

ASIAN PAC HOLDINGS BERHAD (129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR FIRST QUARTER ENDED 30 JUNE 2007**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/07 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/06 RM'000	CURRENT YEAR TO DATE 30/06/07 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/06 RM'000
Revenue	81,646	92,352	81,646	92,352
Operating expenses	(76,311)	(82,401)	(76,311)	(82,401)
Other operating income/ expenses	894	739	894	739
Profit from operations	<u>6,229</u>	<u>10,690</u>	<u>6,229</u>	<u>10,690</u>
Finance cost	(2,079)	(2,211)	(2,079)	(2,211)
Profit before taxation	<u>4,150</u>	<u>8,479</u>	<u>4,150</u>	<u>8,479</u>
Taxation	(1,505)	(5,303)	(1,505)	(5,303)
Profit for the period	<u><u>2,645</u></u>	<u><u>3,176</u></u>	<u><u>2,645</u></u>	<u><u>3,176</u></u>
Attributable to:-				
Equity holders of the Parent	2,642	3,165	2,642	3,165
Minority interest	3	11	3	11
	<u><u>2,645</u></u>	<u><u>3,176</u></u>	<u><u>2,645</u></u>	<u><u>3,176</u></u>
EPS				
- Basic (sen)	0.29	0.40	0.29	0.40
- Diluted (sen)	0.27 #	0.35 @#	0.27 #	0.35 @#

Note : @ The assumed exercise of ESOS at average market price for current and preceding year corresponding quarter is treated as an issue of ordinary shares for no consideration. The dilutive effect of the assumed exercise of ESOS for preceding year corresponding quarter is not considered because the options are 'out-of-money'.

The effects of the assumed conversion of RCSLS in the current quarter and preceding year corresponding quarter would be anti-dilutive in nature; accordingly, it is disregarded in the computation of the fully-diluted earnings per share.

(The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the notes to the Interim Financial Report).

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 30/06/07 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/03/07 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	116,589	116,429
Land held for property development	131,117	131,117
Investment properties	31,150	31,150
Prepaid land lease payments	42,443	42,563
Intangible assets	23,942	23,942
Other investments	31,572	31,762
Deferred tax assets	804	1,678
	377,617	378,641
Current Assets		
Property development costs	78,790	116,669
Inventories of completed properties	28,926	30,618
Trade & other receivables, deposits and prepayments	84,808	86,662
Short term investments	14,056	13,378
Short term deposits	65,358	23,948
Cash and bank balances	24,546	35,196
	296,484	306,471
TOTAL ASSETS	674,101	685,112
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	194,155	161,183
Reserves	3,314	33,279
Retained profits	49,982	47,340
Total shareholders' equity	247,451	241,802
Minority Interests	142	139
Total Equity	247,593	241,941
Non Current Liabilities		
Long term loan	16,000	-
Other deferred liabilities	103,959	103,931
	119,959	103,931
Current Liabilities		
Other deferred liabilities	16,660	16,674
Debt securities	208,252	208,426
Trade & other payables	80,916	112,048
Tax payable	721	2,092
	306,550	339,240
Total liabilities	426,509	443,171
TOTAL EQUITY AND LIABILITIES	674,101	685,112
Net assets per share (RM)	0.25	0.30

(The Condensed Consolidated Balance Sheets should be read in conjunction with the financial statements for the year ended 31 March 2007 and the Notes to the Interim Financial Report)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FIRST QUARTER ENDED 30 JUNE 2007**

	Attributable to Equity Holders of the Parent						Minority Interest	Total Equity
	Share Capital	Non-distributable			Distributable			
		Share Premium	Other Reserves	ICULS	Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2007	161,183	850	2,429	30,000	47,340	241,802	139	241,941
Profit for the period	-	-	-	-	2,642	2,642	3	2,645
Issue of ordinary shares pursuant to ESOS	2,833	1,002	(1,002)	-	-	2,833	-	2,833
Conversion of RCSLS to ordinary shares	139	35	-	-	-	174	-	174
Conversion of ICULS to ordinary shares	30,000	-	-	(30,000)	-	-	-	-
At 30 June 2007	194,155	1,887	1,427	-	49,982	247,451	142	247,593
At 1 April 2006, as previously stated	158,462	-	5,846	-	17,732	182,040	110	182,150
Effects of adopting FRS 117(Restated)	-	-	-	-	(1,601)	(1,601)	-	(1,601)
At 1 April 2006 (restated)	158,462	-	5,846	-	16,131	180,439	110	180,549
Profit for the period	-	-	-	-	3,165	3,165	11	3,176
Exercise of Warrants 2001/2006	1	-	-	-	-	1	-	1
Share options granted under ESOS	-	-	420	-	-	420	-	420
Issuance of ICULS 2006/2011	-	-	-	30,000	-	30,000	-	30,000
Conversion of RCSLS to ordinary shares	1,060	264	-	-	-	1,324	-	1,324
At 30 June 2006 (restated)	159,523	264	6,266	30,000	19,296	215,349	121	215,470

