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| Consolidated Statement of Comprehensive Income |

**Individual Quarter Cumulative Quarter**

**3 months ended 6 months ended**

**In RM’000 Note 30.6.2016 30.6.2015 30.6.2016 30.6.2015**

(unaudited) (unaudited)

**Continuing operations**

Revenue 389,191 530,280 825,206 934,465

Expenses (340,285) (444,541) (751,202) (792,918)

Other operating income 13 60,608 49,605 100,089 292,205

Profit from operations 109,514 135,344 174,093 433,752

Finance costs (44,396) (44,300) (91,125) (89,662)

Share of results of associates 6,676 3,248 7,032 9,079

Share of results of joint ventures 1,968 (2,342) 2,415 (8,760)

Profit before tax 73,762 91,950 92,415 344,409

Income tax expense 14 (16,696) (18,518) (21,889) (25,592)

Profit from continuing operations 57,066 73,432 70,526 318,817

**Discontinuing operations**

Profit from discontinuing operations

(net of tax) - 16 - 3,394

Profit for the financial period 57,066 73,448 70,526 322,211

Other comprehensive income

for the financial period, net of tax:

Item that may be reclassified

subsequent to comprehensive income

- currency translation differences 44 140 (36) 69

- share of associate’s loss on

re-measurement of financial derivatives (226) 437 (1,462) 437

Total comprehensive income

for the financial period, net of tax 56,884 74,025 69,028 322,717

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| Consolidated Statement of Comprehensive Income |

**Individual Quarter Cumulative Quarter**

**3 months ended 6 months ended**

**In RM’000 Note 30.6.2016 30.6.2015 30.6.2016 30.6.2015**

(unaudited) (unaudited)

**Profit for the financial period**

**attributable to:**

Equity holders of the Company

* from continuing operations 45,504 60,088 49,886 294,571
* from discontinuing operations - 16 - 3,394

45,504 60,104 49,886 297,965

Non-controlling interests 11,562 13,344 20,640 24,246

57,066 73,448 70,526 322,211

**Total comprehensive income for**

**the financial period attributable to:**

Equity holders of the Company

- from continuing operations 45,322 60,665 48,388 295,077

- from discontinuing operations - 16 - 3,394

45,322 60,681 48,388 298,471

Non-controlling interests 11,562 13,344 20,640 24,246

56,884 74,025 69,028 322,717

Earnings per share attributable to

the ordinary equity holders of the

Company (sen)

Basic and diluted

* from the continuing operations 23 2.44 3.36 2.73 16.50
* from the discontinuing operations 23 - - - 0.19

2.44 3.36 2.73 16.69

***The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015.***

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| Consolidated Statement of Financial Position |

**As at As at**

##### In RM’000 30.6.2016 31.12.2015

(unaudited) (audited)

##### ASSETS

##### Non current assets

Property, plant and equipment 365,000 337,465

Investment properties 474,066 413,517

Land held for property development 1,627,300 1,786,892

Service concession asset 1,192,907 1,209,992

Associates 232,318 241,905

Joint ventures 8,577 6,162

Long term receivable 5,344 5,253

Available for sale financial assets 577 577

Intangible assets 313,389 317,073

Deferred tax assets 79,080 76,705

4,298,558 4,395,541

##### 

##### Current assets

Inventories 41,704 63,103

Properties development costs 733,350 488,610

Trade and other receivables 977,680 1,095,102

Amount due from associates and joint ventures 17,831 18,702

Tax recoverable 27,436 26,762

Financial assets at fair value through profit or loss 2,466 2,381

Deposits, cash and bank balances 441,548 521,508

2,242,015 2,216,168

**Assets held for sale** (see Note A) 428,528 478,088

##### TOTAL ASSETS 6,969,101 7,089,797

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| Consolidated Statement of Financial Position |

**As at As at**

##### In RM’000 30.6.2016 31.12.2015

(unaudited) (audited)

