PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16

1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Financial Reporting Standards ("FRS") No. 134- "Interim Financial Reporting" and paragraph 9.22 together with Part A, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited statutory financial statements presented for the financial year ended 31 December 2010.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations :-

Amendments to FRS 132 : Financial Instruments:Presentation- Classification of Rights Issues
FRS 1(Revised), First-time Adoption of Financial Reporting Standards
FRS 3 (Revised), Business Combinations
FRS 127(Revised) Consolidated and Separate Financial Statements
Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1: Additional Exemptions for First-time Adopters
Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7: Improving Disclosures about Financial Instruments
Amendments to FRS 138: Consequential Amendments Arising from FRS 3(Revised)
Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease
IC Interpretaion 12 Service Concession Arrangements
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
IC Interpretation 18 Transfers of Assets from Customers
Annual Improvements to FRSs (2010)

The above accounting standards and intepretations (including the consequential amendments) are not relevant to the Group's operations except for FRS 3 (Revised) and FRS 127 (revised).

FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

Consequent to the acceptance of offer by the Company to dispose of the entire business and undertaking, including all of the assets and liabilities, the Company is adopting the break up basis of accounting in the preparation of the financial statements for the current financial year.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not subject to any audit qualification except as disclosed in Note 20(a)(i) and 20(a)(ii) to the financial statements.

3 Comments About Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review were not materially affected by any seasonal or cyclical factors.

4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual due to their nature, size or incidence for the financial period ended 30 June 2011.

5 Changes in Estimates

There were no material changes in estimates for the financial period ended 30 June 2011.

6 Debt and Equity Securities

There were no issuances, cancellations, resale and repayments of debts and equity securities in the current quarter ended 30 June 2011.

7 Dividends Paid

No dividends were paid in the current quarter ended 30 June 2011.

AP LAND

ASIA PACIFIC LAND BERHAD (4069-K)

(INCORPORATED IN MALAYSIA)

PART A - EXPLANATORY NOTES PURSUANT TO FRS 134, PARAGRAPH 16

8 Segmental Information

		Malaysia		Overseas		
		Property		Property		
6 months ended 30 June 2011	**Total**	**Devt**	**Others**	**Devt**	**Plantation**	**Others**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Discontinued Operations						
Segment revenue						
Revenue	52,449	41,008	6,583	4,858	0	0
Consol Elimination	(8,019)	(1,469)	(3,196)	(3,354)	0	0
Total revenue	**44,430**	**39,539**	**3,387**	**1,504**	**0**	**0**
Segment results						
Segment profit/(loss)	882	13,089	(7,039)	(2,060)	(2,534)	(574)
Interest income	2,135	(105)	2,199	12	17	12
Interest expenses	(5,872)	(1,867)	(3,887)	(118)	0	0
(Loss)/ Profit before taxation	(2,855)	11,117	(8,727)	(2,166)	(2,517)	(562)
Taxation	(3,552)	(2,921)	(129)	(502)	0	0
(Loss)/Profit after taxation	**(6,407)**	**8,196**	**(8,856)**	**(2,668)**	**(2,517)**	**(562)**

		Malaysia		Overseas		
		Property		Property		
6 months ended 30 June 2010	**Total**	**Devt**	**Others**	**Devt**	**Plantation**	**Others**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Discontinued Operations						
Segment revenue						
Revenue	86,745	78,210	7,161	1,374	0	0
Consol Elimination	(24,554)	(21,331)	(3,223)	0	0	0
Total revenue	**62,191**	**56,879**	**3,938**	**1,374**	**0**	**0**
Segment results						
Segment profit/(loss)	4,904	14,813	(7,580)	(788)	(1,589)	48
Interest income	1,442	107	1,307	10	9	9
Interest expenses	(2,006)	(171)	(1,561)	(274)	0	0
Profit/ (loss) before taxation	4,340	14,749	(7,834)	(1,052)	(1,580)	57
Taxation	(6,156)	(5,938)	(218)	0	0	0
(Loss)/ Profit after taxation	**(1,816)**	**8,811**	**(8,052)**	**(1,052)**	**(1,580)**	**57**

9 Carrying Amount of Revalued Assets

As at 30 June 2011, the Group had continued to carry its property, plant and equipment and investment properties at revaluation or cost less accumulated depreciation and impairment losses.

