

## ASIA PACIFIC LAND BERHAD (4069-K)

(INCORPORATED IN MALAYSIA)

### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2006

		Individual Quarter (Q3)		Cumulative Quarter	
Note		CURRENT YEAR QUARTER 30/09/2006 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/09/2005 RM'000	CURRENT PERIOD TO DATE 30/09/2006 RM'000	PRECEDING YEAR PERIOD TO DATE 30/09/2005 RM'000
	Revenue	16,067	26,607	52,166	101,219
	Operating expenses	(19,159)	(25,862)	(86,260)	(96,788)
	Other operating income	757	5,553	4,558	7,472
	(Loss) / Profit from operations	(2,335)	6,298	(29,536)	11,903
	Finance costs, net	(1,969)	(1,003)	(4,382)	(3,923)
	(Loss) / Profit before taxation	(4,304)	5,295	(33,918)	7,980
	Taxation	406	(498)	61	(2,614)
	(Loss) / Profit after taxation	(3,898)	4,797	(33,857)	5,366
	Earnings per share (sen) Basic	(0.55)	0.68	(4.77)	0.76

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

**ASIA PACIFIC LAND BERHAD (4069-K)**

(INCORPORATED IN MALAYSIA)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2006**

	← Non-distributable	→	Exchange	Distributable		
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Fluctuation Reserve RM'000	Accumulated Losses RM'000	Total RM'000
<b>At 1 January 2005</b>	710,341	62,372	93,610	6,286	(85,079)	787,530
Currency exchange translation difference ^	-	-	-	69	-	69
Profit for the period	-	-	-	-	5,366	5,366
<b>At 30 September 2005</b>	<u>710,341</u>	<u>62,372</u>	<u>93,610</u>	<u>6,355</u>	<u>(79,713)</u>	<u>792,965</u>
<b>At 1 January 2006</b>	710,341	62,372	83,773	6,242	(91,690)	771,038
Reversal of Revaluation Reserve	-	-	(5,369)	-	-	(5,369)
Currency exchange translation difference ^	-	-	-	(36)	-	(36)
Loss after taxation for the financial period	-	-	-	-	(33,857)	(33,857)
<b>At 30 September 2006</b>	<u>710,341</u>	<u>62,372</u>	<u>78,404</u>	<u>6,206</u>	<u>(125,547)</u>	<u>731,776</u>

Note: ^ represents gains not recognised in income statements.

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

# ASIA PACIFIC LAND BERHAD (4069-K)

(INCORPORATED IN MALAYSIA)

## UNAUDITED CONDENSED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2006

	9 months ended	
	30/09/2006	30/09/2005
	RM'000	RM'000
Net cash (used in) / generated from operating activities	(22,153)	22,408
Net cash generated from investing activities	41,165	6,587
Net cash generated from /(used in) financing activities	5,428	(28,588)
<b>Net increase in cash and cash equivalents</b>	<u>24,440</u>	<u>407</u>
<b>Effect of exchange rate on cash and cash equivalents</b>	(36)	7
<b>Cash and cash equivalents at beginning of financial period</b>	69	6,361
<b>Cash and cash equivalents at end of financial period</b>	<u>24,473</u>	<u>6,775</u>

Cash and cash equivalents at end of financial period comprise of the following:

Cash and bank balances	8,665	9,898
Deposits with licensed banks & finance companies	20,849	1,874
Bank overdrafts (secured)	(5,042)	(4,997)
	<u>24,473</u>	<u>6,775</u>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

# ASIA PACIFIC LAND BERHAD (4069-K)

(INCORPORATED IN MALAYSIA)