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR FIRST QUARTER ENDED 30 JUNE 2007**

(The figures have not been audited)

	30/06/07	30/06/06
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,150	8,479
Adjustment for non-cash items:		
Non-cash items	417	6,368
Non-operating Items	1,257	1,368
Operating profit before working capital changes	<u>5,824</u>	<u>16,215</u>
Changes in Working Capital :		
Net change in current assets	48,416	20,531
Net change in current liabilities	(33,261)	(4,799)
Cash generated from operations	<u>20,979</u>	<u>31,947</u>
Interest and Dividend received	313	43
Taxation paid	(2,002)	(1,911)
Net cash generated from operations	<u>19,290</u>	<u>30,079</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividend received	477	736
Investments net of disposal	(583)	-
Purchase property, plant & equipment (net of disposal)	(126)	(102)
Net cash (used in) / generated from investing activities	<u>(232)</u>	<u>634</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of Shares - ESOS	2,832	-
Repayment hire purchase financing (net)	(168)	(96)
Drawdown/ (Repayment) of term loan	16,000	(15,000)
Contribution to Sinking Fund	(6,944)	(11,307)
Interest/Coupon paid	(18)	(18)
Net cash generated from/ (used in) financing activities	<u>11,702</u>	<u>(26,421)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	30,760	4,292
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	59,144	54,738
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>89,904</u></u>	<u><u>59,030</u></u>

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Notes to the Interim Financial Report)

NOTES TO THE INTERIM FINANCIAL REPORT FOR FIRST QUARTER ENDED 30 JUNE 2007

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 - Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2007. The 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 financial year ended 31 March 2007.

The accounting policies and methods of computation adopted in this interim financial statements are consistent with those adopted in the preparation of the audited financial statements for the year ended 31 March 2007, except for the adoption of FRS 124 Related Party Disclosures, which is effective for financial period beginning on or after 1 October 2006. The adoption of FRS 124 do not have significant financial impact on the Group.

The Group has not adopted FRS 139 Financial Instruments : Recognition and Measurement as its effective date has been deferred.

A2 Audit Qualification

The audit report of the preceding annual financial statements was not qualified.

A3 Seasonal or Cyclical Factors

The Group's activities are not affected by any seasonal or cyclical factors.

A4 Nature and Amount of Unusual Items

There wer no items of an exceptional or unusual nature that have affected the assets, liabilities, equity, net income or cashflows of the Group during the current quarter.

A5 Changes in Estimates

Pursuant to the changes made to the tax rate as announced in the 2007 Budget, the corporate tax rate was revised from 27% in the preceeding financial year to 26% in the current financial year ending 31 March 2008.

A6 Debt and Equity Securities

Save as disclosed below, there were no other issuances, cancellations, repurchases, resale and repayment of debt and equity securities except for the followings:

1) Redeemable Convertible Secured Loan Stocks 2000/2007 ("RCSLS")

During the period, the RCSLS holders converted 174,099 RCSLS into 696,396 ordinary shares of RM0.20 each in the Company at a conversion price of RM0.25.

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A6 Debt and Equity Securities (Contd)

2) 0% Irredeemable Convertible Loan Stocks 2006/2011 ("ICULS 2006/2011")

On 15 May 2007, the ICULS 2006/2011 holders converted 30,000,000 ICULS 2006/2011 into 150,000,000 ordinary shares of RM0.20 each in the Company at a conversion price of RM0.20.

3) Employees Share Options Scheme("ESOS")

During the period, the Group's employees exercised 14,161,900 ESOS at an exercise price of RM0.20 each into 14,161,900 ordinary shares of RM0.20 each. The proceeds received from the ESOS exercised amounting to RM2,832,380.

A7 Dividend

There is no dividend paid for first quarter ended 30 June 2007.

A8 Segmental Reporting

The quarter ended 30 June 2007.

	Investment Holding RM'000	Property Invest. & Dev. RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External Sales	374	80,625	647	-	81,646
Intersegment Sales	112	-	-	(112)	-
Total Sales	486	80,625	647	(112)	81,646
Results					
Segment Results	101	6,050	78	-	6,229
Unallocated Corporate Income					-
Operating Profit					6,229
Finance Cost					(2,079)
Income Tax					(1,505)
Profit after tax					2,645

The quarter ended 30 June 2006

	Investment Holding RM'000	Property Invest. & Dev. RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External Sales	608	91,744	-	-	92,352
Intersegment Sales	124	-	-	(124)	-
Total Sales	732	91,744	-	(124)	92,352
Results					
Segment Results	(1,201)	11,900	(9)	-	10,690
Unallocated Corporate Income					-
Operating Profit					10,690
Finance Cost					(2,211)
Income Tax					(5,303)
Profit after tax					3,176

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A9 Valuation of Property, Plant and Equipment

There is no revaluation of property, plant and equipments brought forward from the previous audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipments.