10 Changes in the Composition of the Group

There were no material changes in the composition of the Group in the current quarter ended 30 June 2011 including business combinations, disposal of subsidiaries and long term investments, restructuring and discontinuing operations except as follows :-

(i) as disclosed in Note 20(a)(i) & Note 20(b) to the financial statement, and
(ii) the wholly owned subsidiaries of APL Construction Sdn. Bhd. and Kinasurya Sdn. Bhd. had on 20 June 2011 submitted applications to the Companies Commission of Malaysia ("CCM") for striking-off pursuant to Section 308 of the Companies Act, 1965.

11 Changes in Contingent Liabilities

As at 30 June 2011, the contingent liabilities has changed from RM79,401,000 to RM48,757,000 since 31 December 2010. The change was mainly due to repayment of borrowings during the period.

12 Capital Commitments

	30/06/2011
	RM'000
Approved and contracted for the acquisition/ subscriptions of shares and registered in subsidiaries	5,759
Approved but not contracted for the acquisition of property, plant and equipment	35,220
Approved but not contracted for plantation development expenditure	28,810
	69,789

13 Subsequent Events

The significant events of the Group subsequent to the end of the current quarter till the date of issue of this quarterly report are disclosed in Note 20 on status of corporate proposal of this report.

14 Performance Review

The Group recorded a revenue of RM20.0 million and a loss before tax of RM3.9 million for the current quarter under review as compared to a revenue of RM46.6 million and profit before tax of RM7.7 million in the corresponding quarter of previous year.

Lower of revenue and profit before tax for the current quarter under review was mainly due to lower sales in Property Development Division.

15 Variations of Results Against The Preceding Quarter

The Group registered a revenue of RM20.0 million and a loss before tax of RM3.9 million in the current quarter under review as compared to a revenue of RM24.5 million and profit before tax of RM1.0 million in the previous quarter ended 31 March 2011. Lower profit was recorded due mainly to a lower sales in local Property Development Divison.

16 Prospects

Malaysia economy growth is projected to be moderate at 5% in year 2011 before rising to 5.5% in year 2012. The local property sector is reasonably healthy and continue to be supported by favourable policy measures but regional economies excluding Japan are expected to maintain their growth amidst improving consumer confidence in the region.

MyHabitat project continue to be the main contributor to the Group's profit in year 2011 as the Group target to sell off the remaining completed units by year end. The contribution from other projects in Malaysia, China and Japan will not be significant while Indonesia oil palm plantation will not be able to contribute in year 2011 as the palms are still not matured.

17 Profit Forecast and Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

18 Income Tax Expenses

	3 months ended		6 months ended	
	30.06.2011	30.06.2010	30.06.2011	30.06.2010
	RM'000	RM'000	RM'000	RM'000
Tax expense				
Charge for the year	(1,955)	(2,038)	(3,552)	(3,313)
Under provided in prior years	-	(111)	-	(111)
Deferred tax				
Due to origination and reversal of timing differences	-	(2,732)	-	(2,732)
Income tax expense	(1,955)	(4,881)	(3,552)	(6,156)

18 Income Tax Expenses (Cont'd)

The Group's effective tax rate for the current quarter is higher compared to the statutory taxation rate mainly due to certain non-tax deductible expenses.

19 Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and properties (classified under property, plant and equipment or investment properties) subsequent to the financial year ended 31 December 2010.

