

**ASIAN PAC HOLDINGS BERHAD**<sup>(129-T)</sup>

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR SECOND QUARTER ENDED 30 SEPTEMBER 2008**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER  30/9/08 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/07 RM'000	CURRENT YEAR TO DATE  30/9/08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/07 RM'000
Revenue	23,292	40,105	40,022	121,751
Operating expenses	(21,656)	(38,001)	(38,101)	(114,137)
Other operating income	(1,207)	1,351	1,048	2,070
Profit from operations	<u>429</u>	<u>3,455</u>	<u>2,969</u>	<u>9,684</u>
Finance cost	(308)	2,401	(659)	322
Profit before taxation	<u>121</u>	<u>5,856</u>	<u>2,310</u>	<u>10,006</u>
Taxation	(1,274)	(718)	(2,226)	(2,223)
(Loss)/Profit for the period	<u>(1,153)</u>	<u>5,138</u>	<u>84</u>	<u>7,783</u>
Attributable to:-				
Equity holders of the Parent	(1,151)	5,137	88	7,780
Minority interest	(2)	1	(4)	3
	<u>(1,153)</u>	<u>5,138</u>	<u>84</u>	<u>7,783</u>
EPS				
- Basic (sen)	(0.12)	0.54	0.01	0.82
- Diluted (sen)	(0.12) @	0.54 #	0.01 @	0.80 #

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 current year quarter and current year to-date are not considered because the options are 'out-of-money'.

# The effects of the assumed conversion of RCSSL in the preceding year corresponding quarter and preceding year corresponding period 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 2008 and the notes to the Interim Financial Report).

**CONDENSED CONSOLIDATED BALANCE SHEET**

**AS AT 30 SEPTEMBER 2008**

(The figures have not been audited)

	<b>AS AT END OF CURRENT QUARTER 30/9/08 RM'000</b>	<b>AS AT END OF CURRENT QUARTER 31/03/08 RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	179,042	164,666
Land held for property development	131,894	131,924
Investment properties	31,150	31,150
Prepaid land lease payments	46,862	47,136
Intangible assets	23,942	23,942
Other investments	14,821	17,089
Deferred tax assets	-	755
	427,711	416,662
<b>Current Assets</b>		
Property development costs	79,144	87,604
Inventories of completed properties	24,692	24,504
Trade & other receivables, deposits and prepayments	18,884	36,027
Short term investments	1,878	1,962
Short term deposits	34,922	15,852
Cash and bank balances	11,517	12,052
	171,037	178,001
<b>TOTAL ASSETS</b>	598,748	594,663
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	195,063	195,063
Reserves	3,334	3,334
Retained profits	76,101	76,013
Total shareholders' equity	274,498	274,410
<b>Minority Interests</b>	152	156
<b>Total Equity</b>	274,650	274,566
<b>Non Current Liabilities</b>		
Long term loan	105,064	97,890
Other deferred liabilities	100,768	101,003
	205,832	198,893
<b>Current Liabilities</b>		
Trade & other payables	111,997	101,564
Tax payable	1,269	1,064
Short term borrowing	5,000	18,576
	118,266	121,204
<b>Total liabilities</b>	324,098	320,097
<b>TOTAL EQUITY AND LIABILITIES</b>	598,748	594,663
Net assets per share (RM)	0.28	0.28

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR SECOND QUARTER ENDED 30 SEPTEMBER 2008**

	Attributable to Equity Holders of the Parent						Minority Interest	Total Equity
	Share Capital	Non-distributable			Distributable Retained Profits	Total		
		Share Premium	Reserves	ICULS				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1 April 2008</b>	195,063	2,206	1,128	-	76,013	274,410	156	274,566
Profit for the period	-	-	-	-	88	88	(4)	84
<b>At 30 September 2008</b>	<u>195,063</u>	<u>2,206</u>	<u>1,128</u>	<u>-</u>	<u>76,101</u>	<u>274,498</u>	<u>152</u>	<u>274,650</u>
<b>At 1 April 2007</b>	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)	-	-	-	-
<b>At 30 June 2007</b>	<u>194,155</u>	<u>1,887</u>	<u>1,427</u>	<u>-</u>	<u>49,982</u>	<u>247,451</u>	<u>142</u>	<u>247,593</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the year ended 31 March 2008 and the Notes to the Interim Financial Report)

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR SECOND QUARTER ENDED 30 SEPTEMBER 2008**

