

ASIAN PAC HOLDINGS BERHAD (129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THIRD QUARTER ENDED 31 DECEMBER 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
	31/12/15 RM'000	31/12/14 RM'000	31/12/15 RM'000	31/12/14 RM'000
Revenue	47,726	57,283	97,065	170,195
Operating expenses	(43,806)	(50,621)	(92,795)	(151,966)
Other operating income	31,189	1,061	32,696	3,247
Profit from operations	<u>35,109</u>	<u>7,723</u>	<u>36,966</u>	<u>21,476</u>
Finance costs	(7,173)	(1,295)	(20,372)	(4,359)
Share of result of associate	-	-	-	-
Profit before taxation	<u>27,936</u>	<u>6,428</u>	<u>16,594</u>	<u>17,117</u>
Taxation	(381)	(3,194)	(540)	(9,278)
Profit after tax for the period	<u><u>27,555</u></u>	<u><u>3,234</u></u>	<u><u>16,054</u></u>	<u><u>7,839</u></u>
Attributable to:-				
Owners of the Parent	27,559	3,236	16,069	7,847
Non-controlling interests	(4)	(2)	(15)	(8)
	<u><u>27,555</u></u>	<u><u>3,234</u></u>	<u><u>16,054</u></u>	<u><u>7,839</u></u>
EPS				
- Basic (sen)	2.777	0.329	1.619	0.797
- Diluted (sen)	2.777	0.325	1.614	0.788

(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 THIRD QUARTER ENDED 31 DECEMBER 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
	31/12/15 RM'000	31/12/14 RM'000	31/12/15 RM'000	31/12/14 RM'000
Profit after tax for the period	27,555	3,234	16,054	7,839
Other comprehensive expense :				
Fair value loss on available-for-sale financial assets	(602)	(1,705)	(438)	(178)
Total comprehensive income for the period	<u>26,953</u>	<u>1,529</u>	<u>15,616</u>	<u>7,661</u>
Total comprehensive income attributable to :				
Owners of the Parent	26,957	1,531	15,631	7,669
Non-controlling interests	(4)	(2)	(15)	(8)
	<u>26,953</u>	<u>1,529</u>	<u>15,616</u>	<u>7,661</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 31 DECEMBER 2015

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 31/12/15	AS AT PRECEDING FINANCIAL YEAR END 31/03/15
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	35,558	35,838
Land held for property development	54,307	54,068
Investment properties	1,133,136	1,133,136
Intangible assets	14,340	14,796
Investment in associate	-	-
Available-for-sale investments	4,117	4,555
Deferred tax assets	2,572	2,495
	<u>1,244,030</u>	<u>1,244,888</u>
Current Assets		
Property development costs	101,151	98,115
Inventories of completed properties	19,890	23,783
Trade & other receivables	47,489	48,911
Accrued billings in respect of property development costs	15,154	35,142
Accrued income	58	69
Prepayment	18	351
Tax recoverable	7,980	1,371
Financial assets at fair value through profit or loss	-	12,221
Others investment	13,401	13,306
Cash and bank balances	90,494	71,883
	<u>295,635</u>	<u>305,152</u>
TOTAL ASSETS	<u><u>1,539,665</u></u>	<u><u>1,550,040</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	198,513	198,205
Reserves	6,771	7,205
Retained profits	599,352	586,262
Total shareholder's equity	<u>804,636</u>	<u>791,672</u>
Non-Controlling interest	241	256
Total Equity	<u>804,877</u>	<u>791,928</u>
Non Current Liabilities		
Deferred tax liabilities	192,109	192,506
Long Term Trade Creditors	13,142	13,142
Loans and borrowings	224,670	248,490
	<u>429,921</u>	<u>454,138</u>
Current Liabilities		
Loans and borrowings	152,439	127,864
Trade & other payables	145,821	174,886
Prepayment from tenants	990	699
Progress billings in respect of property development costs	5,246	-
Tax payable	371	525
	<u>304,867</u>	<u>303,974</u>
Total liabilities	<u>734,788</u>	<u>758,112</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,539,665</u></u>	<u><u>1,550,040</u></u>
Net assets per share attributable to equity holders of the parent (Sen)	81.1	79.9

