

ASIAN PAC HOLDINGS BERHAD (129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR FIRST QUARTER ENDED 30 JUNE 2015**

(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
	30/06/15 RM'000	30/06/14 RM'000	30/06/15 RM'000	30/06/14 RM'000
Revenue	21,067	61,776	21,067	61,776
Operating expenses	(22,452)	(53,951)	(22,452)	(53,951)
Other operating income	599	1,257	599	1,257
(Loss) / Profit from operations	<u>(786)</u>	<u>9,082</u>	<u>(786)</u>	<u>9,082</u>
Finance costs	(6,089)	(1,390)	(6,089)	(1,390)
Share of result of associate	-	-	-	-
(Loss) / Profit before taxation	<u>(6,875)</u>	<u>7,692</u>	<u>(6,875)</u>	<u>7,692</u>
Taxation	(56)	(3,725)	(56)	(3,725)
(Loss) / Profit after tax for the period	<u><u>(6,931)</u></u>	<u><u>3,967</u></u>	<u><u>(6,931)</u></u>	<u><u>3,967</u></u>
Attributable to:-				
Owners of the Parent	(6,929)	3,969	(6,929)	3,969
Non-controlling interests	(2)	(2)	(2)	(2)
	<u><u>(6,931)</u></u>	<u><u>3,967</u></u>	<u><u>(6,931)</u></u>	<u><u>3,967</u></u>
EPS				
- Basic (sen)	(0.70)	0.41	(0.70)	0.41
- Diluted (sen)	(0.70)	0.40	(0.70)	0.40

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the notes to the Interim Financial Report).

ASIAN PAC HOLDINGS BERHAD (129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR FIRST QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER Restated	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD Restated
	30/06/15 RM'000	30/06/14 RM'000	30/06/15 RM'000	30/06/14 RM'000
(Loss) / Profit after tax for the period	(6,931)	3,967	(6,931)	3,967
Other comprehensive income :				
Fair value gain on available-for-sale financial assets	164	1,089	164	1,089
Total comprehensive (expense) / income for the period	<u>(6,767)</u>	<u>5,056</u>	<u>(6,767)</u>	<u>5,056</u>
Total comprehensive income attributable to :				
Owners of the Parent	(6,765)	5,058	(6,765)	5,058
Non-controlling interests	(2)	(2)	(2)	(2)
	<u>(6,767)</u>	<u>5,056</u>	<u>(6,767)</u>	<u>5,056</u>

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the notes to the Interim Financial Report).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 30/06/15	AS AT PRECEDING FINANCIAL YEAR END 31/03/15
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	35,568	35,838
Land held for property development	54,068	54,068
Investment properties	1,133,136	1,133,136
Intangible assets	14,638	14,796
Investment in associate	-	-
Available-for-sale investments	4,718	4,555
Deferred tax assets	2,572	2,495
	<u>1,244,700</u>	<u>1,244,888</u>
Current Assets		
Property development costs	97,682	98,115
Inventories of completed properties	23,783	23,783
Trade & other receivables	38,881	48,911
Accrued billings in respect of property development costs	35,254	35,142
Accrued income	49	69
Prepayment	172	351
Tax recoverable	6,162	1,371
Financial assets at fair value through profit or loss	4,668	12,221
Others investment	13,338	13,306
Cash and bank balances	49,967	71,883
	<u>269,956</u>	<u>305,152</u>
TOTAL ASSETS	<u><u>1,514,656</u></u>	<u><u>1,550,040</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	198,501	198,205
Reserves	7,369	7,206
Retained profits	579,333	586,261
Total shareholder's equity	<u>785,203</u>	<u>791,672</u>
Non-Controlling interest	254	256
Total Equity	<u>785,457</u>	<u>791,928</u>
Non Current Liabilities		
Deferred tax liabilities	192,582	192,506
Long Term Trade Creditors	13,142	13,142
Loans and borrowings	251,055	248,490
	<u>456,779</u>	<u>454,138</u>
Current Liabilities		
Loans and borrowings	130,947	127,864
Trade & other payables	140,434	174,886
Prepayment from tenants	408	699
Progress billings in respect of property development costs	631	-
Tax payable	-	525
	<u>272,420</u>	<u>303,974</u>
Total liabilities	<u>729,199</u>	<u>758,112</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,514,656</u></u>	<u><u>1,550,040</u></u>
Net assets per share attributable to equity holders of the parent (Sen)	79.1	79.9

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FIRST QUARTER ENDED 30 JUNE 2015**

