

ASIAN PAC HOLDINGS BERHAD (129-T)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR SECOND QUARTER ENDED 30 SEPTEMBER 2015**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/14 RM'000	CURRENT YEAR TO DATE 30/09/15 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/14 RM'000
Revenue	28,272	51,136	49,339	112,912
Operating expenses	(26,537)	(47,395)	(48,989)	(101,346)
Other operating income	908	929	1,507	2,186
Profit from operations	<u>2,643</u>	<u>4,670</u>	<u>1,857</u>	<u>13,752</u>
Finance costs	(7,110)	(1,674)	(13,199)	(3,064)
Share of result of associate	-	-	-	-
(Loss) / Profit before taxation	<u>(4,467)</u>	<u>2,996</u>	<u>(11,342)</u>	<u>10,688</u>
Taxation	(103)	(2,359)	(159)	(6,084)
(Loss) / Profit after tax for the period	<u><u>(4,570)</u></u>	<u><u>637</u></u>	<u><u>(11,501)</u></u>	<u><u>4,604</u></u>
Attributable to:-				
Owners of the Parent	(4,561)	641	(11,490)	4,610
Non-controlling interests	(9)	(4)	(11)	(6)
	<u><u>(4,570)</u></u>	<u><u>637</u></u>	<u><u>(11,501)</u></u>	<u><u>4,604</u></u>
EPS				
- Basic (sen)	(0.460)	0.065	(1.158)	0.470
- Diluted (sen)	(0.460)	0.064	(1.158)	0.463

(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 SECOND QUARTER ENDED 30 SEPTEMBER 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
	30/09/15 RM'000	30/09/14 RM'000	30/09/15 RM'000	30/09/14 RM'000
(Loss) / Profit after tax for the period	(4,570)	637	(11,501)	4,604
Other comprehensive income :				
Fair value gain on available-for-sale financial assets	-	438	164	1,527
Total comprehensive (expense) / income for the period	<u>(4,570)</u>	<u>1,075</u>	<u>(11,337)</u>	<u>6,131</u>
Total comprehensive (expense)/income attributable to :				
Owners of the Parent	(4,561)	1,079	(11,326)	6,137
Non-controlling interests	(9)	(4)	(11)	(6)
	<u>(4,570)</u>	<u>1,075</u>	<u>(11,337)</u>	<u>6,131</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 SEPTEMBER 2015**

(The figures have not been audited)

	AS AT END OF CURRENT QUARTER 30/09/15	AS AT PRECEDING FINANCIAL YEAR END 31/03/15
	RM'000	RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	35,748	35,838
Land held for property development	54,068	54,068
Investment properties	1,133,136	1,133,136
Intangible assets	14,540	14,796
Investment in associate	-	-
Available-for-sale investments	4,718	4,555
Deferred tax assets	2,572	2,495
	<u>1,244,782</u>	<u>1,244,888</u>
Current Assets		
Property development costs	99,976	98,115
Inventories of completed properties	23,783	23,783
Trade & other receivables	45,239	48,911
Accrued billings in respect of property development costs	36,135	35,142
Accrued income	54	69
Prepayment	103	351
Tax recoverable	8,487	1,371
Financial assets at fair value through profit or loss	-	12,221
Others investment	13,370	13,306
Cash and bank balances	44,332	71,883
	<u>271,479</u>	<u>305,152</u>
TOTAL ASSETS	<u><u>1,516,261</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	7,372	7,206
Retained profits	574,772	586,261
Total shareholder's equity	<u>780,657</u>	<u>791,672</u>
Non-Controlling interest	245	256
Total Equity	<u>780,902</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	251,332	248,490
	<u>457,056</u>	<u>454,138</u>
Current Liabilities		
Loans and borrowings	130,306	127,864
Trade & other payables	142,172	174,886
Prepayment from tenants	118	699
Progress billings in respect of property development costs	5,564	-
Tax payable	144	525
	<u>278,304</u>	<u>303,974</u>
Total liabilities	<u>735,360</u>	<u>758,112</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,516,262</u></u>	<u><u>1,550,040</u></u>
Net assets per share attributable to equity holders of the parent (Sen)	78.7	79.9

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR SECOND QUARTER ENDED 30 SEPTEMBER 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 (expenses) / income for the period	-	-	164	(11,490)	(11,326)	(11)	(11,337)
Issue of ordinary shares pursuant to ESOS	308	124	(121)	-	311	-	311
At 30 September 2015	198,513	3,551	3,821	574,772	780,657	245	780,902
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	197,947	3,327	4,629	186,505	392,408	262	392,670

(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 2015**

(The figures have not been audited)

	30/09/15	30/09/14
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(11,342)	10,688
Adjustment for non-cash items :		
Non-cash items	1,335	5,881
Non-operating items	12,445	2,000
Operating profit before working capital changes	<u>2,438</u>	<u>18,569</u>
Changes in Working Capital :		
Decrease in receivables	2,997	33,761
Movement in property development cost	(1,860)	25,476
Decrease in payable	(27,729)	(65,328)
Cash used in operations	<u>(24,154)</u>	<u>12,478</u>
Interest and dividend received	259	506
Taxation paid	(7,656)	(3,291)
Net cash (used in)/generated from operations	<u>(31,551)</u>	<u>9,693</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividend received	510	499
Proceed from other investments/placements	12,253	-
Purchase property, plant & equipment (net of disposal)	(1,158)	(954)
Investment in investment property	-	(11,391)
Net cash generated from/(used in) investing activities	<u>11,605</u>	<u>(11,846)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from exercise of ESOS	311	2,884
Repayment hire purchase financing (net)	(299)	(200)
Drawdown of Short & Long Term Loan	15,153	200,000
Repayment of Short/Long Term Loan & Financing Cost	(10,201)	(81,175)
Interest paid	(12,569)	(3,064)
Net cash (used in)/generated from financing activities	<u>(7,605)</u>	<u>118,445</u>
NET CHANGES IN CASH & BANK BALANCES	(27,551)	116,292
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>44,332</u></u>	<u><u>206,170</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 30 September 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 30/09/15	CURRENT YEAR TODATE 30/09/15
No. of ESOS exercise ('000)	75	1,539
Proceeds received (RM '000)	15	311

A7 Dividend

There is no dividend paid for second quarter ended 30 September 2015.