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THIRD QUARTER ENDED 31 DECEMBER 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	586,261	791,671	256	791,927
Total comprehensive (expenses) / income for the period	-	-	(438)	16,069	15,631	(15)	15,616
Dividends paid for financial year ended 31 March 2015	-	-	-	(2,978)	(2,978)	-	(2,978)
Issue of ordinary shares pursuant to ESOS	308	124	(120)	-	312	-	312
At 31 December 2015	198,513	3,551	3,220	599,352	804,636	241	804,877
At 1 April 2014	195,063	2,206	201	181,895	379,365	268	379,633
Total comprehensive (expense) income for the period	-	-	(178)	7,847	7,669	(8)	7,661
Dividends paid	-	-	-	(1,980)	(1,980)	-	(1,980)
Share options granted under ESOS	-	-	4,329	-	4,329	-	4,329
Issue of ordinary shares pursuant to ESOS	3,096	1,203	(1,203)	-	3,096	-	3,096
At 31 December 2014	198,159	3,409	3,149	187,762	392,479	260	392,739

(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 THIRD QUARTER ENDED 31 DECEMBER 2015**

(The figures have not been audited)

	31/12/15	31/12/14
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	16,594	17,117
Adjustment for non-cash items :		
Non-cash items	2,189	8,767
Non-operating items	19,158	2,323
Operating profit before working capital changes	<u>37,941</u>	<u>28,207</u>
Changes in Working Capital :		
Decrease in receivables	21,740	34,606
Movement in property development cost	(3,274)	31,143
Movement in stocks	3,893	-
Decrease in payable	(23,526)	(86,243)
Cash generated from operations	<u>36,774</u>	<u>7,713</u>
Interest and dividend received	300	658
Taxation paid	(7,777)	(20,871)
Net cash generated from/(used in) operations	<u>29,297</u>	<u>(12,500)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividend received	915	1,269
Proceed from other investments/placements	12,222	-
Purchase property, plant & equipment (net of disposal)	(1,378)	(3,259)
Investment in investment property	-	(41,149)
Net cash generated from/(used in) investing activities	<u>11,759</u>	<u>(43,139)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from exercise of ESOS	311	3,096
Repayment hire purchase financing (net)	(428)	(324)
Drawdown of Short & Long Term Loan	18,152	287,837
Repayment of Short/Long Term Loan & Financing Cost	(18,078)	(199,375)
Interest paid	(19,424)	(4,359)
Dividend paid	(2,978)	(1,980)
Net cash (used in)/generated from financing activities	<u>(22,445)</u>	<u>84,895</u>
NET CHANGES IN CASH & BANK BALANCES	18,611	29,256
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>90,494</u></u>	<u><u>119,134</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)

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').

MASB has further announced on 28 October 2015 that the Transitioning Entities shall be required to apply the MFRS framework for annual periods beginning on or after 1 January 2018.

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 31 December 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 employees 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 31/12/15	CURRENT YEAR TODATE 31/12/15
No. of ESOS exercise ('000)	-	1,539
Proceeds received (RM '000)	-	311

A7 Dividend

On 18 November 2015, the Company paid a first and final single tier dividend of RM0.003 per ordinary share, amounting RM2,977,692 in respect of the financial year ended 31 March 2015.

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A8 Subsequent Events

There were no material events subsequent to the third quarter ended 31 December 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 RM20,620,900.

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 equity interest	<u>3,502</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	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
	31/12/15 RM'000	31/12/14 RM'000	31/12/15 RM'000	31/12/14 RM'000
<u>Revenue</u>				
Investment holding and others	1,432	177	1,677	264
Property development	38,237	56,004	72,308	166,573
Property investment	313	302	937	891
Mall operations	7,002	-	20,430	-
Carpark operations	742	800	1,713	2,467
Total revenue	<u>47,726</u>	<u>57,283</u>	<u>97,065</u>	<u>170,195</u>
<u>Results</u>				
Investment holding and others	(968)	(2,626)	(3,233)	(7,333)
Property development	34,064	13,391	30,756	46,419
Property investment	(440)	75	1	223
Mall Operations	(3,169)	337	(9,372)	337
Carpark operations	565	387	814	1,195
Less : Share of results of Associated Company	-	-	-	-
	<u>30,052</u>	<u>11,564</u>	<u>18,966</u>	<u>40,841</u>
Adjustments and eliminations	(2,116)	(5,136)	(2,372)	(23,724)
Profit before tax	<u>27,936</u>	<u>6,428</u>	<u>16,594</u>	<u>17,117</u>

Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group recorded a lower revenue of RM47.7 million as compared to preceding year corresponding quarter of RM57.3 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 and Dataran Larkin as compared to the preceding year corresponding quarter.