(The figures have not been audited)

	<b>30/9/08</b>	<b>30/9/07</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,310	10,008
Adjustment for non-cash items:		
Non-cash items	2,791	(4,050)
Non-operating Items	(50)	2,361
Operating profit before working capital changes	<u>5,051</u>	<u>8,319</u>
Changes in Working Capital :		
Net change in current assets	25,591	(680)
Net change in current liabilities	10,573	9,127
Cash generated from operations	<u>41,215</u>	<u>16,766</u>
Interest and Dividend received	12	617
Taxation paid	(1,367)	(3,333)
<b>Net cash generated from operations</b>	<u>39,860</u>	<u>14,050</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividend received	654	867
Investments net of disposal	458	13,146
Purchase property, plant & equipment (net of disposal)	(15,001)	(1,340)
<b>Net cash (used in)/generated from investing activities</b>	<u>(13,889)</u>	<u>12,673</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repurchased/Redemption of RCSLS		(100)
Issuance of Shares - ESOS	-	3,637
Repayment hire purchase financing (net)	(349)	(346)
Drawdown of Short & Long Term Loan	27,000	-
Repayment of Short & Long Term Loan	(33,402)	21,000
Contribution to Sinking Fund	-	(38,658)
Proceeds for conversion of RCSLS		9
Interest/Coupon paid	(685)	(38)
<b>Net cash used in financing activities</b>	<u>(7,436)</u>	<u>(14,496)</u>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS</b>	18,535	12,227
<b>CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	27,904	59,144
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>46,439</u>	<u>71,371</u>
	0	0

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the financial statements for the year ended 31 March 2008 and Notes to the Interim Financial Report)

**NOTES TO THE INTERIM FINANCIAL REPORT FOR SECOND QUARTER ENDED 30 SEPTEMBER 2008**

**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 2008. 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 2008.

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 2008, except for the adoption of the following new and revised Financial Reporting Standards ("FRS") and amendment to FRS:-

FRS 107 :	Cash Flow Statements
FRS 111 :	Constructions Contracts
FRS 112 :	Income Taxes
FRS 118 :	Revenue
FRS 120 :	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134 :	Interim Financial Reporting
FRS 137 :	Provisions, Contingent Liabilities and Contingent Assets
Amendments to FRS 121 :	The Effects of Changes in Foreign Exchange Rates - Net Investment In A Foreign Operation

The adoption of the abovementioned FRSs and Amendments to FRSs do not have significant financial impact on the financial statements of 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 financial period.

**A5 Changes in Estimates**

There are no significant changes in estimates in the current financial period.

**A6 Debt and Equity Securities**

There were no other issuances, cancellations, repurchases, resale and repayment of debt and equity securities for the second quarter ended 30 September 2008.

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**A7 Dividend**

There is no dividend paid for second quarter ended 30 September 2008.

**A8 Segmental Reporting**

**The quarter ended 30 September 2008**

	<b>Investment Holding RM'000</b>	<b>Property Invest. &amp; Dev. RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
External Sales	460	35,448	4,114	-	40,022
Intersegment Sales	242	-	-	(242)	-
<b>Total Sales</b>	<b>702</b>	<b>35,448</b>	<b>4,114</b>	<b>(242)</b>	<b>40,022</b>
<b>Results</b>					
Segment Results	(2,377)	4,982	364	-	2,969
Unallocated Corporate Income					-
Operating Profit					2,969
Finance Cost					(659)
Income Tax					(2,226)
Profit after tax					84

**The quarter ended 30 September 2007**

	<b>Investment Holding RM'000</b>	<b>Property Invest. &amp; Dev. RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
External Sales	788	115,711	5,252	-	121,751
Intersegment Sales	223	-	-	(223)	-
<b>Total Sales</b>	<b>1,011</b>	<b>115,711</b>	<b>5,252</b>	<b>(223)</b>	<b>121,751</b>
<b>Results</b>					
Segment Results	669	7,899	1,116	-	9,684
Unallocated Corporate Income					-
Operating Profit					9,684
Finance Cost					322
Income Tax					(2,223)
Profit after tax					7,783

**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 second quarter ended 30 September 2008 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

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**A11 Effects of Changes in the Composition of the Group**

There were no changes in the composition of the Group for the second quarter ended 30 September 2008.

**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 RM31,850.

**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>15,761</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 RM40 million and RM2.3 million respectively for the six months ended 30 September 2008. This represents a decrease of 67% and 77% in turnover and pre-tax profit respectively as compared to the preceding year.

