

ASIAN PAC HOLDINGS BERHAD (129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THIRD QUARTER ENDED 31 DECEMBER 2011**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
Revenue	5,711	6,766	75,629	19,067
Operating expenses	(7,683)	(5,526)	(61,403)	(19,682)
Other operating income	864	45	2,686	3,022
(Loss)/Profit from operations	<u>(1,108)</u>	<u>1,285</u>	<u>16,912</u>	<u>2,407</u>
Finance costs	(284)	(293)	(1,066)	(931)
Share of result of associate	(73)	-	(193)	-
(Loss)/Profit before taxation	<u>(1,465)</u>	<u>992</u>	<u>15,653</u>	<u>1,476</u>
Taxation	(287)	138	(6,266)	(774)
(Loss)/Profit after tax for the period	<u><u>(1,752)</u></u>	<u><u>1,130</u></u>	<u><u>9,387</u></u>	<u><u>702</u></u>
Attributable to:-				
Owners of the Parent	(1,752)	1,130	9,387	705
Non-controlling interests	-	-	-	(3)
	<u><u>(1,752)</u></u>	<u><u>1,130</u></u>	<u><u>9,387</u></u>	<u><u>702</u></u>
EPS - Basic (sen)	(0.18)	0.12	0.96	0.07
- Diluted (sen)	(0.18) @	0.12 @	0.96 @	0.07 @

Note : @ There is no dilutive event as at 31 December 2011/2010. Therefore, the diluted EPS is the same as basic EPS.

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the notes to the Interim Financial Report).

ASIAN PAC HOLDINGS BERHAD (129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THIRD QUARTER ENDED 31 DECEMBER 2011**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
(Loss)/Profit after tax for the period	(1,752)	1,130	9,387	702
Other comprehensive income/(expense) :				
Net fair value changes in Available-for-Sale (AFS) financial asstes, net of tax	603	(791)	(2,970)	1,882
Total comprehensive (expense) /income	<u>(1,149)</u>	<u>339</u>	<u>6,417</u>	<u>2,584</u>
Total comprehensive (expense) /income attributable to :				
Owners of the Parent	(1,149)	339	6,417	2,587
Non-controlling interests	-	-	-	(3)
	<u>(1,149)</u>	<u>339</u>	<u>6,417</u>	<u>2,584</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the notes to the Interim Financial Report).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 31/12/11 RM'000	AS AT PRECEDING FINANCIAL YEAR END 31/3/11 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	34,210	35,020
Land held for property development	54,000	54,000
Investment properties	210,513	178,311
Intangible assets	23,430	23,942
Investment in associate	182	-
Available-for-sale investments	10,001	12,971
Deferred tax assets	30	30
	<u>332,366</u>	<u>304,274</u>
Current Assets		
Property development costs	157,741	186,938
Inventories of completed properties	9,474	9,628
Trade & other receivables	11,691	11,895
Prepayment	2,217	1,852
Tax recoverable	5,177	4,592
Cash and bank balances	189,863	21,551
	<u>376,163</u>	<u>236,456</u>
TOTAL ASSETS	<u><u>708,529</u></u>	<u><u>540,730</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	195,063	195,063
Reserves	2,670	6,768
Retained profits	119,410	108,895
Total Equity	<u>317,143</u>	<u>310,726</u>
Non Current Liabilities		
Deferred tax liabilities	97,857	97,857
Loans and borrowings	257,468	72,077
	<u>355,325</u>	<u>169,934</u>
Current Liabilities		
Loans and borrowings	244	15,231
Trade & other payables	29,732	44,204
Tax payable	6,085	635
	<u>36,061</u>	<u>60,070</u>
Total liabilities	<u>391,386</u>	<u>230,004</u>
TOTAL EQUITY AND LIABILITIES	<u><u>708,529</u></u>	<u><u>540,730</u></u>
Net assets per share attributable to equity holders of the parent(RM)	0.33	0.32

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the financial statements for the year ended 31 March 2011 and the Notes to the Interim Financial Report)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THIRD QUARTER ENDED 31 DECEMBER 2011**