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A8 Subsequent Events

There were no material events subsequent to the second quarter ended 30 September 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
	30/09/15 RM'000	30/09/14 RM'000	30/09/15 RM'000	30/09/14 RM'000
<u>Revenue</u>				
Investment holding and others	49	25	245	87
Property development	19,209	50,011	34,071	110,569
Property investment	312	295	624	589
Mall operations	7,991	-	13,428	-
Carpark operations	711	805	971	1,667
Total revenue	<u>28,272</u>	<u>51,136</u>	<u>49,339</u>	<u>112,912</u>
<u>Results</u>				
Investment holding and others	(1,188)	(1,784)	(2,265)	(4,707)
Property development	(682)	10,107	(3,308)	33,028
Property investment	218	73	441	148
Mall Operations	(2,959)	-	(6,203)	-
Carpark operations	242	390	249	808
Less : Share of results of Associated Company	-	-	-	-
	<u>(4,369)</u>	<u>8,786</u>	<u>(11,086)</u>	<u>29,277</u>
Adjustments and eliminations	(98)	(5,789)	(256)	(18,588)
(Loss)/Profit before tax	<u>(4,467)</u>	<u>2,997</u>	<u>(11,342)</u>	<u>10,689</u>

Current Quarter vs Previous Year Corresponding Quarter

For the current quarter under review, the Group recorded a lower revenue of RM28.3 million as compared to preceding year corresponding quarter of RM51.1 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 loss before tax of RM4.5 million in the current quarter as compared to profit before tax of RM3.0 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 30/9/15 RM'000	Preceding Quarter 30/6/15 RM'000	Variance RM'000
Profit before tax	(4,467)	(6,875)	2,408

The Group recorded a pre-tax loss of RM4.5 million in the current quarter ended 30 September 2015, a positive variance of RM2.4 million from the pre-tax loss of RM6.9 million in the preceding quarter ended 30 June 2015. The decrease in pre-tax loss in the current quarter was mainly due to revenue increased by 29% and 47% from the Property Development Division and Mall Operations respectively as compared to the preceding 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 contribution from the Property Development Division will be affected by the current negative economics environment as it will affect the sale of our existing stock and the launching of the new projects.

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 30/09/15 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/14 RM'000	CURRENT YEAR TODATE 30/09/15 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/09/14 RM'000
Company Level				
- current taxation	-	-	-	-
- prior year	-	-	-	-
Subsidiary Companies				
- current taxation	(103)	(2,359)	(159)	(6,084)
- prior year	-	-	-	-
	<u>(103)</u>	<u>(2,359)</u>	<u>(159)</u>	<u>(6,084)</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 September 2015 are as follows:

	RM'000
a) Current	
Secured:-	
Term loans and Revolving Credits	129,872
Obligation under finance lease	434
	<u>130,306</u>
b) Non-current	
Secured:-	
Term loans	250,433
Obligation under finance lease	899
	<u>251,332</u>
Total Borrowings	<u><u>381,638</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 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
	30/09/15 RM'000	30/09/14 RM'000	30/09/15 RM'000	30/09/14 RM'000
a) Basic earnings per share				
Net profit attributable to owners				
of the parent	(4,561)	641	(11,490)	4,610
Weighted average no. of ordinary share in issue	992,252	980,848	992,252	980,848
Basic earnings per share (sen)	<u>(0.460)</u>	<u>0.065</u>	<u>(1.158)</u>	<u>0.470</u>
b) Diluted earning per share				
Net profit attributable to ordinary equity holders of the parent	(4,561)	641	(11,490)	4,610
Weighted average no. of ordinary share in issue	992,252	980,848	992,252	980,848
Assumed exercise of ESOS	-	14,190	-	14,343
	<u>992,252</u>	<u>995,038</u>	<u>992,252</u>	<u>995,191</u>
Diluted earning per share (sen)	<u>(0.460)</u>	<u>0.064</u>	<u>(1.158)</u>	<u>0.463</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
	30/09/15 RM'000	30/09/15 RM'000
Charging:		
Depreciation	654	1,246
Finance cost	7,110	13,199
Impairment of goodwill	98	256
And crediting:		
Interest income	297	754
Other income	513	851
Fair value gain on short term investment	95	95
Writeback of allowance of doubtful debts	53	53
	<u>53</u>	<u>53</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 30/6/15	As at 31/03/15
	RM'000	Restated RM'000
Total retained profits		
- Unrealised retained profits	395,150	20,931
- Realised retained profits	180,878	118,126
	<u>576,028</u>	<u>139,057</u>
Add : Consolidation adjustments	(1,257)	72,594
Total Group retained profits	<u>574,771</u>	<u>211,651</u>

Dated : 26 November 2015
Kuala Lumpur, Malaysia

By order of the Board
Chan Yoon Mun
Secretary