	Attributable to Equity Holders of the Parent					Non Controlling Interest	Total Equity
	Non-distributable			Distributable			
	Share Capital	Share Premium	Other Reserves	Retained Profits Restated	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 April 2015	198,205	3,427	3,778	586,262	791,672	256	791,928
Total comprehensive income for the period	-	-	164	(6,929)	(6,765)	(2)	(6,767)
Issue of ordinary shares pursuant to ESOS	296	115	(115)	-	296	-	296
At 30 June 2015	198,501	3,542	3,827	579,333	785,203	254	785,457
At 1 April 2014	195,063	2,206	201	181,895	379,365	268	379,633
Effects of change in accounting policy for Investment Property	-	-	-	29,756	29,756	-	29,756
As restated	195,063	2,206	201	211,651	409,121	268	409,389
Total comprehensive income for the period	-	-	1,089	3,969	5,058	(2)	5,056
Share options granted under ESOS	-	-	2,024	-	2,024	-	2,024
Issue of ordinary shares pursuant to ESOS	325	75	(75)	-	325	-	325
At 30 June 2014	195,388	2,281	3,239	215,620	416,528	266	416,794

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the financial statements for the year ended 31 March 2014 and the Notes to the Interim Financial Report)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR FIRST QUARTER ENDED 30 JUNE 2015**

(The figures have not been audited)

	30/06/15	30/06/14
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(6,874)	7,691
Adjustment for non-cash items :		
Non-cash items	616	2,861
Non-operating items	5,632	686
Operating profit before working capital changes	<u>(626)</u>	<u>11,238</u>
Changes in Working Capital :		
Decrease in receivables	10,156	20,206
Movement in property development cost	434	15,301
Decrease in payable	(34,111)	(54,786)
Cash used in operations	<u>(24,147)</u>	<u>(8,041)</u>
Interest and dividend received	199	302
Taxation paid	(5,371)	(1,746)
Net cash used in operations	<u>(29,319)</u>	<u>(9,485)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividend received	278	355
Proceed from other investments/placements	7,593	-
Purchase property, plant & equipment (net of disposal)	(322)	(868)
Investment in investment property	-	(7,853)
Net cash generated from/(used in) investing activities	<u>7,549</u>	<u>(8,366)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from exercise of ESOS	296	325
Repayment hire purchase financing (net)	(166)	(83)
Drawdown of Short & Long Term Loan	12,152	50,000
Repayment of Short/Long Term Loan & Financing Cost	(6,339)	(75,550)
Interest paid	(6,089)	(1,390)
Net cash used in financing activities	<u>(146)</u>	<u>(26,698)</u>
NET CHANGES IN CASH & BANK BALANCES	(21,916)	(44,549)
CASH & BANK BALANCES AT THE BEGINNING OF THE PERIOD	<u>71,883</u>	<u>89,878</u>
CASH & BANK BALANCES AT THE END OF THE PERIOD	<u><u>49,967</u></u>	<u><u>45,329</u></u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the financial statements for the year ended 31 March 2015 and Notes to the Interim Financial Report)

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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 2015. 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 2015.

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 2015, except for the adoption of the following Financial Reporting Standards (FRS), amendment to FRS and Issues Committee ("IC") Interpretations, which are applicable for the Group's financial period beginning 1 April 2015:-

FRS 9	:	Financial Instruments
Amendments to FRS 10, 12 & 128	:	Investment Entities
Amendments to FRS 11	:	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101	:	Disclosure Initiative
Amendments to FRS 116 & 138	:	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 119	:	Defined Benefit Plans: Employee Contributions
Amendments to FRS 127	:	Equity Method in Separate Financial Statements
Amendments to FRS contained in the document entitled "Annual Improvement to FRSs 2010-2012 Cycle"		
Amendments to FRS contained in the document entitled "Annual Improvement to FRSs 2011-2013 Cycle"		
Amendments to FRS contained in the document entitled "Annual Improvement to FRSs 2012-2014 Cycle"		

Adoption of the above standards and interpretations did not have any significant effect on the financial performance and position of the Group.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

The Group falls within the scope definition of Transitioning Entities and is currently exempted from adopting the MFRS. Accordingly, the Group will adopt the MFRS and present its first MFRS financial statements when adoption of the MFRS is mandated by the MASB. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group is in the process of assessing the financial effects of the differences between the accounting standards under FRS and under MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the period ended 30 June 2015 could be different if prepared under the MFRS Framework.

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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.

A5 Changes in estimates

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

A6 Debt and Equity Securities

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

The Group's employee exercised the following ESOS at an exercise price of RM0.20 and RM0.22 each into new ordinary shares of the Company.

	CURRENT YEAR QUARTER 30/06/15	CURRENT YEAR TODATE 30/06/15
No. of ESOS exercise ('000)	1,464	1,464
Proceeds received (RM '000)	296	296

A7 Dividend

There is no dividend paid for first quarter ended 30 June 2015.

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A8 Subsequent Events

There were no material events subsequent to the first quarter ended 30 June 2015 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.

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 RM20,566,985.00.

A11 Capital Commitment

There were no capital commitment as at the date of this announcement.