	Attributable to Equity Holders of the Parent					Non Controlling Interest RM'000	Total Equity RM'000
	Non-distributable			Distributable			
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Profits RM'000	Total RM'000		
At 1 April 2011	195,063	2,206	4,562	108,895	310,726	-	310,726
Total comprehensive (expense)/ income for the period	-	-	(2,970)	9,387	6,417	-	6,417
Expiry of Employee share options	-	-	(1,128)	1,128	-	-	-
At 31 December 2011	<u>195,063</u>	<u>2,206</u>	<u>464</u>	<u>119,410</u>	<u>317,143</u>	<u>-</u>	<u>317,143</u>
At 1 April 2010	195,063	2,206	1,128	97,452	295,849	158	296,007
Effects of adopting FRS 139	-	-	-	8	8	-	8
Total comprehensive income for the period	-	-	1,882	705	2,587	(158)	2,429
At 31 December 2010	<u>195,063</u>	<u>2,206</u>	<u>3,010</u>	<u>98,165</u>	<u>298,444</u>	<u>-</u>	<u>298,444</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the financial statements for the year ended 31 March 2011 and the Notes to the Interim Financial Report)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THIRD QUARTER ENDED 31 DECEMBER 2011**

(The figures have not been audited)

	31/12/11	31/12/10
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,653	1,476
Adjustment for non-cash items :		
Non-cash items	3,263	662
Non-operating Items	(1,383)	217
Operating profit before working capital changes	<u>17,533</u>	<u>2,355</u>
Changes in Working Capital :		
Increase in receivables	(3,061)	(2,754)
Movement in property development cost	29,197	(6,179)
Movement in stocks	154	1,740
Decrease in payable	(14,472)	(8,904)
Cash generated from/(used in) operations	<u>29,351</u>	<u>(13,742)</u>
Interest and Dividend received	216	94
Taxation paid	(1,402)	(3,937)
Net cash generated from/(used in) operations	<u><u>28,165</u></u>	<u><u>(17,585)</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividend received	2,197	584
Proceeds from disposal of Investments	-	2,392
Purchase property, plant & equipment (net of disposal)	(88)	(8,966)
Investment in investment property	(32,560)	-
Investment in associate	(375)	-
Acquisition of minority interest	-	(5)
Net cash used in investing activities	<u><u>(30,826)</u></u>	<u><u>(5,995)</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment hire purchase financing (net)	(253)	(221)
Drawdown of Short & Long Term Loan	202,368	76,641
Repayment of Short & Long Term Loan	(30,076)	(64,000)
Interest paid	(1,066)	(932)
Net cash generated from financing activities	<u><u>170,973</u></u>	<u><u>11,488</u></u>
NET CHANGES IN CASH & BANK BALANCES	168,312	(12,092)
CASH & BANK BALANCES AT THE BEGINNING OF THE PERIOD	<u>21,551</u>	<u>41,354</u>
CASH & BANK BALANCES AT THE END OF THE PERIOD	<u><u>189,863</u></u>	<u><u>29,262</u></u>

(The Condensed Consolidated Statement of Cashflow should be read in conjunction with the financial statements for the year ended 31 March 2011 and Notes to the Interim Financial Report)

PART A : EXPLANATORY NOTES PURSUANT TO FRS 134

A1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("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 2011. 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 2011.

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 2011, except for the adoption of the following revised FRS, amendment to FRS and Issues Committee ("IC") Interpretations, which are applicable for the Group's financial periods beginning 1 April 2011:-

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (Revised)	Business Combinations
<i>FRS 127 (Revised)</i>	Consolidated and Separate Financial Statements
Amendments to FRS 1	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	Share-based Payment
Amendments to FRS 2	Share-based Payment - Group Cash settled Share based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customers
Improvement to FRSs 'Improvements to FRSs (2010)'	

Amendments to IC Interpretation 9 : Reassessment of Embedded Derivatives, IC Interpretation 12 : Service Concession Arrangements and IC Interpretation 16 : Hedges of a Net Investment in a Foreign Operation will also effective for annual periods beginning on or after 1 July 2010. These IC Interpretation, is however, not applicable to the Group.

