlling interests	(96)	(91)	(96)	(91)
	<u>(1,888)</u>	<u>(3,684)</u>	<u>(1,888)</u>	<u>(3,684)</u>
Basic losses per share (sen)	<u>(0.21)</u>	<u>(0.42)</u>	<u>(0.21)</u>	<u>(0.42)</u>
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 2017)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2017

	<u>2017</u> Current Period Quarter Ended 30-Jun (RM'000)	<u>2016</u> Preceding Period Quarter Ended 30-Jun (RM'000)	<u>2017</u> Current 3 months Cumulative to date 30-Jun (RM'000)	<u>2016</u> Preceding Year Period Ended 30-Jun (RM'000)
Net loss for the period	(1,888)	(3,684)	(1,888)	(3,684)
Items that may be reclassified subsequently to profit or loss :				
Exchange differences on translating foreign operations	(774)	519	(774)	519
Net changes in fair value of Available-for-sale	(9)	(1)	(9)	(1)
Total comprehensive loss for the period	<u>(2,671)</u>	<u>(3,166)</u>	<u>(2,671)</u>	<u>(3,166)</u>
Total Comprehensive loss Attributable to :				
Equity holders of the Parent	(2,575)	(3,075)	(2,575)	(3,075)
Non-controlling interests	(96)	(91)	(96)	(91)
	<u>(2,671)</u>	<u>(3,166)</u>	<u>(2,671)</u>	<u>(3,166)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2017)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	As at 30-Jun-17 (RM'000) (Unaudited)	As at 31-Mar-17 (RM'000) (Audited)
ASSETS:		
Non Current Assets		
Property, plant & equipment	235,022	236,700
Investment property	3,739	3,749
Goodwill arising on consolidation	19,714	19,714
Investment in Associates	5	5
Available-for-sales financial assets	370	379
Deferred and development expenditure	12	13
Land held for development	68,777	68,252
Trade and other receivables	6,735	8,007
Total Non Current Assets	334,374	336,819
Current Assets		
Inventories	17,839	17,827
Trade and other receivables	23,496	22,734
Development properties	44,476	43,629
Fixed and call deposits	12,226	12,808
Cash and bank balances	6,167	5,076
Total Current Assets	104,204	102,074
Asset held for sale	0	14,517
TOTAL ASSETS	438,578	453,410
EQUITY AND LIABILITIES:		
Equity attributable to equity holders of the parent:		
Share capital	200,551	200,551
Other Reserves	105,905	106,688
Retained Profit	(16,756)	(14,964)
Attributable to equity holders of the parent	289,700	292,275
Non-controlling interest	5,908	6,004
TOTAL EQUITY	295,608	298,279
Non-Current Liabilities:		
Term Loan	61,486	61,768
Hire purchase	178	212
Deferred tax liabilities	6,255	6,255
Total Non-Current Liabilities	67,919	68,235
Current Liabilities		
Trade and other payables	25,186	21,355
Amount owing to certain director	1,725	3,129
Short term borrowings	47,880	62,220
Hire purchase	135	140
Taxation	125	52
Total Current Liabilities	75,051	86,896
TOTAL LIABILITIES	142,970	155,131
TOTAL EQUITY AND LIABILITIES	438,578	453,410

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2017)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2017

	← Attributable to Equity Holders of the Parent →						Distributable Reserves	Non-Controlling Interest	Total Equity	
	← Non Distributable Reserves →					Retained Profits				Total
	Share Capital	Share Premium Reserve	Share Buy-back Reserve	Foreign Currency Translation Reserve	Available-for-sale Reserve					
(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)		
3 months quarter ended 30 June 2017										
Balance at beginning of year as at 1 Apr. 2017	200,551	0	0	2,688	(4,634)	108,634	(14,964)	292,275	6,004	298,279
Total comprehensive income/ (loss) for the period	0	0	0	(774)	(9)	0	(1,792)	(2,575)	(96)	(2,671)
Balance at end of period	200,551	0	0	1,914	(4,643)	108,634	(16,756)	289,700	5,908	295,608
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)	108,634	9,557	313,194	5,940	319,134
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)	108,634	5,964	310,119	5,849	315,968