##### EQUITY AND LIABILITIES

##### Equity attributable to equity holders of the Company

Share capital 1,886,591 1,786,591

Share premium 335,739 327,950

Retained earnings 133,297 83,153

Other reserves 61,082 62,453

2,416,709 2,260,147

Non-controlling interests 73,313 52,624

**Total equity** 2,490,022 2,312,771

##### Non current liabilities

Senior and Junior Sukuk 1,058,470 1,058,464

Long term borrowings 1,458,529 1,286,785

Long term liabilities 31,058 16,929

Government grant 46,985 33,024

Deferred tax liabilities 83,304 85,293

2,678,346 2,480,495

##### Current liabilities

Loan stock at cost 7,000 7,000

Trade and other payables 1,142,998 1,188,414

Current tax liabilities 8,813 3,100

Short term borrowings 630,696 1,042,126

Dividend payable - 44,664

1,789,507 2,285,304

**Liabilities associated with assets held for sale** 11,226 11,227

(see Note A)

**Total liabilities** 4,479,079 4,777,026

**TOTAL EQUITY AND LIABILITIES** **6,969,101 7,089,797**

**Net assets per share attributable to the**

**equity holders of the Company (sen)** **128.1 126.5**

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| Consolidated Statement of Financial Position |

**As at As at**

##### In RM’000 30.6.2016 31.12.2015

(unaudited) (audited)

**Note A**

**Non current assets held for sale**

* Investment property(ies) 428,528 478,088

428,528 478,088

**Liabilities associated with assets held for sale**

* Other payables (11,226) (11,227)

Net assets held for sale 417,302 466,861

***The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015.***

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| Consolidated Statement of Cash Flows |

**6 months ended**

**In RM’000 30.6.2016 30.6.2015**

**(unaudited)**

**Operating activities**

Cash receipts from customers 1,244,779 1,041,357

Cash paid to suppliers and employees (1,093,407) (777,753)

Cash generated from operations 151,372 263,604

Bank services charges paid (1,294) (1,376)

Taxes paid (49,471) (32,124)

Net cash generated from operating activities from continuing operations 100,607 230,104

Net cash used in operating activities from discontinuing operations - (54,276)

**Net cash generated from operating activities**  100,607 175,828

**Investing activities**

Acquisition of equity investments (70) (17,135)

Proceeds from divestment of equity investments 8,577 -

Dividend received 11,179 48

Proceeds from sale of investment property 87,168 476,000

Non-equity investments (552) (128,638)

Disposal of a subsidiary - (6)

Net cash generated from investing activities from continuing operations106,302 330,269

Net cash generated from investing activities from discontinuing operations -248

**Net cash generated from investing activities** 106,302330,517

**Financing activities**

Proceeds from issue of shares capital 107,894 -

Dividend paid to equity holders (71,476) -

Proceeds from borrowings 266,278 74,917

Repayment of borrowings (506,099) (624,849)

Proceeds from Government grant 13,961 33,024

Interest paid (97,426) (100,862)

Withdrawal of restricted cash 1,438 133,673

Net cash used in financing activities from continuing operations(285,430)(484,097)

Net cash used in financing activities from discontinuing operations - (9,318)

**Net cash used in financing activities** (285,430)  (493,415)

Net (decrease)/increase in cash and cash equivalent (78,521) 12,930

Cash and cash equivalents at beginning of the financial period 339,229308,210

**Cash and cash equivalent at end of financial period** 260,708 321,140

**For the purpose of the statement of cash flows, the cash and cash equivalents comprised the following:**

Bank balances and deposits 441,548 539,945

Less: Bank balances and deposits held as security value (180,840) (218,805)

260,708 321,140

***The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015.***

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| Consolidated Statement of Changes in Equity |

**Attributable to equity holders of the Company**

**Non-**

Share Share Other Retained controlling Total

**In RM’000 capital premium reserves earnings Total interests equity**

**At 1 January 2016** 1,786,591 327,950 62,453 83,153 2,260,147 52,624 2,312,771

**Comprehensive income**

- Profit for the financial period - - - 49,886 49,886 20,640 70,526

**Other comprehensive loss**

- Currency translation differences - - (36) - (36) - (36)

