

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2006

NOTES TO THE INTERIM FINANCIAL REPORT

A 1. Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with FRS 134, Interim Financial Reporting (Formerly known as MASB 26) and Paragraph 9.22 and part A of Appendix 9B of Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2005.

A 2. Audit Report

The preceding audited financial statements for the year ended 31 December 2005 was not qualified.

A 3. Seasonal or Cyclical Factors

The Group's operations were not significantly affected by seasonal or cyclical factors in this financial period to date other than the hotel performance which is usually influenced positively by the festive seasons and holiday.

A 4. Unusual Items

There were no material items affecting assets, liabilities equity, net income or cash flows that are unusual because of their nature, size or incidence.

A 5. Changes in Estimate

There were no material changes in estimate which have a material effect in the current interim period.

A 6. Debts and Equity Securities

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

A 7. Dividends Paid

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

NOTES TO THE INTERIM FINANCIAL REPORT

A8. Segmental Reporting

Analysis by business segment of industries for the quarter ended 31 March 2006 :

	Hotel RM ' 000	Property Development RM ' 000	Property Investment RM ' 000	Others RM ' 000	Consolidated RM ' 000
Revenue					
External Sales	8,180	5,591	6,140	1,390	21,301
Results					
Segment operating profit/(loss)	993	(1,324)	2,559	64	2,292
Net finance cost					(1,149)
Profit before taxation					1,143
Taxation					107
Profit after taxation					1,250

A9. Valuation of Property, Plant and Equipment and Investment Property

The valuations of property, plant and equipment and investment property have been brought forward without amendments from the previous financial statements.

A10. Subsequent Events

a) Disposal of Land

Subsequent to the quarter ended 31st March 2006, Kinasurya Sdn Bhd, a wholly owned subsidiary of Asia Pacific Land Berhad, has on 3rd May 2006, entered into an agreement to sell a piece of long leasehold land for a total consideration of RM3.80 million. Book value of the property as at 31st March 2006 is RM3.2 million. Completion is expected to be in the third quarter of year 2006.

A11. Effect of changes in the composition of the Group

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

A12. Changes in contingent liabilities

There were no material changes in contingent liabilities since 31 December 2005.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA
MALAYSIA SECURITIES BERHAD**

B1. Review of Performance

The Group registered a profit before taxation of RM1.14 million for the current quarter under review as compared to a profit before taxation of RM1.55 million for the corresponding quarter last year.

The Property Investment Division was the major contributor towards the profit for the quarter under review amidst improving rentals rates although occupancies has reduced slightly. The profit was partly off-set by the losses incurred by the Property Development Division.

The Property Development Division which recorded lower sales and progress billings as compared to the corresponding period last year turned in a loss .

The Hotel Division maintained its operating profit contribution to the Group.

B2. Comment on material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter

The Group registered a profit before taxation of RM1.14 million for the current quarter under review as compared to a loss before taxation of RM15.2 million for the fourth quarter of 2005. The loss registered in the fourth quarter of 2005 was due mainly to the impairment and deficit in revaluation of its property, plant and equipment and investment property amounting to RM9.9 million as well as the impact from sales of the Property Development Division terminated due to purchasers unable to obtain loans.

B3. Prospects

Outlook for the Hotel Division remain positive. The sale of the Ferringhi Beach Hotel in Penang, which is expected to complete in the second quarter of 2006, will not have a material impact on the operational profit contributions of the Hotel Division to the Group. With the anticipated improvement in tourist arrivals and the improvement in the convention and exhibition sectors with the opening of the neighbouring KLCC Convention Centre in 2005, our city hotel will continue to put in place strategies to capture a bigger share of this market.

The Property Investment Division is also expected to benefit from the improvement in market rental rates. This will flow in as the existing tenancies come up for renewals as well as new tenancies to be secured.

For the year ahead, Property Development Division is not expected to have any significant improvement. The Group will focus on its product development, improvement to its cost structure and marketing strategies so as to put itself in a better position when the market improve.

B4. Variance of actual and forecast profit

The Group did not issue any profit forecasts for the period under review.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B5. Taxation

Taxation comprises :

	Current Year Quarter Ended 31-Mar-2006 RM ' 000	Cummulative Current Year To Date 31-Mar-2006 RM ' 000
Current taxation	440	440
Deferred taxation	(547)	(547)
	<u>(107)</u>	<u>(107)</u>

The effective tax rate of the Group for the current quarter is lower mainly due to the reversal of provisions for taxation made in the prior quarters arising from the losses incurred in this quarter.