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2006

		UNAUDITED AS AT END OF CURRENT QUARTER 30/09/2006 RM'000	AUDITED AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/2005 RM'000
<b>Non-Current Assets</b>			
Property, plant and equipment	9	364,289	410,882
Land held for property development		148,455	167,691
Investment properties	9	442,500	473,368
Other investments		50	50
Deferred tax assets		22,913	22,080
		978,207	1,074,071
<b>Current Assets</b>			
Property development costs		144,282	145,371
Inventories		42,312	26,939
Trade receivables		26,120	37,742
Other receivables		28,420	15,583
Tax recoverable		-	-
Deposits with licensed banks & finance companies		20,849	229
Cash and bank balances		8,665	4,804
		270,648	230,668
<b>Current Liabilities</b>			
Short term borrowings	20	39,591	51,580
Trade payables		22,503	34,180
Other payables		63,119	68,394
Provisions for taxation		25,124	30,534
		150,337	184,688
<b>Net Current Assets</b>		120,312	45,980
		1,098,519	1,120,051
<b>Financed By:</b>			
Share capital		710,341	710,341
Reserves		21,435	60,697
<b>Shareholders' equity</b>		731,776	771,038
Long term borrowings	20	317,160	299,332
Deferred tax liabilities		49,583	49,681
<b>Non-Current Liabilities</b>		366,743	349,013
		1,098,519	1,120,051
Net assets per share (RM)		1.0302	1.0854

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.

# ASIA PACIFIC LAND BERHAD ( 4069-K)

(INCORPORATED IN MALAYSIA)

## PART A - EXPLANATORY NOTES PURSUANT TO FRS 134

### 1 Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2005. These 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 December 2005.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 December 2005.

### 2 Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 December 2005 was not qualified.

### 3 Comments About Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors other than the hotel performance which is usually influenced positively by the festive seasons and holidays.

### 4 Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual due to their nature, size or incidence for the current quarter except as mentioned in Note 19.

### 5 Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 2006.

### 6 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial period to date.

**ASIA PACIFIC LAND BERHAD ( 4069-K)**  
(INCORPORATED IN MALAYSIA)

**PART A - EXPLANATORY NOTES PURSUANT TO FRS 134**

**7 Dividends Paid**

There were no dividends paid during the financial period under review.

**8 Segmental Information**

	3 months ended		9 months ended	
	30.09.2006	30.09.2005	30.09.2006	30.09.2005
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Revenue from continuing operations:				
Hotel	8,182	11,144	24,018	27,187
Property Development	2,267	8,986	11,306	57,476
Property Investment	6,905	7,865	20,644	22,051
Others	1,256	1,243	4,060	3,744
Total revenue including inter- segment sales	<u>18,610</u>	<u>29,238</u>	<u>60,028</u>	<u>110,458</u>
Elimination of inter-segment sales	(2,543)	(2,631)	(7,862)	(9,239)
Total revenue from continuing operations	<u>16,067</u>	<u>26,607</u>	<u>52,166</u>	<u>101,219</u>
<b>Segment Results</b>				
Results from continuing operations:				
Hotel	2,183	7,348	1,831	9,241
Property Development	(7,462)	(3,388)	(18,612)	(4,184)
Property Investment	2,795	3,699	(14,259)	9,847
Others	22	(671)	(287)	(1,739)
	<u>(2,462)</u>	<u>6,989</u>	<u>(31,327)</u>	<u>13,166</u>
Eliminations	129	(691)	1,791	(1,263)
Total results from continuing operations	<u>(2,335)</u>	<u>6,298</u>	<u>(29,536)</u>	<u>11,903</u>

**9 Carrying Amount of Revalued Assets**

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the financial statements for the year ended 31 December 2005 except for Empire Tower and City Square Shopping Complex which has been revalued at net realisable value as disclosed in note 19.

**10 Changes in the Composition of the Group**

There were no material changes in the composition of the Group during the financial period to date including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations except as disclosed in note 19.

**11 Changes in Contingent Liabilities and Contingent Assets**

The secured guarantee given by a subsidiary company to a third party for rights to enter and construct a road on the third party's land totaling RM4.2 million has been withdrawn. Except as stated herein, there were no changes in contingent liabilities since 31 December 2005.

**12 Subsequent Events**

There were no material transactions or events subsequent to the current quarter ended 30 September 2006 till 27 November 2006 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

# ASIA PACIFIC LAND BERHAD ( 4069-K)

(INCORPORATED IN MALAYSIA)

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

### **13 Performance Review**

The Group recorded total revenue of RM16.1 million and a loss of RM3.9 million for the current quarter ended 30 September 2006 as compared to total revenue of RM26.6 million and profit after tax of RM4.8 million for the corresponding quarter of last year.