- Share of associate’s loss on

re-measurement of

financial derivatives - - (1,462) - (1,462) - (1,462)

- Reclassified to retained earnings - - (258) 258 - - -

Total comprehensive income/(loss) - - (1,756) 50,144 48,388 20,640 69,028

**Transactions with owners**

Issuance of:

- ordinary shares (Note 15(b)) 100,000 7,789 - - 107,789 - 107,789

Acquisition of additional equity

interest in a subsidiary - - - - - 49 49

Employees’ share option scheme

- options granted - - 427 - 427 - 427

Share of associate’s issuance

of new units expenses - - (42) - (42) - (42)

Total transactions with owners 100,000 7,789 385 - 108,174 49 108,223

**At 30 June 2016** 1,886,591 335,739 61,082 133,297 2,416,709 73,313 2,490,022

(unaudited)

**Other reserves**

**Currency** **Share Retirement**

Revaluation Other translation option Warrants benefit

**In RM’000 reserve reserve reserve reserve reserve reserve Total**

**At 1 January 2016** 28,090 2,168 636 6,066 28,355 (2,862) 62,453

**Other comprehensive income**

- Currency translation differences - - (36) - - - (36)

- Share of associate’s loss on

re-measurement of

financial derivatives - (1,462) - - - - (1,462)

- Reclassified to retained earnings - - - - - (258) (258)

Total other comprehensive loss - (1,462) (36) - - (258) (1,756)

**Transactions with owners**

Employees’ share option scheme

- options granted - - - 427 - - 427

Share of associate’s issuance

of new units expenses - (42) - - - - (42)

- (42) - 427 - - 385

**At 30 June 2016** 28,090 664 600 6,493 28,355 (3,120) 61,082

**(unaudited)**

|  |
| --- |
| Consolidated Statement of Changes in Equity |

**Attributable to equity holders of the Company**

(**Accumulated**

**losses)/ Non-**

Share Share Other Retained controlling Total

**In RM’000 capital premium reserves earnings Total interests equity**

**At 1 January 2015** 1,760,178 323,986 55,937 (154,845) 1,985,256 79,253 2,064,509

**Comprehensive profit**

- Profit for the financial year - - - 330,392 330,392 33,637 364,029

**Other comprehensive income/(loss)**

- Currency translation differences - - 448 - 448 - 448

- Share of associate’s gain on

re-measurement of

financial derivatives - - 502 - 502 - 502

- Reclassified to retained earnings - - (335) 335 - - -

Total comprehensive income - - 615 330,727 331,342 33,637 364,979

**Transactions with owners**

Issuance of:

* ordinary shares 26,403 3,960 - - 30,363 - 30,363
* warrants - - 1,320 - 1,320 - 1,320

Acquisition of additional equity

interest in subsidiaries - - - (3,688) (3,688) 4,358 670

Disposal of a subsidiary - - - - - (82) (82)

Employees’ share option scheme

- options granted - - 4,869 - 4,869 - 4,869

- options exercised 10 4 (1) - 13 - 13

- options lapsed - - (287) 287 - - -

Dividends paid and declared

for financial year ended

- 31 December 2014 - - - (44,664) (44,664) - (44,664)

- 31 December 2015 - - - (44,664) (44,664) (64,542) (109,206)

Total transactions with owners 26,413 3,964 5,901 (92,729) (56,451) (60,266) (116,717)

**At 31 December 2015** 1,786,591 327,950 62,453 83,153 2,260,147 52,624 2,312,771

(audited)

|  |
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| Consolidated Statement of Changes in Equity |

**Other reserves**

**Currency** **Share Retirement**

Revaluation Other translation option Warrants benefit

**In RM’000 reserve reserve reserve reserve reserve reserve Total**

**At 1 January 2015** 28,090 1,666 188 1,485 27,035 (2,527) 55,937

**Other comprehensive income**

- Currency translation differences - - 448 - - - 448

- Share of associate’s gain on

re-measurement of

financial derivatives - 502 - - - - 502

- Reclassified to retained earnings - - - - - (335) (335)