A10 Subsequent Events

There were no material events subsequent to the first quarter ended 30 June 2007 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

A11 Effects of Changes in the Composition of the Group

There were no changes in the composition of the Group for the first quarter ended 30 June 2007.

A12 Contingent Liabilities

Contingent liabilities of the Group as at the date of this report, are in respect of guarantees given to government bodies and service providers amounting to RM166,640.

A13 Capital Commitment

The capital commitment as at the date of this announcement is as follows:

	RM'000
Approved and contracted for:	
Acquisition of freehold land	<u>71,877</u>

A14 Related Party Transactions

There were no significant related party transactions as at the date of this announcement.

ADDITIONAL DISCLOSURE AS PER LISTING REQUIREMENTS, PARA 9.22

B1 Review of Performance of the Company and its Principal Subsidiaries

The Group recorded a turnover and pre-tax profit of RM81.646 million and RM4.15 million respectively for the first quarter ended 30 June 2007. This represents a decrease of 11.6% and 16.7% in turnover and the pre-tax profit respectively as compared to the preceding year corresponding period.

The decrease in turnover was mainly due to the completion of four major projects in the preceding financial year. The lower pre-tax profit was mainly due to lower turnover and loss on disposal of quoted investments in the current quarter.

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B2 Comment on Financial Results (Current quarter compared with the preceding quarter)

	Current Quarter 30-Jun-07 RM'000	Preceding Quarter 31-Mar-07 RM'000	Variance RM'000
Profit before tax	4,150	8,605	(4,455)

The Group recorded a lower pre-tax profit of RM4.151 million in the current quarter as compared to the pre-tax profit of RM8.605 million in the preceding quarter. Lower pre-tax profit in the current quarter as compared to preceding quarter was mainly due to write back of impairment of quoted investments in the preceding quarter.

B3 Prospects

Based on the Group's current locked-in sales to date and the Group's development plan for future projects, the Board is confident of favourable performance for the remaining financial year ending 31 March 2008.

B4 Profit Forecast / Guarantee

The Group has not published any profit forecast or profit guarantee for the year.

B5 Taxation

Taxation comprises:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/07 RM'000	30/06/06 RM'000	30/06/07 RM'000	30/06/06 RM'000
Company Level				
- current taxation	-	-	-	-
Subsidiary Companies				
- current taxation	(1,506)	(5,303)	(1,506)	(5,303)
- prior year	2	-	2	-
	<u>(1,505)</u>	<u>(5,303)</u>	<u>(1,505)</u>	<u>(5,303)</u>

The tax charge in the current quarter and current year todate arises from the investment and operating income of subsidiary companies.

The difference between the income tax expense at the statutory income tax rate and the income tax expense at the effective income tax rate of the Group is due to certain income not subject to tax, certain expenses not deductible for tax purposes, utilisation of previously unrecognised tax losses and deferred tax assets not recognised during the current quarter and current year todate.

B6 Profit/(Loss) on Sale of Unquoted Investments and/or Properties

Not applicable.

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B7 Quoted Securities

a) Total purchases and disposals of quoted securities for the first quarter ended 30 June 2007 are as follows:

	CURRENT YEAR QUARTER RM'000	CURRENT YEAR TODATE RM'000
Total purchases	<u>-</u>	<u>-</u>
Total disposals		
Sales Proceeds	<u>2,390</u>	<u>2,390</u>
Loss on disposals (net)	<u>(410)</u>	<u>(410)</u>

b) Total investments in quoted securities as at 30 June 2007 are as follows:-

	RM'000
At cost	88,120
Less : Impairment losses	<u>(49,432)</u>
At book value	<u>38,688</u>
Market value	<u>43,698</u>

Note : Included in the Group's quoted investments are shares received in prior years as consideration for disposal of the Group's stockbroking business. As the Group intends to hold this block of investment for long term, impairment losses had been recognised up to the underlying net tangible assets per share of the investee company as at 30 April 2007 of RM0.793 in accordance with International Accounting Standard No: 25 requirements. Part of these shares were charged in favour of the Trustee for the holders of the Company's RCSLS. The Company's RCSLS will be maturing on 22 December 2007, which is less than 12 months from the first quarter ended 30 June 2007. As such, the charged shares were reclassify to short term investment and the impairment losses had been recognised up to the market value of these investments.