20 Status of Corporate Proposals

The corporate proposals that have been announced by the Company but not completed as of this announcement are as follows:-

(a)(i) Offer To Acquire The Entire Business And Undertaking, Including All Of The Assets And Liabilities

The Company received a letter dated 11 January 2011 from Low Chuan Holdings Sdn. Bhd. ("LCHSB"), an indirect substantial shareholder of AP Land which is substantially owned by the major shareholders, namely Low Gee Tat @ Gene Low, Low Gee Teong, Low Gee Soon, Sem Siong Industries Sdn. Bhd., Selangor Holdings Sdn. Bhd. and Low Chuan Securities Sdn. Bhd. ("Offer Letter"), detailing an offer to acquire the entire business and undertaking, including all of the assets and liabilities, of AP Land for a total purchase consideration of RM305,218,080.90 that is equivalent to RM0.45 per ordinary share of RM1.00 each in the issued and paid-up share capital of AP Land ("AP Land Share") ("Offer Price") multiplied by the total number of AP Land Shares outstanding (less treasury shares) as at the completion date ("Disposal Consideration") ("Proposed Disposal").

The Company had on 1 March 2011 entered into a conditional Sale of Business Agreement with Low Yat Holdings (M) Sdn. Bhd. (LYH), a wholly owned subsidiary of LCHSB who has been nominated by LCHSB to undertake the offer.

The completion of the Proposed Disposal is subject to the following approvals:-

(i) the approval of the relevant authorities for the Proposed Disposal (if and where required) upon the terms and conditions of Sale of Business Agreement ("SBA"),

(ii) the approval of the shareholders of the Company at an extraordinary general meeting to be convened for the Proposed Disposal upon the terms and conditions of the SBA,

(iii) the approval of the relevant financiers/lenders/creditors of the Company and its subsidiaries and associates, for (a) the proposed disposal and (b) the release of the Company from any guarantee given on behalf of or for the benefit of the subsidiaries of AP Land in respect of banking facilities granted for the benefit of the subsidiaries of the Company upon the completion of the Proposed Disposal taking effect,

(iv) LYH confirming to the Company in writing that all arrangements necessary for the provision of funding in respect of the cash portion to LYH for the purchase of the Company business by LYH from the Company upon the terms and conditions of the SBA have been finalised,

(v) such consents, licences, approvals, authorisations or waivers required from third parties for the conveyance, transfer, assignment, or underletting of all the rights, properties and assets as may be required (including the Company's shares and the Company's properties) in accordance with the provisions of the SBA having been obtained,

(vi) any other approvals of any other authorities or parties as deemed necessary by the parties having been obtained.

20 Status of Corporate Proposals (Cont'd)

(a)(ii) Status of Proposal under PN16 and Regularisation Plan under PN17 of the Listing Requirements

After the Proposed Disposal, the Company will subject to obtaining all requisite approvals, undertake a distribution of RM0.45 per share to all the entitled shareholders of the Company whereby:

(i) RM201,517,629.75 from the cash portion under the Proposed Disposal will be distributed to all the entitled shareholders of the Company other than the Identified Shareholders on an entitlement date to be determined and announced by the board of directors later; and

(ii) the whole of the entitlements that are due to be paid to and received by the Identified Shareholders under the Proposed Distribution of RM103,700,451.15 will be deemed to have been set-off against the deferred amount and LYH pursuant to the terms of the SBA,

by way of implementing a capital reduction and repayment exercise in accordance with Section 64 of the Companies Act,1965.

If the Proposed Distribution is not carried out after the Proposed Disposal is completed, the Company will not have any assets other than the Disposal Consideration.

In such an event, Bursa Securities may classify the Company as a 'Cash Company' pursuant to Paragraph 8.03(1) of the Main Market Listing Requirement ("Listing Requirements") , in which the Company shall fall within the ambit of Practice Note 16 of the Listing Requirements.

Upon completion of the Proposed Disposal, Bursa Securities may also classify the Company as an affected listed issuer under Practice Note 17 of the Listing Requirements("PN17"). Under PN17, the Company is deemed to have triggered the following prescribed criteria:

(a) suspended or ceased all of its business or entire operations as a result of the Proposed Disposal; or

(b) have an insignificant business or operations after the Proposed Disposal.

If the Proposed Distribution is not carried out, the board of directors of the Company will have to consider various other options available to the Company and the shareholders of the Company may not receive the cash distribution equivalent to the offer price.