Total other comprehensive

Income/(loss) *-* 502 448 - - (335) 615

**Transactions with owners**

Issuance of new warrants - - - - 1,320 - 1,320

Employees’ share option scheme

- options granted - - - 4,869 - - 4,869

- options exercised - - - (1) - - (1)

- options lapsed - - - (287) - - (287)

Total transactions with owners- - - 4,581 1,320 - 5,901

**At 31 December 2015** 28,090 2,168 636 6,066 28,355 (2,862) 62,453

**(audited)**

***The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015***

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| Notes to the Interim Report |

1. **Basis of preparation**

The financial report has been prepared in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group’s financial statements for the financial year ended 31 December 2015.

The accounting policies and methods of computation adopted for the financial report are consistent with those adopted for the annual financial statements for the financial year ended 31 December 2015.

There were no new/revised accounting standards, amendments to standards and interpretations that came into effect during the financial period that significantly impact the Group.

The Group includes transitioning entities and has elected to continue to apply FRS during the financial year. In the next financial year, the Group will continue to apply FRS and will be adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards (MFRS) for the financial year ending 31 December 2018. In adopting the new framework, the Group will be applying MFRS 1 “First-time Adoption of MFRS”.

2. **Audit report of the preceding annual financial statements**

The audit report of the Group’s preceding annual financial statements was not subject to any qualification.

3. **Seasonal or cyclical fluctuations**

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial quarter under review.

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| Notes to the Interim Report |

4. **Items of unusual nature, size or incidence**

(a) The Company had on 5 August 2015 entered into a Sale and Purchase Agreement with Cardiac Vascular Sentral (Kuala Lumpur) Sdn Bhd for the sale of Sooka Sentral for a total consideration of RM90.8 million. Sooka Sentral consists of a five-storey commercial building and one level of car park on a 5,662 square meter piece of land.

The disposal was completed on 23 May 2016 and generated a gain of RM41.6 million.

(b) On 28 April 2016, the Company’s wholly owned subsidiary, Gapurna Land Sdn Bhd entered into a sale and purchase agreement (“SPA”) with Kejora Kinta Sdn Bhd for the proposed acquisition of the following adjoining parcels of land for a total cash consideration of RM6,900,000, upon the terms and conditions as set out in the SPA:-

1. Geran No. 37570, Lot 36 Seksyen 98, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring 9,665 square feet (“sq. ft.”); and
2. Geran No. 37571, Lot 37 Seksyen 98, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring 10,576 sq. ft.,

The above acquisition was completed on 28 June 2016.

Other than the above, there were no other items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows in the financial quarter under review.

5. **Material changes in estimates of amounts reported**

There were no changes in estimates of amounts reported in the prior financial period that would have a material effect in the financial quarter under review.

6. **Debt and equity securities**

On 25 April 2016, there was an issuance of 100,000,000 ordinary shares of RM1.00 pursuant to the first tranche of the Private Placement as stated in Note 15(b) below.

Other than the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial quarter under review.

7. **Dividends**

There were no dividends declared or paid by the Company for the financial quarter under review.

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| Notes to the Interim Report |

8. **Segmental reporting**

Property Engineering, Facilities

Development Construction Management

& Investment & Environment Infrastructure & Parking Others Total

RM’000 RM’000 RM’000 RM’000 RM’000 RM’000

**6 months ended 30.6.2016**

Total revenue 382,725 590,262 59,287 50,111 71,480 1,153,865

Inter segment revenue (5,972) (257,710) (2,075) (12,908) (49,994) (328,659**)**

External revenue 376,753 332,552 57,212 37,203 21,486 825,206

Segment profit/(loss) 157,750 2,969 32,676 12,029 (18,450) 186,974

Unallocated corporate expenses (17,489)