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2017)

RELIANCE PACIFIC BERHAD (244521 A)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2017

	2017	2016
	3 months	3 months
	ended	ended
	30-Jun	30-Jun
	(RM'000)	(RM'000)
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(1,490)	(3,391)
Adjustments for :		
Non-cash items	1,445	392
Non-operating items (which are investing / financing)	1,899	2,520
Operating profit before changes in working capital	<u>1,854</u>	<u>(479)</u>
Changes in working capital :		
Net Change in current assets & receivables	(840)	7,305
Net Change in current liabilities	3,828	4,328
Cash generated from operations	<u>4,842</u>	<u>11,154</u>
Interest paid	(1,901)	(2,537)
Tax Paid	(381)	(569)
Net cash flows generated from operating activities	<u>2,560</u>	<u>8,048</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Other investment	2	17
Proceeds from disposal of investment in associate, net	14,893	0
Proceeds from disposal of investment / land/ property, plant and equipment	0	2,096
Purchase of property, plant and equipment	(143)	(197)
Purchase of land held for development	(526)	(549)
Net cash flows generated from investing activities	<u>14,226</u>	<u>1,367</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Bank Borrowings	(2,664)	(2,131)
Repayment to certain director	(1,404)	0
Net cash flows used in financing activities	<u>(4,068)</u>	<u>(2,131)</u>
Net change in cash & cash equivalents	12,718	7,284
Cash & cash equivalents at beginning of period	(15,961)	(19,201)
Effects of exchange rate changes on cash & cash equivalents at end of period	(212)	(106)
Cash & cash equivalents at end of period	<u>(3,455)</u>	<u>(12,023)</u>
Cash & cash equivalents comprise the following:		
Fixed and call deposits	12,226	16,744
Cash and bank balances	6,167	4,295
Bank overdraft	(21,848)	(33,062)
	<u>(3,455)</u>	<u>(12,023)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2017)

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 2017. 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 2017.

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 2017 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 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)	Current Year Ended 30 Jun 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)
Continuing Operations				
Hotel	10,067	8,172	10,067	8,172
Property	2,383	1,762	2,383	1,762
Tourism	22,855	22,692	22,855	22,692
RPB & others	164	666	164	666
Grand Total	35,469	33,292	35,469	33,292

b) Profit/(Loss) before taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)	Current Year Ended 30 Jun 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)
Continuing Operations				
Hotel	431	(877)	431	(877)
Property	(259)	(347)	(259)	(347)
Tourism	(544)	(772)	(544)	(772)
RPB & others	(1,118)	(1,381)	(1,118)	(1,381)
Share of results of associates	0	(14)	0	(14)
Grand Total	(1,490)	(3,391)	(1,490)	(3,391)

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 2017 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 2017 and up to the date of this report.

A11 Significant related party transactions

There were no significant related party transactions for the current financial period ended 30 June 2017 and up to the date of this report.

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 same quarter has improved by 6.5%. The improvement in the revenue was mainly contributed by Hotel division.

The Group registered a consolidated profit before Interest, tax, Depreciation and Amortization of RM2.242 million as compared to RM0.011 million in preceding year same quarter. The improvement was as a result of:

- a) Higher Occupancy achieved by the Hotel properties
- b) Higher sales and improved yield at Property division.
- c) Lower operation cost at Tourism division due to cost rationalization.

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

The Group consolidated revenue for the reporting quarter is 16.1% lower than 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. As such, the Group registered a lower consolidated profit before Interest, tax, Depreciation and Amortization of RM2.242 million as compared to RM3.851 in preceding quarter.

B3 Variance from Profit Forecast

Not applicable.

