

ASIAN PAC HOLDINGS BERHAD^(129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THIRD QUARTER ENDED 31 DECEMBER 2007**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/07 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/06 RM'000	CURRENT YEAR TO DATE 31/12/07 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/06 RM'000
Revenue	47,965	74,280	169,716	256,349
Operating expenses	(46,430)	(64,673)	(160,567)	(226,100)
Other operating income/ expenses	(494)	1,499	1,576	2,904
Profit from operations	<u>1,041</u>	<u>11,106</u>	<u>10,725</u>	<u>33,153</u>
Finance cost	11,493	(2,127)	11,815	(4,775)
Profit before taxation	<u>12,534</u>	<u>8,979</u>	<u>22,540</u>	<u>28,378</u>
Taxation	(597)	(893)	(2,820)	(7,416)
Profit for the period	<u><u>11,937</u></u>	<u><u>8,086</u></u>	<u><u>19,720</u></u>	<u><u>20,962</u></u>
Attributable to:-				
Equity holders of the Parent	11,937	8,083	19,716	20,992
Minority interest	1	3	4	(30)
	<u><u>11,937</u></u>	<u><u>8,086</u></u>	<u><u>19,720</u></u>	<u><u>20,962</u></u>
EPS				
- Basic (sen)	1.25	1.01	2.06	2.63
- Diluted (sen)	1.25 #	0.85 @#	2.02 #	2.00 @

Note : @ The assumed exercise of ESOS at average market price 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 and preceding year corresponding period is not considered because the options are 'out-of-money'.

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

Gross Interest income	315	364	1,692	1,138
Gross interest expense	988	2,126	4,859	6,736

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2007

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 31/12/07 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/03/07 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	131,717	116,429
Land held for property development	131,117	131,117
Investment properties	31,150	31,150
Prepaid land lease payments	42,203	42,563
Intangible assets	23,942	23,942
Other investments	24,637	31,762
Deferred tax assets	-	1,678
	<u>384,766</u>	<u>378,641</u>
Current Assets		
Property development costs	102,837	116,669
Inventories of completed properties	27,106	30,618
Trade & other receivables, deposits and prepayments	51,990	86,662
Short term investments	2,838	13,378
Short term deposits	11,848	23,948
Cash and bank balances	19,896	35,196
	<u>216,515</u>	<u>306,471</u>
TOTAL ASSETS	<u>601,281</u>	<u>685,112</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	195,063	161,183
Reserves	3,333	33,279
Retained profits	67,056	47,340
Total shareholders' equity	<u>265,451</u>	<u>241,802</u>
Minority Interests	143	139
Total Equity	<u>265,595</u>	<u>241,941</u>
Non Current Liabilities		
Long term loan	85,000	-
Other deferred liabilities	103,975	103,931
	<u>188,975</u>	<u>103,931</u>
Current Liabilities		
Other deferred liabilities	-	16,674
Debt securities	-	208,426
Trade & other payables	106,167	112,048
Tax payable	544	2,092
Short term borrowing	40,000	-
	<u>146,711</u>	<u>339,240</u>
Total liabilities	<u>335,686</u>	<u>443,171</u>
TOTAL EQUITY AND LIABILITIES	<u>601,281</u>	<u>685,112</u>
Net assets per share (RM)	0.27	0.30

Note : Net assets per share drop from RM0.30 to RM0.27 due to the increase in the number of ordinary shares as a result of conversion of the debt and equity securities as mentioned in note A6.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THIRD QUARTER ENDED 31 DECEMBER 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	-	-	-	-	19,716	19,716	4	19,720
Issue of ordinary shares pursuant to ESOS	3,663	1,301	(1,301)	-	-	3,663	-	3,663
Conversion of RCCLS to ordinary shares	217	54	-	-	-	271	-	271
Conversion of ICULS to ordinary shares	30,000	-	-	(30,000)	-	-	-	-
At 31 December 2007	195,063	2,205	1,128	-	67,056	265,451	143	265,595
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	-	-	-	-	20,992	20,992	(30)	20,962
Exercise of Warrants 2001/2006	1	-	-	-	-	1	-	1
Share options granted under ESOS	-	-	-	-	-	-	-	-
Esos Option Reserves	-	-	2,550	-	-	2,550	-	2,550
Transfer to Retained Profits	-	-	(5,846)	-	5,846	-	-	-
Issuance of ICULS 2006/2011	-	-	-	30,000	-	30,000	-	30,000
Conversion of RCCLS to ordinary shares	1,060	265	-	-	-	1,325	-	1,325
At 31 Decemebr 2006 (restated)	159,523	265	2,550	30,000	42,969	235,307	80	235,387