Finance income 4,608

Finance costs (91,125)

Share of results of associates

and joint ventures 6,703 2,331 413 - - 9,447

Profit before tax 92,415

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| Notes to the Interim Report |

8. **Segmental reporting (continued)**

Property Engineering, Facilities

Development Construction Management Discontinued

& Investment & Environment Infrastructure & Parking Others Total Operations Total

RM’000 RM’000 RM’000 RM’000 RM’000 RM’000 RM’000 RM’000

**6 months ended 30.6.2015**

Total revenue 482,782 470,002 58,281 42,259 164,011 1,217,335 13,044 1,230,379

Inter segment revenue (5,058) (108,841) (731) (5,980) (162,260) (282,870) (493) (283,363)

External revenue 477,724 361,161 57,550 36,279 1,751 934,465 12,551 947,016

Segment profit/(loss) 352,700 29,668 31,902 2,596 (5,397) 411,469 10,806 422,275

Finance income 22,283 228 22,511

Finance costs (89,662) (4,271) (93,933)

Share of results of associates

and joint ventures (4,473) 3,754 1,038 - - 319 - 319

Profit before tax 344,409 6,763 351,172

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| Notes to the Interim Report |

9. **Valuations of property, plant and equipment**

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

10. **Material events subsequent to the financial period**

1. The Company had on 1 July 2016 received a Letter of Award from Jabatan Pengairan dan Saliran Malaysia to carry out “Projek Pemulihan Muara Sungai Pahang (Fasa 3) Pakej 2, Daerah Pekan, Pahang-Merekabentuk dan Membina Kerja-kerja Membaikpulih Muara Sekitar Kuala Pahang, Pahang Darul Makmul Fasa 4 Secara Rundingan Terus (Reka & Bina) (“the Project”).

The contract sum of the Project is RM188.68 million (inclusive Goods & Services Tax) and the construction period is 24 months, to be completed by July 2018.

1. The Company had on 28 July 2016 entered into a Share Sale Agreement with Arch Angel DMC Sdn Bhd to acquire the remaining 30% equity interest comprising 1,500,000 ordinary shares of RM1.00 each in MRCB Putra Sdn Bhd (“MPSB”) for a total cash consideration of RM7,131,421.12.

The acquisition was completed on 4 August 2016. With this, MPSB became a wholly owned subsidiary of the Company.

Other than the above, there were no other material events subsequent to the end of the financial quarter ended 30 June 2016 that have not been reflected in this interim report.

11. **Changes in the composition of the Group**

1. The Company had on 5 February 2016 entered into a Share Sale Agreement with Ekovest Berhad (“Ekovest”) to dispose its entire 40% equity interest in the following companies to Ekovest for a total cash consideration of RM8.5 million;
2. Ekovest-MRCB JV Sdn Bhd represented by 40,000 ordinary shares of RM1.00 each and 2,160,000 redeemable preference shares of RM0.01 at premium of RM0.99 each; and
3. Ekovest-MRCB Construction Sdn Bhd represented by 800,000 ordinary shares of RM1.00 each.

The disposals were completed on 29 April 2016 and generated a total gain of RM2.8 million.

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| Notes to the Interim Report |

11. **Changes in the composition of the Group (continued)**

1. On 28 October 2015, MRCB Land Sdn Bhd (“MRCB Land”), the Company’s wholly owned subsidiary entered into a joint venture agreement with Cyberview Sdn Bhd (“CSB”) for the proposed subscription of 700,000 new ordinary shares of RM1.00 each and 2,688,000 redeemable preference shares (“RPS”) of RM1.00 each at a premium of RM99.00 per share, representing a 70% equity interest in CSB Development Sdn Bhd (“CSBD”), being the joint venture company to purchase and undertake the development of Cyberjaya City Centre, for a total subscription payment of RM269.5 million.