The Hotel Division has been able to maintain its earnings during the quarter under review. The reported decline in the results from Hotel Division was mainly due to the non recurring gain of RM4 million arising from the disposal of a piece of hotel land recognised in the corresponding quarter of 2005. Although the Hotel and Property Investment Division were still the major contributors toward the profit for the current quarter, these profits were off-set by the losses incurred by the Property Development Division.

Apart from the Hotel and Property Investment Division, the Tasik Puteri Golf & Country Club has also contributed to the Group's revenue.

### **14 Variations of Results Against The Preceding Quarter**

The Group recorded a revenue of RM16.1 million, compared to RM14.8 million recorded in the immediate preceding quarter. The current quarter Group loss of RM3.9 million as compared to the loss of RM31.2 million in preceding quarter is primarily due to the impairment loss of RM23 million in respect of Empire Tower Office and the loss from disposal of RM1.6million on Ferringhi Beach Hotel's assets which has been adjusted in the immediate preceding quarter performance.

The effect of an increase in the interest rates and other external uncertainties have contributed to the continued soft property market conditions in the current quarter. Slower sales and higher sales termination due to purchasers unable to obtain loan continued in Bandar Tasik Puteri project.

### **15 Prospects**

Until completion of the sale of City Square Centre as disclosed in note 19, the Hotel and Property Investment Division are expected to continue to be the major contributors of profits for the current financial period.

For the Property Development Division the Group will focus on its product development, improvement to its costs structure and marketing strategies so as to put itself in a better position when the market improve.

The Property Development Division is expected to see some improvement in the year 2007 as the progress of construction of MyHabitat Serviced Residences advances progressively.

# ASIA PACIFIC LAND BERHAD ( 4069-K)

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

### 16 Profit Forecast and Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

### 17 Taxation

	<b>3 months ended 30.09.2006 RM'000</b>	<b>9 months ended 30.09.2006 RM'000</b>
Income tax		
Charge for the year	(240)	652
Over provided in prior years	(166)	(166)
	<u>(406)</u>	<u>486</u>
Deferred tax		
Due to origination and reversal of timing differences	(0)	(547)
Over provided in prior years	(0)	(547)
	<u>(0)</u>	<u>(547)</u>
	<u>(406)</u>	<u>(61)</u>

The effective rate of taxation of the Group is lower than the statutory rate of taxation due to utilisation of losses from property division as group relief and reversal of over provision of taxation in prior years.

### 18 Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and properties (classified under property, plant and equipment or investment properties) during the 9 months financial period ended 30 September 2006 except as disclosed in note 19.

# ASIA PACIFIC LAND BERHAD ( 4069-K)

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

### 19 Status of Corporate Proposals

The following are the corporate proposals that have been announced by the Company but not completed as at 27 November 2007, the latest practicable which shall not be earlier than 7 days from the date of this announcement :-

#### Disposal of Investment Properties and Hotel

City Square Properties Sdn. Bhd., APL Hotel Sdn. Bhd. and Empire Tower (Malaysia) Sdn. Bhd., all wholly owned subsidiaries of Asia Pacific Land Berhad had on 15 August 2006 entered into an agreement with MGP 1 (MAL) Sdn. Bhd. (formerly known as Affluent Impact Sdn. Bhd.), to dispose the City Square Centre comprising of City Square Shopping Complex, Crown Princess Hotel and Empire Tower office block, all located at Jalan Tun Razak, 50400 Kuala Lumpur for a total consideration of RM680 million, the breakdown of which are as follows:-

- i) City Square Shopping Complex will be disposed at a sale consideration of RM170.0 million and its audited net book value as at 31 December 2005 is RM175.4 million with a loss on disposal of RM5.4 million which has been set off against the Revaluation Reserves in the immediate preceding quarter.
- ii) Crown Princess Hotel will be disposed at a sale consideration of RM240 million which is same with its audited net book value as at 31 December 2005 of RM240 million.
- iii) Empire Tower will be disposed at a sale consideration of RM270 million as compared to its audited net book value as at 31 December 2005 is RM293 million. The impairment in value of RM23 million has been provided in the immediate preceding quarter.