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THIRD QUARTER ENDED 31 DECEMBER 2007**

(The figures have not been audited)

	31/12/07 RM'000	31/12/06 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,540	28,378
Adjustment for non-cash items:		
Non-cash items	(13,091)	6,368
Non-operating Items	3,035	1,368
Operating profit before working capital changes	<u>12,484</u>	<u>36,114</u>
Changes in Working Capital :		
Net change in current assets	36,585	20,531
Net change in current liabilities	(4,051)	(4,799)
Cash generated from operations	<u>45,017</u>	<u>51,846</u>
Interest and Dividend received	705	43
Taxation paid	(4,946)	(1,911)
Net cash generated from operations	<u>40,776</u>	<u>49,978</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividend received	1,125	736
Investments net of disposal	15,140	-
Purchase property, plant & equipment (net of disposal)	(15,303)	(102)
Net cash (used in) / generated from investing activities	<u>962</u>	<u>634</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repurchased/ Redemption of RCCLS	(200)	-
Issuance of Shares - ESOS	3,663	-
Repayment hire purchase financing (net)	(523)	(96)
Drawdown/ (Repayment) of term loan	125,000	(15,000)
Contribution to Sinking Fund	(196,889)	(11,307)
Proceeds for conversion of RCCLS	9	-
Interest/Coupon paid	(198)	(18)
Net cash generated from/ (used in) financing activities	<u>(69,138)</u>	<u>(26,421)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	(27,400)	24,191
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>59,144</u>	<u>54,738</u>
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<u><u>31,744</u></u>	<u><u>78,929</u></u>
	0	-

(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 THIRD QUARTER ENDED 31 DECEMBER 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.

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 were 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 except for impairment of quoted investments amounting to RM3.3 million.

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:

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

- a) During the period, the RCSLS holders converted 262,457 RCSLS into 1,085,828 ordinary shares of RM0.20 each in the Company at a conversion price of RM0.25.
- b) During the period, the Company repurchased 200,000 RCSLS nominal value of RM1.00 each from the market at a total consideration of RM200,000.
- c) On 2 August 2007 the Company redeemed RM52,100,000 nominal value of RCSLS on a proportionate basis.
- d) On 6 November 2007 the Company made the full and final redemption of the total outstanding RM155,914,698 nominal value of RCSLS, together with the proportionate coupon payment thereon to the RCSLS holders.

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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 18,314,900 ESOS at an exercise price of RM0.20 each into 18,314,900 ordinary shares of RM0.20 each. The proceeds received from the ESOS exercised amounting to RM3,662,980.

A7 Dividend

There is no dividend paid for third quarter ended 31 December 2007.

A8 Segmental Reporting

The quarter ended 31 December 2007

	Investment Holding RM'000	Property Invest. & Dev. RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External Sales	870	158,584	10,262	-	169,716
Intersegment Sales	4,185	-	-	(4,185)	-
Total Sales	<u>5,055</u>	<u>158,584</u>	<u>10,262</u>	<u>(4,185)</u>	<u>169,716</u>
Results					
Segment Results	(3,383)	11,864	2,244	-	10,725
Unallocated Corporate Income					-
Operating Profit					<u>10,725</u>
Finance Cost					11,815
Income Tax					<u>(2,820)</u>
Profit after tax					<u><u>19,720</u></u>

The quarter ended 31 December 2006

	Investment Holding RM'000	Property Invest. & Dev. RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue					
External Sales	1,633	254,716	-	-	256,349
Intersegment Sales	2,571	-	-	(2,571)	-
Total Sales	<u>4,204</u>	<u>254,716</u>	<u>-</u>	<u>(2,571)</u>	<u>256,349</u>
Results					
Segment Results	4,856	35,748	(10)	(7,163)	33,431
Unallocated Corporate Income					(278)
Operating Profit					<u>33,153</u>
Finance Cost					(4,775)
Income Tax					<u>(7,416)</u>
Profit after tax					<u><u>20,962</u></u>

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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 third quarter ended 31 December 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 third quarter ended 31 December 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 RM170,220.