On 19 May 2016, a Supplementary Share Subscription Agreement and Supplementary Joint Venture Agreement were signed to vary the proposed subscription of the RPS to 2,282,000 of RM1.00 each at a premium of RM99.00 per share, also representing 70% equity interest in CSBD. The variation reduces the total subscription payment to RM228.9 million.

MRCB Land and CSB will subscribe for the shares on 70:30 basis in 2 phases as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Phase 1** | **Phase 2** | **Phase 2** |
|  | Ordinary Shares | Ordinary Shares | RPS |
| MRCB Land | 70,000 | 630,000 | 2,282,000 |
| CSB | 29,998 | 270,000 | 987,000 |

On 1 July 2016, the phase 1 subscriptions were completed and CSBD became a 70% equity interest owned by the Company.

Other than the above, there were no other changes in the composition of the Group for the current financial quarter under review.

12. **Contingent liabilities or contingent assets**

The Group’s contingent liabilities, which comprise trade and performance guarantees, amounted to RM248.5 million as at 30 June 2016 (compared to RM221.5 million as at 31 December 2015). There are no material contingent assets to be disclosed.

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| Notes to the Interim Report |

13. **Other operating income**

Included in the other operating income for the financial quarter under review were the following gains of disposal;

1. RM41.6 million derived from the sale of Sooka Sentral which was completed on 23 May 2016 (Note 4(a)) ; and
2. RM2.8 million as stated in Note 11(a) above.

There were no other items of an unusual nature in the other operating income in the financial quarter under review.

14. **Income tax expenses**

**Individual Quarter Cumulative Quarter**

## In RM’000 3 months ended 6 months ended

**30.6.2016 30.6.2015 30.6.2016 30.6.2015**

In Malaysia

Taxation

- current year (23,671) (19,721) (33,849) (35,394)

- (under)/over provision in prior years (393) (31) (148) 3,238

Deferred tax 7,368 1,234 12,108 6,564

(16,696) (18,518) (21,889) (25,592)

Taxation is provided mainly for taxable profits from certain subsidiaries and also due to certain expenses being non tax deductible.

The deferred tax was mainly due to the net impact from the reversal of deferred tax liabilities and some non-deductible temporary differences as well as recognition of unabsorbed tax losses and deductible timing differences as deferred tax assets.

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| Notes to the Interim Report |

15. **Corporate Proposal**

Corporate proposals announced that are yet to be completed at the date of this interim report are as follows:

(a) On 14 August 2014 the Company entered into a Shareholders’ Agreement with Kwasa Land Sdn Bhd (“Kwasa Land”) and Kwasa Development (2) Sdn Bhd (“KDSB”) for the subscription of 700,000 new ordinary shares of RM1.00 each, representing 70% equity interest in KDSB for a cash subscription payment of approximately RM816.6 million (“Proposed Subscription”). KDSB is a special purpose vehicle incorporated to undertake the mixed development of 64.07 acres of land (“MX-1 Land”) identified to be the town centre of the proposed Kwasa Damansara Township.

The Proposed Subscription was approved by the Company’s shareholders at the Extraordinary General Meeting held on 12 February 2015. As at the date of this report, the subscription of the shares is still pending.

(b) On 21 December 2015, the shareholders of the Company approved to undertake a Private Placement of up to 493,019,758 new ordinary shares of RM1.00 each in the Company, representing up to twenty percent (20%) of the issued and paid up share capital of the Company (“Private Placement”) as stated in the Circular to shareholders dated 4 December 2015. On 17 May 2016, Bursa Malaysia Securities Berhad approved an extension of time until 1 December 2016 for the Company to complete the Private Placement.

1. On 25 April 2016, the Company completed the first tranche of the Private Placement comprising 100,000,000 Placement Shares at RM1.09 per Placement Share.
2. On 22 August 2016, the Company completed the second tranche of the Private Placement comprising 194,250,000 Placement Shares at RM1.13 per Placement Share.