The net proceeds arising from the proposed disposal will be utilised as follows:-

	RM 'mil
Repayment of bank borrowings and interest of AP Land Group	335.54
Future investment	203.36
Working capital	106.50
Estimated expenses of the proposed disposal	34.60
	<u>680.00</u>

Foreign Investment Committee (FIC) has vide its letter dated 13 October 2006 given its conditional approval on the proposed acquisition by MGP 1(MAL) Sdn. Bhd. ("MGP 1") of City Square Centre with the condition that MGP 1 must achieve at least 30% bumiputra Equity before 31 December 2008 and increase its paid up share capital to at least RM250,000 within six months from the date of FIC's approval.

The proposed disposals are still conditional upon approvals being obtained from the followings:-

- a. Securities Commission
- b. State Authorities under Sec. 433(B) of the National Land Code, 1965 for the proposed acquisition of the properties by the purchaser, and
- c. The Shareholders of Asia Pacific Land at an Extraordinary General Meeting to be convened.

The proposed disposal is expected to be completed in the first quarter year 2007.

# ASIA PACIFIC LAND BERHAD ( 4069-K)

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

### 20 Borrowings and Debt Securities

	As at 30.09.2006 RM'000
<b>Short Term Borrowings :</b>	
Secured	
Bank overdrafts	5,042
Bridging loan	21,397
Revolving credit	-
Short term portion of long term loan	12,746
Hire purchase payables	406
Total	<u>39,591</u>
<b>Long Term Borrowings :</b>	
Secured	
Term loans	316,717
Hire purchase payables	443
Total	<u>317,160</u>
Total Borrowings	<u>356,751</u>

There is no foreign loan included in the above borrowings.

### 21 Off Balance Sheet Financial Instruments

The Group has no financial instruments with off balance sheet risk as at 27 November 2006, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

### 22 Changes in Material Litigation

- (a) The Company and 4 of its subsidiary companies together with Low Yat Construction Company Sdn Berhad are suing Kumpulan Jurutera Maju Sdn Bhd, Setegap Bhd, The Universal Builder Sdn Bhd (the first suit) and Datuk Bandar Kuala Lumpur (the second suit) respectively for negligence and nuisance in connection to the construction of an underpass along Jalan Tun Razak at the main frontage and access road to City Square Centre.

AP Land's solicitors attended Court on 6 November 2006 to obtain an adjournment of trial for the above. The High Court has fixed a mention date for the First Suit on 1 March 2007.

- (b) A wholly owned subsidiary of Asia Pacific Land Berhad, Rawang Lakes Sdn. Bhd. (RLSB) is counter claiming for damages and loss for breach of contract against the claim by one of its contractor Mampu Jaya Sdn. Bhd. (MJSB), for the payment of workdone. Both parties suit have been withdrawn on the application to set aside the ex- parte interim injunction as the issue of the structural design is now rendered academic with the completion of the houses. RLSB will be amending the counter claim amount and the court has set 9 January 2007 for Case Management and trials dates are fixed on 5 to 8 July 2010.

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

### 23 Dividend Payable

The Board of Directors does not recommend any dividend payment for the third quarter ended 30 September 2006.

### 24 Earnings per Share

The basic earnings per share for the periods are based on the Groups profit after taxation for the period divided by the number of ordinary shares of the company in issue during the periods as follows:

	<b>3 months ended 30.09.2006</b>	<b>9 months ended 30.09.2006</b>
Loss for the period (RM'000)	(3,898)	(33,857)
No. of ordinary shares in issue ('000)	710,341	710,341
Basic earnings per share (sen)	<u>(0.55)</u>	<u>(4.77)</u>

Fully diluted earnings per share is not shown as the effect of the assumed full exercise of Employees' Share Option Scheme is anti- dilutive.

### 25 Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 November 2006.

By Order of the Board

Mdm Oh Leen May  
Mdm Chan Kam Lye  
Company Secretaries

27 November 2006