The adoption of revised FRS, amendment to FRS and IC Interpretations have no significant impact to the financial statements of the Group other than those described below:

Revised FRS 3: Business Combinations and Amendments to FRS 127: Consolidated and Separate Financial Statements

The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107: Statement of Cash Flows, FRS 112: Income Taxes, FRS 121: The Effects of Changes in Foreign Exchange Rates, FRS 128: Investments in Associates and FRS 131: Interests in Joint Ventures. The changes from revised FRS 3 and amendments to FRS 127 will affect future acquisitions or loss of control and transactions with non-controlling interests.

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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 financial period other than those disclosed in item B6(b).

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 third quarter ended 31 December 2011.

A7 Dividend

There is no dividend paid for third quarter ended 31 December 2011.

A8 Subsequent Events

There were no material events subsequent to the third quarter ended 31 December 2011 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

A9 Effects of Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period since the last financial report except the following:

On 2 June 2011, the Company has subscribed 50% equity stake in a company incorporated in Indonesia known as PT AP International. PT AP International has an issued and paid up share capital of USD250,000 comprising 2,500 shares of USD100 each. The Company's 50% stake represents issued and paid up share capital of USD125,000 comprising 1,250 shares of USD100 each.

A10 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 RM19,453,800.

A11 Capital Commitment

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

	<u>RM'000</u>
Approved and contracted for:	
Acquisition of freehold land	<u>15,761</u>

A12 Related Party Transactions

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

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance of the Operating Segments

	CUMULATIVE QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING PERIOD	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
<u>Revenue</u>				
Investment holding	28	26	560	306
Property development	4,819	5,958	72,588	16,780
Property investment	267	264	777	797
Carpark operations	597	518	1,704	1,184
Total revenue	<u>5,711</u>	<u>6,766</u>	<u>75,629</u>	<u>19,067</u>
<u>Results</u>				
Investment holding	(373)	(355)	(1,379)	(238)
Property development	(1,476)	1,020	15,987	1,008
Property investment	37	45	81	121
Carpark operations	347	282	964	585
(Loss)/Profit before tax	<u>(1,465)</u>	<u>992</u>	<u>15,653</u>	<u>1,476</u>

a) Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group recorded a lower revenue of RM5.7 million as compared to preceding year corresponding quarter of RM6.8 million. The lower revenue was mainly due to lower contribution from property development segment due to completion of Prima Sri Gombak project in preceding financial year and lower revenue recognised from KK Times Square 2 project. Currently, the construction works for KK Times Square 2 is mainly concentrated at the Mall which the Group is keeping for investment purposes and lower % of work completed for the development properties. As such, lower revenue is recognised.

The Group has recorded a loss before tax of RM1.5 million in the current quarter as compared to profit before tax of RM0.99 million in preceding year corresponding quarter. The lower contribution in the current quarter is mainly due lower turnover in the property development segment mentioned above and the high marketing and promotional costs for KK Times Square 2 which are not capitalised but charged to Income Statement as per the requirements of the Financial Reporting Standard.

b) Current Year-to-date vs Previous Year-to-date

For the current Year-to-date, the Group recorded a turnover of RM75.6 million as compared to RM19.1 million in the preceding year corresponding period. Higher turnover was mainly due to higher contribution from property development segment which increased by RM55.81 million from the preceding year corresponding period. The property development segment's revenue in the current year-to-date was mainly derived from the sale of 4 pieces of development land mentioned in item B6(b) and the development work completed for KK Times Square 2's apartments.

The increase in the Group's profit before tax from RM1.5 million in the preceding year corresponding period to RM15.7 million in the current year-to-date is mainly due to the profit from the disposal of 4 pieces of development land and profit recognised from KK Times Square 2 project.

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

	Current Quarter 31/12/11 RM'000	Preceding Quarter 30/9/11 RM'000	Variance RM'000
(Loss)/Profit before tax	(1,465)	1,436	(2,901)

The Group recorded a pre-tax loss of RM1.46 million in the current quarter ended 31 December 2011, a decrease of RM2.9 million from the pre-tax profit of RM1.44 million in the preceding quarter ended 30 September 2011. The drop in profit is mainly due to lower profit recognised for KK Times Square 2 due to lower percentage of work completed and higher marketing and promotional costs mentioned in item B1(a) above.