B4 Commentary on Prospect

A Leap Ahead

The Group is confident the worst is behind us and the Group is poised for **A Leap Ahead** into the future. The Group has emerged leaner, cleaner and remain optimistic about sustaining the positive momentum.

Hotel Division

Riding on the momentum and recovery of the Hotel Division over the last two quarters, the division is expected to deliver its result in Financial Year 2017/2018. Intensified efforts to innovate, improve our sales and marketing strategies are showing the desired results. In addition, attention was given to yield, productivity and excellence in its services. The opening of Avillion Cameron Highlands in the 3rd Quarter of Financial year 2017/18 will contribute positively in the remaining quarters.

The Group will continue to pursue new management contracts by leveraging on its internationally recognized hotel brand.

Property Division

The division is eagerly awaiting the launch of Phase 2; Desa Impian once the issues related to subdivision of the land is resolved with the State and Local Authorities. This will further enhance revenue and cash flows to the Group.

Tourism Division

The Group is cautiously confident the cost rationalization, the restructuring of business and market focus for this division will begin to show some positive result on Financial Year 2017/2018. Devoid of legacy issues, the division will now be able to focus on developing new markets, improve yield as well as strengthening the outbound sector. The division will intensify actions to enhance the linkages and synergies between the Tourism and Hotel Divisions to generate higher revenue.

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 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)	Current Year Ended 30 Jun 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)
Interest income	(2)	(17)	(2)	(17)
Gain on disposal of investment /land/ Property, plant & equipment	0	(473)	0	(473)
Gain on disposal of investment in associate	(376)	0	(376)	0
Rental income	(6)	0	(6)	0
Realised gain on foreign exchange	(10)	0	(10)	0

B6 Taxation

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)	Current Year Ended 30 Jun 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)
a) Income Tax				
i) Current taxation	398	275	398	275
ii) Deferred Taxation	0	18	0	18
b) Total	398	293	398	293

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	21,470	378	21,848
ii. Revolving Credit	13,500	-	13,500
iii. Long term borrowings repayable within twelve months	12,532	-	12,532
iv. Hire Purchase repayable within 12 months	135	-	135
v. Total	<u>47,637</u>	<u>378</u>	<u>48,015</u>
b) Long term borrowings			
i. Long term loans	74,018	-	74,018
Less portion of long term loans payable within 12 months	<u>(12,532)</u>	<u>-</u>	<u>(12,532)</u>
	<u>61,486</u>	<u>0</u>	<u>61,486</u>
ii. Hire purchase	313	-	313
Less portion of Hire Purchase payable within 12 months	<u>(135)</u>	<u>-</u>	<u>(158)</u>
	<u>178</u>	<u>0</u>	<u>178</u>
iii. Total	61,664	0	61,664
c) Total borrowings	109,301	378	109,679

b) Foreign currency borrowings included in the above in Ringgit Malaysia equivalent as at 30 June 2017 was RM4.733 million (HKG\$8.605 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 period ended 30 June 2017 as follows:

	Individual Quarter		Cumulative Year-to-date	
	Current Quarter Ended 30 Jun 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)	Current Year Ended 30 Jun 2017 (RM'000)	Current Quarter Ended 30 Jun 2016 (RM'000)
Net loss attributable to Equity holders of the Parent (RM'000)	(1,792)	(3,593)	(1,792)	(3,593)
Basic ('000)				
Total Weighted average number of ordinary shares	858,552	858,552	858,552	858,552
Basic losses per share(sen)	(0.21)	(0.42)	(0.21)	(0.42)

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 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:

	As at 30 Jun 2017 (RM'000)	As at 30 Jun 2016 (RM'000)
Retained profits of the Company and its subsidiaries :		
Realised	(10,184)	12,445
Unrealised	(6,255)	(6,166)
Total Retained profits of the Company and its subsidiaries	(16,439)	6,279
Total share of Retained profits from associated companies :		
Realised	(317)	(315)
Total Group Retained profits as per consolidated accounts	(16,756)	5,964

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

Secretary

Kuala Lumpur
Date: 30 August 2017