

ASIAN PAC HOLDINGS BERHAD (129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR SECOND QUARTER ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/14 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/13 RM'000	CURRENT YEAR TO DATE 30/09/14 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/13 RM'000
Revenue	51,136	85,938	112,912	122,018
Operating expenses	(47,394)	(73,206)	(101,345)	(104,442)
Other operating income	929	304	2,186	1,191
Profit from operations	<u>4,670</u>	<u>13,036</u>	<u>13,752</u>	<u>18,767</u>
Finance costs	(1,674)	(557)	(3,064)	(1,158)
Share of result of associate	-	-	-	-
Profit before taxation	<u>2,997</u>	<u>12,479</u>	<u>10,689</u>	<u>17,609</u>
Taxation	(2,359)	(3,421)	(6,084)	(5,550)
Profit after tax for the period	<u><u>637</u></u>	<u><u>9,058</u></u>	<u><u>4,604</u></u>	<u><u>12,059</u></u>
Attributable to:-				
Owners of the Parent	641	9,059	4,610	12,060
Non-controlling interests	(4)	(1)	(6)	(1)
	<u><u>637</u></u>	<u><u>9,058</u></u>	<u><u>4,604</u></u>	<u><u>12,059</u></u>
EPS - Basic (sen)	0.07	0.93	0.47	1.24
- Diluted (sen)	0.07 #	0.93 @	0.46	1.24 @

Note : # The diluted EPS for the Current Year Quarter is negligible.

@ There is no dilutive event for preceding year quarter and preceeding year corresponding period. Therefore, the diluted EPS is the same as basic EPS.

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 SECOND QUARTER ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
		QUARTER		PERIOD
	30/09/14	30/09/13	30/09/14	30/09/13
	RM'000	RM'000	RM'000	RM'000
Profit after tax for the period	637	9,058	4,604	12,059
Other comprehensive income :				
Fair value gain on available-for-sale financial assets	438	155	1,527	714
Total comprehensive income for the period	<u>1,075</u>	<u>9,213</u>	<u>6,131</u>	<u>12,773</u>
Total comprehensive income attributable to :				
Owners of the Parent	1,079	9,214	6,137	12,774
Non-controlling interests	(4)	(1)	(6)	(1)
	<u>1,075</u>	<u>9,213</u>	<u>6,131</u>	<u>12,773</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 2014 and the notes to the Interim Financial Report).

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 30/09/14	AS AT PRECEDING FINANCIAL YEAR END 31/03/14
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	33,820	32,545
Land held for property development	54,068	54,068
Investment properties	386,911	375,764
Intangible assets	15,909	17,275
Investment in associate	-	-
Available-for-sale investments	5,915	4,389
Deferred tax assets	2,136	2,136
	<u>498,760</u>	<u>486,177</u>
Current Assets		
Property development costs	188,862	214,338
Inventories of completed properties	6,690	6,690
Trade & other receivables	44,095	60,556
Accrued billings in respect of property development costs	25,217	42,383
Accrued income	29	29
Prepayment	462	1,359
Tax recoverable	1,115	1,375
Cash and bank balances	206,171	89,878
	<u>472,641</u>	<u>416,608</u>
TOTAL ASSETS	<u>971,401</u>	<u>902,785</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	197,947	195,063
Reserves	7,956	2,407
Retained profits	186,506	181,895
Total shareholder's equity	<u>392,410</u>	<u>379,365</u>
Non-Controlling interest	262	268
Total Equity	<u>392,672</u>	<u>379,633</u>
Non Current Liabilities		
Deferred tax liabilities	49,755	51,712
Long Term Trade Creditors	11,976	11,976
Loans and borrowings	327,378	172,358
	<u>389,109</u>	<u>236,046</u>
Current Liabilities		
Loans and borrowings	78,257	114,906
Trade & other payables	73,645	120,010
Prepayment from tenants	111	655
Progress billings in respect of property development costs	18,789	37,207
Tax payable	18,818	14,328
	<u>189,620</u>	<u>287,106</u>
Total liabilities	<u>578,730</u>	<u>523,152</u>
TOTAL EQUITY AND LIABILITIES	<u>971,402</u>	<u>902,785</u>
Net assets per share attributable to equity holders of the parent (Sen)	39.7	38.9

(The Condensed Consolidated Statement of Financial Position 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 CHANGES IN EQUITY
FOR SECOND QUARTER ENDED 30 SEPTEMBER 2014**