The Group recorded a profit before tax of RM27.9 million in the current quarter as compared to profit before tax of RM6.4 million in the preceding year corresponding quarter. The higher profit before tax in the current quarter is mainly due to higher other income related to Property Development Division.

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

	Current Quarter 31/12/15 RM'000	Preceding Quarter 30/9/15 RM'000	Variance RM'000
Profit/(loss) before tax	27,936	(4,467)	32,403

The Group recorded a pre-tax profit of RM27.9 million in the current quarter ended 31 December 2015, a positive variance of RM32.4 million from the pre-tax loss of RM4.5 million in the preceding quarter ended 30 September 2015. The increase in pre-tax profit was mainly due to the Property Development Division successfully completed a mixed-development project that entail some construction of infrastructure facilities that enable the Group to receive a grant of RM30.4 million from the federal government in the current quarter.

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 Operations in the current financial year. However, the financing cost which is being charged out to the Income Statement upon commencement of the Mall Operations will substantially affect the operations' results of the Group for the remaining of the financial year.

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 31/12/15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/14 RM'000	CURRENT YEAR TODATE 31/12/15 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/14 RM'000
Company Level				
- current taxation	-	-	-	-
- prior year	-	-	-	-
Subsidiary Companies				
- current taxation	(246)	(3,027)	(405)	(9,111)
- prior year	(135)	(167)	(135)	(167)
	<u>(381)</u>	<u>(3,194)</u>	<u>(540)</u>	<u>(9,278)</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 31 December 2015 are as follows:

	RM'000
a) Current	
Secured:-	
Term loans and Revolving Credits	152,016
Obligation under finance lease	423
	<u>152,439</u>
b) Non-current	
Secured:-	
Term loans	223,729
Obligation under finance lease	941
	<u>224,670</u>
Total Borrowings	<u><u>377,109</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 third quarter ended 31 December 2015.

B10 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER Restated	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD Restated
	31/12/15 RM'000	31/12/14 RM'000	31/12/15 RM'000	31/12/14 RM'000
a) Basic earnings per share				
Net profit attributable to owners				
of the parent	27,559	3,236	16,069	7,847
Weighted average no. of ordinary share in issue	992,358	984,116	992,358	984,116
Basic earnings per share (sen)	<u><u>2.777</u></u>	<u><u>0.329</u></u>	<u><u>1.619</u></u>	<u><u>0.797</u></u>
b) Diluted earning per share				
Net profit attributable to ordinary equity holders of the parent	27,559	3,236	16,069	7,847
Weighted average no. of ordinary share in issue	992,358	984,116	992,358	984,116
Assumed exercise of ESOS	-	10,585	3,169	12,278
	<u>992,358</u>	<u>994,701</u>	<u>995,527</u>	<u>996,394</u>
Diluted earning per share (sen)	<u><u>2.777</u></u>	<u><u>0.325</u></u>	<u><u>1.614</u></u>	<u><u>0.788</u></u>

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(INCORPORATED IN MALAYSIA)

B11 Profit Before Tax

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

	CURRENT YEAR QUARTER	CURRENT YEAR TODATE
	31/12/15 RM'000	31/12/15 RM'000
Charging:		
Allowance of doubtful debts (including reversal of write back)	114	61
Depreciation	569	1,815
Finance cost	7,173	20,372
Impairment of goodwill	200	456
And crediting:		
Interest income	450	1,204
Dividend income	10	10
Other income	30,839	31,690
Fair value gain on short term investment	-	95

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 31/12/15 RM'000	As at 31/03/15 Restated RM'000
Total retained profits		
- Unrealised retained profits	395,035	395,086
- Realised retained profits	207,214	192,186
	<u>602,249</u>	<u>587,272</u>
Add : Consolidation adjustments	(2,897)	(1,010)
Total Group retained profits	<u>599,352</u>	<u>586,262</u>

Dated : 24 February 2016
Kuala Lumpur, Malaysia

By order of the Board
Chan Yoon Mun
Secretary