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| Notes to the Interim Report |

15. **Corporate Proposal (continued)**

(b) The proposed utilization of the proceeds of the entire Private Placement exercise, and the status after the placement of the 1st and 2nd tranches, as at the date of this report, are tabulated as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Purpose** | **Proposed Utilization (RM’000)** | **Proposed Utilization (RM’000)** | **Estimated Timeframe For The Full Utilization** |
|  |  | Minimum Scenario | Maximum Scenario |  |
| 1 | Property development activities | 278,800 | 371,500 | Within 24 months |
| 2 | Repayment of borrowings | 65,000 | 85,000 | Within 12 months |
| 3 | General working capital | 90,272 | 142,044 | Within 12 months |
| 4 | Estimated expenses in relation to the Proposed Private Placement | 9,000 | 12,800 | Within 6 months |
|  | **Total** | **\*443,072** | **\*611,344** |  |

**\*** Total proceeds raised as at 25 August 2016 is RM327.8 million.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Purpose** | **Actual Utilization (RM’000)** | **Amount Unutilized (RM’000)** | **Amount Unutilized (RM’000)** |
|  |  |  | Minimum Scenario | Maximum Scenario |
| 1 | Property development activities | 76,991 | 201,809 | 294,509 |
| 2 | Repayment of borrowings | 10,217 | 54,783 | 74,783 |
| 3 | General working capital | 20,446 | 69,826 | 121,598 |
| 4 | Estimated expenses in relation to the Proposed Private Placement | 1,450 | 7,550 | 11,350 |
|  | **Total** | **109,104** | **333,968** | **502,240** |

Given that the Private Placement will be implemented in tranches, the issue price for each subsequent tranche will be determined and announced by the Board separately.

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| Notes to the Interim Report |

15. **Corporate Proposal (continued)**

1. On 30 June 2016, the Company’s wholly owned subsidiary, 348 Sentral Sdn Bhd entered into a conditional Sale and Purchase Agreement with Maybank Trustee Berhad, acting as trustee for MRCB-Quill REIT (“MQ REIT”) for the disposal of a 33-storey office tower known as “Menara Shell” together with a 5-storey podium and 4-storey basement car park for a total cash consideration of RM640 million.

On the same day, MQ REIT also announced that a Proposed Placement will be undertaken of up to 406.67 million new Units at an issue price to be determined by way of a bookbuilding exercise. The Company had given an undertaking to subscribe for such number of Placement Units with an aggregate value of no less than RM110 million but up to a maximum value of RM152 million. The Proposed Placement is to part fund the acquisition of Menara Shell.

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| Notes to the Interim Report |

16. **Group borrowings**

The tenure of the Group borrowings classified as short and long term were as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **As at** |  | **As at** |
|  |  | **30.6.2016** |  | **31.12.2015** |
|  |  | **RM'000** |  | **RM'000** |
| **Secured** |  |  |  |  |
| Short term | | 376,822 |  | 782,546 |
| Long term |  | 2,516,999 |  | 2,345,249 |
|  |  |  |  |  |
| **Unsecured** | |  |  |  |
| Short term | | 253,874 |  | 259,580 |
| Total | | 3,147,695 |  | 3,387,375 |

The decrease in the Group borrowings was mainly due to the full settlement of the balance of the RM250 million project loan for Nu Tower office.

The secured long term loans consist mainly of:

1. The Senior and Junior Sukuk and the related syndicated term loan amounting to RM1,092 million which were obtained for the purpose of financing the construction of the Eastern Dispersal Link toll road;
2. Long term loan and Sukuk Murabahah Programme totaling RM433 million for the Group’s working capital purposes;

(c) Project loans for the Group’s completed and on-going property development projects of RM992 million.

The Group’s secured and unsecured short term loans mainly consist of;

1. Project loans totaling RM375 million; and
2. Certain short term credit facilities and long term loans for working capital purposes which are due within the next 12 months totaling RM256 million.

Included in the Group total borrowings was a secured Australian Dollar long term loan of AUD17 million, equivalent to RM50 million (2015: AUD9 million, equivalent to RM28 million).

Other than the above, the balance of the Group borrowings are denominated in Ringgit Malaysia.