	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 2014	195,063	2,206	201	181,895	379,365	268	379,633
Total comprehensive income for the period	-	-	1,527	4,610	6,137	(6)	6,131
Share options granted under ESOS	-	-	4,022	-	4,022	-	4,022
Issue of ordinary shares pursuant to ESOS	2,884	1,121	(1,121)	-	2,884	-	2,884
At 30 September 2014	<u>197,947</u>	<u>3,327</u>	<u>4,629</u>	<u>186,505</u>	<u>392,408</u>	<u>262</u>	<u>392,670</u>
At 1 April 2013	195,063	2,206	1,108	143,353	341,730	271	342,001
Total comprehensive income for the period	-	-	714	12,060	12,774	(1)	12,773
At 30 September 2013	<u>195,063</u>	<u>2,206</u>	<u>1,822</u>	<u>155,413</u>	<u>354,504</u>	<u>270</u>	<u>354,774</u>

(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 SECOND QUARTER ENDED 30 SEPTEMBER 2014**

(The figures have not been audited)

	30/09/14	30/09/13
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,689	17,609
Adjustment for non-cash items :		
Non-cash items	5,881	3,019
Non-operating items	2,000	265
Operating profit before working capital changes	<u>18,570</u>	<u>20,893</u>
Changes in Working Capital :		
Decrease in receivables	33,761	13,012
Movement in property development cost	25,476	(19,277)
Movement in stocks	-	26
Increase in payable	(65,328)	(6,636)
Cash generated from operations	<u>12,479</u>	<u>8,018</u>
Interest and Dividend received	506	5
Taxation paid	(3,291)	(2,860)
Net cash generated from operations	<u>9,694</u>	<u>5,163</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and Dividend received	499	902
Purchase property, plant & equipment (net of disposal)	(954)	(96)
Investment in investment property	(11,391)	(11,978)
Net cash used in investing activities	<u>(11,846)</u>	<u>(11,172)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed for exercise of ESOS	2,884	-
Repayment hire purchase financing (net)	(200)	(131)
Drawdown of Short & Long Term Loan	200,000	34,195
Repayment of Short & Long Term Loan	(81,175)	(57,783)
Interest paid	(3,064)	(1,158)
Net cash generated from/(used in) financing activities	<u>118,445</u>	<u>(24,877)</u>
NET CHANGES IN CASH & BANK BALANCES	116,293	(30,886)
CASH & BANK BALANCES AT THE BEGINNING OF THE PERIOD	<u>89,878</u>	<u>76,095</u>
CASH & BANK BALANCES AT THE END OF THE PERIOD	<u><u>206,171</u></u>	<u><u>45,209</u></u>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the financial statements for the year ended 31 March 2014 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 2014. 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 2014.

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 2014, 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 periods beginning 1 April 2014:-

FRS 9	:	Financial Instruments
Amendments to FRS 7	:	Financial Instruments - Disclosure (Mandatory Effective Date of FRS 9 and Transition Disclosures)
Amendments to FRS 9	:	Financial Instruments (Mandatory Effective Date of FRS 9 and Transition Disclosures)
Amendments to FRS 10, 12 & 127	:	Investment Entities
Amendments to FRS 11	:	Accounting for Acquisitions of Interests in Joint Operations
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 132	:	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	:	Recoverable Amount Disclosures for Non-Financial Assets
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"		

The adoption of FRS, amendment to FRS and IC Interpretations have no significant impact to the financial statements 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').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

A1 Basis of Preparation (Cont'd)

On 7 August 2013, MASB has decided to allow the Transitioning Entities to defer the adoption of the MFRS Framework for another year. MFRS Framework will therefore be mandated for all companies for annual period beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2016. 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. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the period ended 30 September 2014 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2016.

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 each into new ordinary shares of the Company.

	CURRENT YEAR QUARTER 30/09/14	CURRENT YEAR TODATE 30/09/14
No. of ESOS exercise ('000)	1,627	14,422
Proceeds received (RM)	325	2,884

A7 Dividend

There is no dividend paid for second quarter ended 30 September 2014.

A8 Subsequent Events

There were no material events subsequent to the second quarter ended 30 September 2014 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 RM20,486,015.00.

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
	30/09/14	30/09/13	30/09/14	30/09/13
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Investment holding and others	25	3	87	6
Property development	50,011	85,002	110,569	120,143
Property investment	295	288	589	577
Carpark operations	805	645	1,667	1,292
Total revenue	<u>51,136</u>	<u>85,938</u>	<u>112,912</u>	<u>122,018</u>
<u>Results</u>				
Investment holding and others	(2,026)	(754)	(5,128)	(922)
Property development	4,560	12,892	14,861	17,849
Property investment	73	87	148	172
Carpark operations	390	254	808	510
Less : Share of results of Associated Company	-	-	-	-
Profit before tax	<u>2,996</u>	<u>12,479</u>	<u>10,688</u>	<u>17,609</u>

Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group recorded a lower revenue of RM51.1 million as compared to preceding year corresponding quarter of RM85.9 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 1 and Fortune Perdana as compared to the preceding year corresponding quarter.