B6. Profit / (loss) on sale of Unquoted Investments and / or Properties

Other than as disclosed in note B8, there were no profit on sale of unquoted investments and/or properties during the quarter under review.

B7. Particulars of Purchase or Disposal of Quoted Securities

There were no purchases or disposal of quoted securities during the period under review.

B8. Status of Corporate Proposals

a) Disposal of Land

A conditional Sale and Purchase Agreement has been entered into on 15 August 2005 between Marina Mirage Hotel Sdn Bhd., a wholly-owned subsidiary of Asia Pacific Land Berhad ("AP Land") and Bintang Holdings Sdn Bhd, a related party to AP Land for the disposal and acquisition of three pieces of land known as Lot No. 129 ('the Freehold Property') and Lot Nos. 748 and 749 ('the Leasehold Property') located at Jalan Sultan Ahmad Shah, Pulau Pinang which was duly approved by shareholders of the Company at the Extraordinary General Meeting on 15 September 2005.

The disposal of the Freehold Property has been completed on 9 November 2005 while the Leasehold Property was completed on 27th April 2006.

b) Disposal of Ferringhi Beach Hotel

On 26th January 2006, Island Bay Resorts Sdn Bhd (IBR), a wholly-owned subsidiary of Asia Pacific Land Berhad, entered into an agreement with Mister Phoenix (M) Sdn Bhd for the disposal of Ferringhi Beach Hotel Penang together with the hotel business as a going concern for a total consideration of RM43.00 million. This proposed disposal is expected to complete by the second quarter of 2006.

Funds raised from this disposal will be utilised for the Group's working capital

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8. Status of Corporate Proposals

c) Joint Venture Development

- i) On 23rd January 2006, Island Bay Resorts Sdn Bhd (IBR), a wholly owned subsidiary of Asia Pacific Land Berhad entered into a Joint Venture (Development) Agreement (JVDA) with IJM Properties Sdn Bhd (IJMP) for the purpose of carrying out a mixed development comprising residential and/or commercial units on a joint venture basis on IBR's existing development landbank measuring approximately 30 acres and the adjacent land known as UOB Land measuring approximately 11.3 acres located at Mount Pleasure Resort, Batu Ferringhi, Penang. ("the Joint Venture")

Upon the commencement of the Joint Venture, a gain of RM1.7 million was recognised based on IJMP's contribution towards 50% share of IBR's existing landbank.

- ii) IJMP's contribution to IBR in relation to the landbank together with UOB JV Rights amounting to RM19.297 million will be paid in the following manner :

Upon signing of JVDA	RM 4.667 million
Within 12 months from JVDA	RM 0.84 million
Within 24 months to 36 months from JVDA	RM 2.93 million
After 36 months from JVDA	RM10.86 million
Total	<u>RM19.297 million</u>

The contributions will be utilised for the Group's working capital.

B9. Group Borrowings and Debt Securities

Total Group borrowings as at 31 March 2006 are as follows :

	RM ' 000
Long Term Borrowings - secured	
As at 31 March 2006	299,031
Repayable within 12 months	-
	<u>299,031</u>
Short Term Borrowings – secured	
Bank overdraft	5,069
Bridging loans	12,774
Revolving credit	1,000
Term loan	33,832
Current portion of long term borrowings	-
	<u>52,674</u>

There is no foreign loan included in the above borrowings.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B10. Off Balance Sheet Financial Instruments

The Group has no financial instruments with off balance sheet risk as at 29 May 2006, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

B11. 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.

The first suit which was fixed for hearing on 16th to 20th May 2005 has been postponed to 6th to 10th November 2006.

The date of hearing of the second suit has not been fixed because the court is awaiting the outcome of an appeal at the Court of Appeal in respect of the plaintiffs' application to amend the statement of claim

- b) A wholly owned subsidiary, 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 payment for work done. RLSB is also seeking to set aside the ex-parte interim injunction granted to MJSB earlier on certain development. MJSB has set aside their injunction. The court has set 21st July 2006 for Case Management.

B12. Dividends

The Board of Directors does not recommend any dividend payment for the first quarter ended 31 March 2006.

B13. Earnings per share

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

	Current Year Quarter Ended	Current Year To Date
	31-Mar-2006	31-Mar-2006
Profit after taxation (RM'000)	1,250	1,250
Number of shares ('000)	710,341	710,341
Basic earnings per share (sen)	0.18	0.18

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

By Order of the Board

Mdm Oh Leen May
Mdm Chan Kam Lye
Company Secretaries

31 May 2006