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	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
	30/06/15 RM'000	30/06/14 RM'000	30/06/15 RM'000	30/06/14 RM'000
<u>Revenue</u>				
Investment holding and others	196	62	196	62
Property development	14,862	60,558	14,862	60,558
Property investment	312	294	312	294
Mall Operations	5,437	-	5,437	-
Carpark operations	260	862	260	862
Total revenue	<u>21,067</u>	<u>61,776</u>	<u>21,067</u>	<u>61,776</u>
<u>Results</u>				
Investment holding and others	(1,077)	(2,923)	(1,077)	(2,923)
Property development	(2,626)	22,921	(2,626)	22,921
Property investment	223	75	223	75
Mall Operations	(3,244)	-	(3,244)	-
Carpark operations	7	418	7	418
Less : Share of results of Associated Company	-	-	-	-
	<u>(6,717)</u>	<u>20,491</u>	<u>(6,717)</u>	<u>20,491</u>
Adjustments and eliminations	(158)	(12,799)	(158)	(12,799)
(Loss)/Profit before tax	<u>(6,875)</u>	<u>7,692</u>	<u>(6,875)</u>	<u>7,692</u>

Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group recorded a lower revenue of RM21.1 million as compared to preceding year corresponding quarter of RM61.8 million. The lower revenue in current quarter was mainly due to the lower revenue recognised by the property development division for projects at KK Times Square 2, Dataran Larkin and Fortune Perdana as compared to the preceding year corresponding quarter.

The Group recorded a loss before tax of RM6.9 million in the current quarter as compared to profit before tax of RM7.7 million in the preceding year corresponding quarter. The loss before tax in the current quarter is mainly due to lower revenue recognised by the property development division, higher operation and finance costs incurred for the Mall as compared to the preceding year corresponding quarter.

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

	Current Quarter 30/6/15 RM'000	Preceding Quarter 31/3/15 RM'000	Variance RM'000
Profit before tax	(6,875)	511,427	(518,302)

The Group recorded a pre-tax loss of RM6.9 million in the current quarter ended 30 June 2015, a negative variance of RM518 million from the pre-tax profit of RM511.4 million in the preceding quarter ended 31 March 2015. The decrease in pre-tax profit was mainly due to in the preceding quarter fair value gain on investment properties.

B3 Prospects

The Imago Mall at Kota Kinabalu, Sabah was officially launched on 28 March 2015. The Mall Operations will be an additional contributor to the Group's results besides the existing Property Development Division and Car Park Operation in the current financial year. With the recurring income from the Mall Operations and Car Park Operations as well as from the Property Development Division, we are confident that the results for the current financial year to be favourable.

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 30/06/15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/14 RM'000	CURRENT YEAR TODATE 30/06/15 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/06/14 RM'000
Company Level				
- current taxation	-	-	-	-
- prior year	-	-	-	-
Subsidiary Companies				
- current taxation	(56)	(3,725)	(56)	(3,725)
- prior year	-	-	-	-
	<u>(56)</u>	<u>(3,725)</u>	<u>(56)</u>	<u>(3,725)</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

There were no outstanding Corporate Proposal as at the date of this announcement.

B7 Group Borrowings as at 30 June 2015 are as follows:

	RM'000
a) Current Secured:-	
Term loans and Revolving Credits	130,468
Obligation under finance lease	479
	<u>130,947</u>
b) Non-current Secured:-	
Term loans	250,068
Obligation under finance lease	987
	<u>251,055</u>
Total Borrowings	<u><u>382,002</u></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 the first quarter ended 30 June 2015.

B10 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/15 RM'000	30/06/14 RM'000	30/06/15 RM'000	30/06/14 RM'000
a) Basic earnings per share				
Net profit attributable to owners of the parent	(6,929)	3,969	(6,929)	3,969
Weighted average no. of ordinary share in issue	991,963	975,955	991,963	975,955
Basic earnings per share (sen)	<u><u>(0.70)</u></u>	<u><u>0.41</u></u>	<u><u>(0.70)</u></u>	<u><u>0.41</u></u>
b) Diluted earning per share				
Net profit attributable to ordinary equity holders of the parent	(6,929)	3,969	(6,929)	3,969
Weighted average no. of ordinary share in issue	991,963	975,955	991,963	975,955
Assumed exercise of ESOS	-	13,334	-	13,334
	<u>991,963</u>	<u>989,289</u>	<u>991,963</u>	<u>989,289</u>
Diluted earning per share (sen)	<u><u>(0.70)</u></u>	<u><u>0.40</u></u>	<u><u>(0.70)</u></u>	<u><u>0.40</u></u>

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B11 Profit Before Tax

The following amounts have been included in arriving at profit before tax:

	CURRENT YEAR QUARTER	CURRENT YEAR TODATE
	30/06/15 RM'000	30/06/15 RM'000
Charging:		
Depreciation	592	592
Finance cost	6,089	6,089
Impairment of goodwill	158	158
And crediting:		
Interest income	457	457
Other income	338	338

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

B12 Realised and Unrealised Retained Profit/(Loss) Disclosure

	As at 30/6/15 RM'000	As at 31/03/15 Restated RM'000
Total retained profits		
- Unrealised retained profits	395,150	20,931
- Realised retained profits	185,350	118,126
	580,500	139,057
Add : Consolidation adjustments	(1,167)	72,594
Total Group retained profits	579,333	211,651

Dated : 27 August 2015
Kuala Lumpur, Malaysia

By order of the Board
Chan Yoon Mun
Secretary