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.

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

	<b>Current Quarter 30-Sep-08 RM'000</b>	<b>Preceding Quarter 30-Jun-08 RM'000</b>	<b>Variance  RM'000</b>
Profit before tax	<u>121</u>	<u>2,189</u>	<u>(2,068)</u>

The Group recorded a lower pre-tax profit of RM121,000 in the current quarter as compared to the pre-tax profit of RM2.189 million in the preceding quarter. Lower pre-tax profit in the current quarter was mainly due to higher impairment in value of quoted investments and higher tax expense.

**B3 Prospects**

The Group's performance will be affected for the remaining financial year due to the global financial crisis which will have a negative effect on our economy.

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**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 30/9/08 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/9/07 RM'000	CURRENT YEAR TODATE 30/9/08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/9/07 RM'000
<b>Company Level</b>				
- current taxation	-	-	-	-
<b>Subsidiary Companies</b>				
- current taxation	(1,274)	(720)	(2,226)	(2,225)
- prior year	-	2	-	2
	<u>(1,274)</u>	<u>(718)</u>	<u>(2,226)</u>	<u>(2,223)</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.

**B7 Quoted Securities**

a) Total purchases and disposals of quoted securities for the second quarter ended 30 September 2008 are as follows:

	CURRENT YEAR QUARTER RM'000	CURRENT YEAR TODATE RM'000
<b>Total purchases</b>	<u>-</u>	<u>-</u>
<b>Total disposals</b>		
Sales Proceeds	<u>-</u>	<u>458</u>
Loss on disposals (net)	<u>-</u>	<u>(138)</u>

b) Total investments in quoted securities as at 30 September 2008 are as follows:-

	RM'000
At cost	72,756
Less : Impairment losses	<u>(56,057)</u>
At book value	<u>16,699</u>
Market value	<u>14,844</u>



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**B7 Quoted Securities (Cont'd)**

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 July 2008 of RM0.757 in accordance with International Accounting Standard No: 25 requirements. All the shares held under short term investments are marked to market.

**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. Extension were made on 18 November 2005, 1 November 2006 and 8 October 2007.

On 10 October 2008, the Company made further announcement that the Company has exercised its discretion to extend the time period for the withdrawal or removal of the Private Caveats to 18 November 2008.

**B9 Group Borrowings as at 30 September 2008 are as follows:**

<b>A) Short term borrowings and debt securities</b>	<b>RM'000</b>
Secured:-	<u>5,000</u>
<b>B) Long term borrowings and debt securities</b>	<b>RM'000</b>
Secured:-	
2 & 3 Years Term Loan	<u>105,064</u>
Total long term Borrowings	<u><u>110,064</u></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 second quarter ended 30 September 2008.

B13 Earning/(Loss) Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/9/08 RM'000	30/9/07 RM'000	30/9/08 RM'000	30/9/07 RM'000
<b>a) Basic earnings per share</b>				
Net profit attributable to ordinary equity holders of the parent	(1,151)	5,137	88	7,780
Weighted average no. of ordinary share in issue	975,315	946,390	975,315	946,390
<b>Basic earnings per share (sen)</b>	<b>(0.12)</b>	<b>0.54</b>	<b>0.01</b>	<b>0.82</b>
<b>b) Diluted earning per share</b>				
Net profit attributable to ordinary equity holders of the parent	(1,151)	5,137	88	7,780
Assumed conversion of ESOS	-	-	-	-
Assumed conversion of RCCLS	n/a	#	n/a	#
	<u>(1,151)</u>	<u>5,137</u>	<u>88</u>	<u>7,780</u>
Weighted average no. of ordinary share in issue	975,315	946,390	975,315	946,390
Assumed exercise of ESOS	@	5,585	@	4,969
Assumed conversion of ICULS	n/a	n/a	n/a	25,000
Assumed conversion of RCCLS	n/a	#	n/a	#
	<u>975,315</u>	<u>951,974</u>	<u>975,315</u>	<u>976,358</u>
<b>Diluted earning per share (sen)</b>	<b>(0.12)</b>	<b>0.54</b>	<b>0.01</b>	<b>0.80</b>

@ 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 current year quarter and current year to-date are not considered because the options are 'out-of-money'.

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

Dated : 26 November 2008  
Kuala Lumpur, Malaysia

By order of the Board  
Chan Yoon Mun  
Secretary