B8 Status of Corporate Proposals

a) The Company had announced on 19 May 2004, the Proposed Acquisition of 91.367 acres of freehold land held under H.S. (D) 28646, PT 4021, Mukim of Semenyih, District of Hulu Langat, state of Selangor by BH Builders Sdn. Bhd. ("BH Builders"), a wholly-owned subsidiary of the Company, from Vee Seng Development Sdn. Bhd. for a total cash consideration of RM17,511,765. The completion of the Proposed Acquisition is subject to the conditions precedent, which stated that amongst others, the withdrawal or removal of the Private Caveats from the said land within eighteen (18) months from the date of the Sale and Purchase Agreement or such time as may be extended by BH Builders at its absolute discretion.

On 1 November 2006, the Company announced that BH Builders has exercised its discretion to extend the time period for the withdrawal or removal of the Private Caveats to 18 November 2007.

b) On 14 March 2007, the Company announced the Proposed Acquisition by BH Builders Sdn. Bhd., a wholly-owned subsidiary of the Company of two pieces of freehold land measuring approximately 11.5885 acres and 1.0836 acres held under Geran 44285, Lot 10228 and HS (D) 58175 PT No. 34479 respectively, both in Mukim Batu, District of Gombak, Negeri Selangor Darul Ehsan, from Data Kinetics Sdn Bhd for a total consideration of RM37 million. The Proposed Acquisition was completed on 8 August 2007.

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B8 Status of Corporate Proposals (Contd)

- c) On 23 July 2007, the Company announced the Proposed Acquisition of the entire issued and paid-up share capital of Safe Valley Sdn Bhd ("Safe Valley") from Mr. Lee Chea Yun and Mr. Kwan Moo Kan ("the Vendors") for a cash consideration as follows:
- i) RM1,901,394 being the consideration for the acquisition of the 100% equity interest in Safe Valley to be paid to the Vendors;
 - ii) Assumption of RM20,915,334 being the cash consideration for the acquisition of 35,281 sq. mtr. of freehold land approved for Building known as Parcel WM8, Wangsa Melawati comprising Lot Nos. 20268, 20269, 20276 and 20278, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan in which Safe Valley had on 6 July 2007, received a letter of award from I&P Seriemas Sdn Bhd (formerly known as Golden Hope Development Sdn Bhd) to dispose of the Land to Safe Valley on an "as is where is basis". As at the date of this announcement, the said sale and purchase agreement for the acquisition of the land by Safe Valley has not been entered into.

B9 Group Borrowings as at 30 June 2007 are as follows:**A) Short term borrowings and debt securities****RM'000****Secured:-**

Redeemable Convertible Secured Loan Stocks ("RSCLS")

208,252**B) Long term borrowings and debt securities****RM'000****Secured:-**

2 Years Term Loan

16,000

5 Years Term Loan

-

Total

16,000

Total long term Borrowings

224,252**B10 Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

B11 Material Litigation

The Directors are not aware of any material litigation that would adversely affect the operations and financial affairs of the Group as at the date of this announcement.

B12 Proposed Dividend

The Directors do not recommend any dividend for first quarter ended 30 June 2007.

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(INCORPORATED IN MALAYSIA)

B13 Earning/(Loss) Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/07 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/06 RM'000	CURRENT YEAR TO DATE 30/06/07 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/06 RM'000
a) Basic earnings per share				
Net profit attributable to ordinary equity holders of the parent	2,642	3,165	2,642	3,165
Weighted average no. of ordinary share in issue	918,650	795,848	918,650	795,848
Basic earnings per share (sen)	<u>0.29</u>	<u>0.40</u>	<u>0.29</u>	<u>0.40</u>
b) Diluted earning per share				
Net profit attributable to ordinary equity holders of the parent	2,642	3,165	2,642	3,165
Assumed conversion of RCLS #	-	-	-	-
	<u>2,642</u>	<u>3,165</u>	<u>2,642</u>	<u>3,165</u>
Weighted average no. of ordinary share in issue	918,650	795,848	918,650	795,848
Assumed exercise of ESOS	6,396	@	6,396	@
Assumed conversion of ICULS	50,000	100,000	50,000	100,000
Assumed conversion of RCLS #	-	-	-	-
	<u>975,046</u>	<u>895,848</u>	<u>975,046</u>	<u>895,848</u>
Diluted earning per share (sen)	0.27	0.35	0.27	0.35

@ The assumed exercise of ESOS at average market price for current and preceding year corresponding quarter is treated as an issue of ordinary shares for no consideration. The dilutive effect of the assumed exercise of ESOS for preceding year corresponding quarter is not considered because the options are 'out-of-money'.

The effects of the assumed conversion of RCLS in the current quarter and preceding year corresponding quarter would be anti-dilutive in nature; accordingly, it is disregarded in the computation of the fully-diluted earnings per share.

Dated : 28 August 2007
Kuala Lumpur, Malaysia

By order of the Board
Chan Yoon Mun
Secretary