The Group recorded a profit before tax of RM3.0 million in the current quarter as compared to profit before tax of RM12.5 million in the preceding year corresponding quarter. The lower profit before tax in the current quarter is mainly due lower revenue recognised for the property development projects mentioned above, higher professional fee and financing cost.

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

	Current Quarter	Preceding Quarter	Variance
	30/9/14	30/6/14	
	RM'000	RM'000	RM'000
Profit before tax	2,996	7,692	(4,696)

The Group recorded a pre-tax profit of RM3.0 million in the current quarter ended 30 September 2014, a negative variance of RM4.7 million from the pre-tax profit of RM7.7 million in the preceding quarter ended 30 June 2014. The decrease in pre-tax profit was mainly due to lower profit recognised for the development projects and higher finance cost incurred.

B3 Prospects

The main revenue driver of the Group in the current financial period is from the property development division. The Group has an unbilled sales of RM427 million as at 30 September 2014 for its development projects in Kota Kinabalu, Johor and Kuala Lumpur and balance of RM107 million properties to be sold in the current financial year. We anticipate 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	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/14	30/09/13	30/09/14	30/09/13
	RM'000	RM'000	RM'000	RM'000
Company Level				
- current taxation	-	-	-	-
- prior year	-	-	-	-
Subsidiary Companies				
- current taxation	(2,359)	(3,421)	(6,084)	(5,550)
- prior year	-	-	-	-
	<u>(2,359)</u>	<u>(3,421)</u>	<u>(6,084)</u>	<u>(5,550)</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 ("SPA") 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 had exercised its discretion to extend the time frame indefinitely for the private caveat to be withdrawn or removed until the acquisition takes place.

On 31 January 2012, the High Court at Shah Alam had decided in favour of Vee Seng Development Sdn Bhd and BH Builders on the basis that the said private caveat had been wrongfully lodged over the Said Land by the caveator and ordered for the said private caveat to be removed and cancelled accordingly. This had been further reaffirmed by the decision of the Court of Appeal on 24 April 2014 whereby the appeal filed by the caveator has been dismissed with cost. The Group is now at the final stage of completing the Proposed Acquisition.

The Proposed Acquisition has been completed on 31 October 2014.

B7 Group Borrowings as at 30 September 2014 are as follows:

	RM'000
a) Current Secured:-	
Term loans	77,831
Obligation under finance lease	426
	<u>78,256</u>
b) Non-current Secured:-	
Term loans	98,229
Private debt securities	228,065
Obligation under finance lease	1,084
	<u>327,377</u>
Total Borrowings	<u><u>405,633</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 second quarter ended 30 September 2014.

B10 Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/14	30/09/13	30/09/14	30/09/13
	RM'000	RM'000	RM'000	RM'000
a) Basic earnings per share				
Net profit attributable to owners of the parent	641	9,059	4,610	12,060
Weighted average no. of ordinary share in issue	980,848	975,315	980,848	975,315
Basic earnings per share (sen)	<u>0.07</u>	<u>0.93</u>	<u>0.47</u>	<u>1.24</u>
b) Diluted earning per share				
Net profit attributable to ordinary equity holders of the parent	641	9,059	4,610	12,060
Weighted average no. of ordinary share in issue	980,848	975,315	980,848	975,315
Assumed exercise of ESOS	14,343	@	14,343	@
	<u>995,191</u>	<u>975,315</u>	<u>995,191</u>	<u>975,315</u>
Diluted earning per share (sen)	<u>0.07</u>	<u>0.93</u>	<u>0.46</u>	<u>1.24</u>

The diluted EPS for the Current Year Quarter is negligible.

@ There is no dilutive event for preceding year quarter and preceeding year corresponding period. Therefore, the diluted EPS is the same as basic EPS.

ASIAN PAC HOLDINGS BERHAD (129-T)
(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
	30/09/14 RM'000	30/09/14 RM'000
Charging:		
Depreciation	703	1,128
Allowance for doubtful debts	108	211
Finance cost	1,674	3,064
Impairment of goodwill	580	1,366
And crediting:		
Interest income	360	1,064
Other income	381	536
Writeback of allowance of doubtful debts	215	676
	<u>215</u>	<u>676</u>

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 30/09/14	As at 31/03/14
	RM'000	RM'000
Total retained profits / (accumulated losses)		
- Unrealised accumulated losses	(8,330)	(8,825)
- Realised retained profits	137,202	118,126
	<u>128,872</u>	<u>109,301</u>
Add : Consolidation adjustments	57,634	72,594
Total group retained profits	<u>186,506</u>	<u>181,895</u>

Dated : 25 September 2014
Kuala Lumpur, Malaysia

By order of the Board
Chan Yoon Mun
Secretary