(b) Proposed Disposal of Subsidiary

The Company wholly-owned subsidiary Island Bay Resorts Sdn. Bhd., together with three other existing shareholders of Khas Cergas Sdn. Bhd.("KCSB") (collectively referred to as "the Vendors"), had on 20 June 2011 entered into an Agreement with Sayyid Shah Bin Abdullah and Saira Binti Shaik Mohamed (collectively referred to as " the Purchasers") in relation to the proposed disposal of the entire 2,500,001 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up share capital in KCSB by the Vendors to the Purchasers for a total sale consideraion of RM5.6 million. As at todate, 10% of the purchase consideration was received.

KCSB, a 70% subsidiary of the Company, is operating education colleges ("College") registered with the appropriate and competent authorities known as Kolej Antarabangsa Victoria Bandar Tasik Puteri and Kolej Antarabangsa Victoria.

21 Borrowings and Debt Securities

	As at 30.06.2011 RM'000
Short Term Borrowings :	
Secured	
Revolving Credit	159,771
Terms Loan	70,966
Bonds	56,250
Hire purchase payables	746
Total	287,733

Included in the above borrowings is a foreign bond of JPY1,500,000,000 (RM56,250,000) issued by a foreign subsidiary.

22 Derivative Financial Instruments

The Group has no derivative financial instruments outstanding as at the date of this report.

23 Changes in Material Litigation

As at 22 August 2011, the Group and the Company do not have any material litigation which would materially and adversely affect the financial position.

24 Dividend Payable

The Company did not declare any dividend for the quarter ended 30 June 2011.

25 Earnings per Share

The basic earnings per share for the period are based on the Group's loss for the period divided by the number of ordinary shares of the company in issue during the period as follows:

	3 months ended 30.06.2011	6 months ended 30.06.2011
Loss for the period (RM'000)	(5,452)	(5,795)
Weighted average number of Ordinary Shares ('000)		
Shares at the beginning of the period	688,551	688,551
Shares repurchased during the period	-	-
Weighted average no. of shares issued	688,551	688,551
Basic loss per share (Sen)	(0.79)	(0.84)

As at 30 June 2011, the Company has not granted any options or contract that may entitle its holder to convert into Ordinary Share and therefore, dilute its basic earnings per share.

26 Unrealised Profits/ (Losses)

The breakdown of the realised and unrealised losses of the Group are as follows:-

	As at 31.03.2011 RM'000	As at 30.06.2011 RM'000
Total accumulated (losses)/ profits of the Group:		
- Realised	(98,100)	(100,549)
- Unrealised	15,906	14,704
	(82,194)	(85,845)
Less: Consolidation adjustments	(25,646)	(27,447)
Total Group accumulated losses as per consolidated accounts	(107,840)	(113,292)

27 Discontinued Operations Classified as Held For Sale

The classes of assets and liabilities of the Group classified as held for sale on the statement of financial position as at 30 June 2011 are as follows:-

Assets of disposal group classified as held for sale	**Note**	**RM'000**
Property, plant and equipment	9	118,302
Investment properties	9	4,600
Other Investment		50
Plantation development expenditure		50,647
Land held for development		173,952
Deferred tax assets		1,182
Inventories		152,746
Property development costs		232,477
Trade Receivables		23,752
Accrued billing		8,417
Amount owing by contract customers		7,337
Short term investment		126
Tax refundable		4,298
Others receivables, deposits and prepayments		22,331
Deposits with financial institutions		164,284
Cash and bank balances		72,746
		1,037,247

27 Discontinued Operations Classified as Held For Sale (Cont'd.)

Liabilities directly associated with assets classified as held for sale	Note	RM'000
Deferred tax liabilities		10,648
Borrowings	21	287,733
Trade payables		14,851
Other payable & accruals		43,708
Provisions for taxation		4,504
		361,444

28 Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 August 2011.

By Order of the Board,

Tan Bee Lian
Julia Tan Chooi Fong
Company Secretaries
22 August 2011.