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>34,584</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 RM169.716 million and RM22.54 million respectively for the third quarter ended 31 December 2007. This represents a decrease of 33.8% and 20.6% in turnover and pre-tax profit respectively as compared to the preceding year corresponding periods.

The decrease in turnover and pre-tax profit were mainly due to the delay in the launching of the development projects planned by the Group which are still pending authorities' approval.

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

	Current Quarter 31-Dec-07 RM'000	Preceding Quarter 30-Sep-07 RM'000	Variance RM'000
Profit before tax	12,534	5,856	6,678

The Group recorded a higher pre-tax profit of RM12.54 million in the current quarter as compared to the pre-tax profit of RM5.856 million in the preceding quarter. Higher pre-tax profit in the current quarter was mainly due to reversal of RCSLS premium as a result of full and final redemption of RM155.9 million RCSLS on 6 November 2007.

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
	31/12/07 RM'000	31/12/06 RM'000	31/12/07 RM'000	31/12/06 RM'000
Company Level				
- current taxation	-	-	-	-
Subsidiary Companies				
- current taxation	(599)	299	(2,820)	(6,224)
- prior year	2	(1,192)	2	(1,192)
	<u>(597)</u>	<u>(893)</u>	<u>(2,820)</u>	<u>(7,416)</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 third quarter ended 31 December 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>1,994</u>	<u>11,173</u>
Profit/(Loss) on disposals (net)	<u>(252)</u>	<u>(659)</u>

b) Total investments in quoted securities as at 31 December 2007 are as follows:-

	RM'000
At cost	79,088
Less : Impairment losses	<u>(51,614)</u>
At book value	<u>27,474</u>
Market value	<u>28,942</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, the Group continued to mark the cost of investments for this block of shares to the net tangible assets per share of the investee company as at 31 October 2007 of RM0.832 in accordance with International Accounting Standard No: 25 requirements. All the shares held under short term investments are marked to market as at 31 December 2007.

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 8 October 2007, the Company announced that BH Builders exercised its discretion to extend the time period for the withdrawal or removal of the Private Caveats to 18 November 2008.

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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". On 28 September 2007, a Sale and Purchase agreement was executed between Safe Valley and I & P Seriemas Sdn Bhd for the acquisition of the above lands by Safe Valley.

B9 Group Borrowings as at 31 December 2007 are as follows:

A) Short term borrowings and debt securities	RM'000
Secured:-	<u>40,000</u>
B) Long term borrowings and debt securities	RM'000
Secured:-	
3 Years Term Loan	85,000
Total	<u>85,000</u>
Total long term Borrowings	<u>125,000</u>

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 third quarter ended 31 December 2007.

B13 Earning/(Loss) Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/07 RM'000	31/12/06 RM'000	31/12/07 RM'000	31/12/06 RM'000
a) Basic earnings per share				
Net profit attributable to ordinary equity holders of the parent	11,937	8,083	19,716	20,992
Weighted average no. of ordinary share in issue	956,024	797,613	956,024	797,613
Basic earnings per share (sen)	<u>1.25</u>	<u>1.01</u>	<u>2.06</u>	<u>2.63</u>
b) Diluted earning per share				
Net profit attributable to ordinary equity holders of the parent	11,937	8,083	19,716	20,992
Assumed conversion of RCCLS	<u>#</u>	<u>#</u>	<u>#</u>	<u>15,634</u>
	<u>11,937</u>	<u>8,083</u>	<u>19,716</u>	<u>36,626</u>
Weighted average no. of ordinary share in issue	956,024	797,613	956,024	797,613
Assumed exercise of ESOS	1,923	@	3,922	@
Assumed conversion of ICULS	-	150,000	16,667	150,000
Assumed conversion of RCCLS	#	#	#	887,046
	<u>957,947</u>	<u>947,613</u>	<u>976,613</u>	<u>1,834,659</u>
Diluted earning per share (sen)	<u>1.25</u>	<u>0.85</u>	<u>2.02</u>	<u>2.00</u>

@ The assumed exercise of ESOS at average market price 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 and preceding year corresponding period is not considered because the options are 'out-of-money'.

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

Dated : 26 February 2008
Kuala Lumpur, Malaysia

By order of the Board
Chan Yoon Mun
Secretary