B3 Prospects

The main revenue driver of the the Group in the current financial year is from the property development segment. We have launched the apartments in Kota Kinabalu Times Square - Phase 2, namely the "Loft A, B and E" in the 2nd and 3rd quarter of 2011 and will be launching Dataran Larkin in Johor Bahru in March 2012. The results for the remaining of the financial year will be affected by the take-up rate for the sales of these development projects, the ability of the purchasers to obtain loan to finance their acquisition arising from the changes in the monetary policies/controls imposed by Bank Negara Malaysia on the financial institutions and the percentage of development work to be completed.

B4 Profit Forecast / Guarantee

There were no profit forecast or profit guarantee issued by the Group.

B5 Taxation

Taxation comprises:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
Company Level				
- current taxation	-	-	-	-
- prior year	-	-	-	-
Subsidiary Companies				
- current taxation	(291)	(938)	(6,270)	(1,942)
- prior year	4	1,076	4	1,168
	<u>(287)</u>	<u>138</u>	<u>(6,266)</u>	<u>(774)</u>

The tax charge in the current quarter and current year-to-date arises from the operating and investment 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-to-date.

B6 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, 8 October 2007, 10 October 2008 and 2 October 2009.

On 12 October 2010, the Company made further announcement that the Company had exercised its discretion to extend the time frame for the Private Caveats to be withdrawn or removed.

- b) On 27 December 2010, the Company announced the Proposed Disposal of four (4) pieces of development land owned by Safe Valley Sdn Bhd, a wholly-owned subsidiary of Asian Pac, measuring approximately 8.7 acres to Axis Milestone Sdn Bhd for a total cash consideration of approximately RM49 million ("Proposed Disposal").

The Proposed Disposal was completed on 12 April 2011.

B7 Group Borrowings as at 31 December 2011 are as follows:

	As at 31/12/11 RM'000
a) Current	
Secured:-	
Obligation under finance lease	<u>244</u>
b) Non-current	
Secured:-	
Term loans	59,291
Private debt securities	197,541
Obligation under finance lease	636
	<u>257,469</u>
Total Borrowings	<u>257,712</u>

B8 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.

B9 Proposed Dividend

The Directors do not recommend any dividend for third quarter ended 31 December 2011.

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(INCORPORATED IN MALAYSIA)

B10 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
	31/12/11 RM'000	31/12/10 RM'000	31/12/11 RM'000	31/12/10 RM'000
a) Basic earnings per share				
Net (loss)/profit attributable to owners of the parent	(1,752)	1,130	9,387	705
Weighted average no. of ordinary share in issue	975,315	975,315	975,315	975,315
Basic earnings per share (sen)	<u>(0.18)</u>	<u>0.12</u>	<u>0.96</u>	<u>0.07</u>

b) Diluted earning per share

There is no dilutive event as at 31 December 2010/2011. Therefore, the diluted EPS is the same as basic EPS.

B11 (LOSS)/PROFIT BEFORE TAX

The following amounts have been included in arriving at (loss)/profit before tax:

	CURRENT YEAR QUARTER	CURRENT YEAR TODATE
	31/12/11 RM'000	31/12/11 RM'000
Charging:		
Depreciation	578	1,727
Allowance for doubtful debts	-	839
Finance cost	284	1,066
Impairment of goodwill	103	513
And crediting:		
Interest income	741	2,267
Dividend income	-	182
Other income	152	632
Writeback of allowance of doubtful debts	<u>232</u>	<u>-</u>

The gain or loss on derivatives is not applicable to the Group as the Group's policy that no trading in derivative financial instruments shall be undertaken.

B12 Realised and Unrealised Retained Profit/(Loss) Disclosure

	As at 31/12/11 RM'000
Total retained profits / (accumulated losses)	
- Unrealised accumulated losses	(25,189)
- Realised retained profits	<u>18,592</u>
	(6,597)
Add : Consolidation adjustments	126,007
Total group retained profits	<u><u>119,410</u></u>

Dated : 28 February 2012
Kuala Lumpur, Malaysia

By order of the Board
Chan Yoon Mun
Secretary