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| Notes to the Interim Report |

17. **Material litigation**

There is no material litigations arising from the Group’s operational transactions at the date of this interim report.

The Group has filed some claims, some of which are counter claims, amounting to approximately RM6.0 million arising from its operational transactions.

18. **Review of performance**

The Group recorded profit before tax for the first half of the current financial year of RM92.4 million compared to RM344.4 million in the first half of the preceding financial year ended 30 June 2015. The higher profit before tax in the preceding financial period was mainly attributable to gains of RM239.7 million and RM38.8 million recorded from the disposals of Platinum Sentral and other assets, as well as the Company’s 70% equity interest in Paradigma Berkat Sdn Bhd respectively.

**Segmental Breakdown of External Revenue & Profit/(Loss) – Note 8**

**Individual Quarter Cumulative Quarter**

## 3 months ended 6 months ended

**30.6.2016 30.6.2015 30.6.2016 30.6.2015**

**RM’000 RM’000 RM’000 RM’000**

External Revenue

Property development & investment 223,945 255,998 376,753 477,724

Engineering, construction & environment 103,490 225,680 332,552 361,161

Infrastructure 29,074 29,147 57,212 57,550

Facilities management & parking 19,227 18,565 37,203 36,279

Others 13,455 890 21,486 1,751

389,191 530,280 825,206 934,465

Profit/(Loss)

Property development & investment 90,435 79,392 157,750 352,700

Engineering, construction & environment 1,832 27,496 2,969 29,668

Infrastructure 19,536 15,356 32,676 31,902

Facilities management & parking 4,619 (2,765) 12,029 2,596

Others (1,219) 9,578 (18,450) (5,397)

115,203 129,057 186,974 411,469

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| Notes to the Interim Report |

18. **Review of performance (continued)**

For the half year ended 30 June 2016, the Group recorded revenue and profit before interest of RM825.2 million and RM187.0 million respectively, compared to RM934.5 million and RM411.5 million recorded in the preceding cumulative quarter ended 30 June 2015. The performance for the preceding cumulative quarter was mainly due to the completion of the Q Sentral development and the gains recorded from the completion of the two (2) disposals as stated above.

The revenue and profit of the Group were mainly attributable to the two core operating segments below:-

1. Property Development & Investment

The revenue and profit recorded in the half year was mainly generated from the on-going property development projects, namely Sentral Residences in KL Sentral CBD, which contributed just over half of the division’s revenue during the period, followed by the Group’s 9 Seputeh mixed residential development in Jalan Klang Lama, its PJ Sentral project and SIDEC residential project in Perak. The results included a gain of RM41.6 million from the disposal of its Sooka Sentral property project during the period, and income from its remaining investment properties in KL Sentral CBD and Shah Alam.

1. Engineering, Construction & Environment

The bulk of the division’s revenue and profit was contributed by the LRT Ampang Line Extension and the LRT Stations 6 & 7 projects, the on-going construction of six different commercial buildings for clients in Johor, a number of smaller power transmission related construction projects across the country, and other smaller construction projects in the Klang Valley.

19. **Variation of results against immediate preceding quarter**

The Group recorded revenue and profit before taxation of RM389.1 million and RM73.8 million for the financial quarter ended 30 June 2016, compared to revenue of RM436.0 million and profit before taxation of RM18.7 million recorded in the preceding quarter ended 31 March 2016.

The higher profit before tax recorded in the second financial quarter under review over the preceding financial quarter was mainly due to the on-going projects stated above in (i) and (ii) and the gains of RM44.4 million, derived from the sale of Sooka Sentral (stated in Note 13) and the sales of its equity interests in Ekovest-MRCB JV Sdn Bhd and Ekovest-MRCB Construction Sdn Bhd (stated in Note 11(a)).

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| Notes to the Interim Report |

20. **Prospects**

The Group will continue its strategy of focussing on its core activities.

The Group offers a unique proposition as an urban developer of commercial and residential property developments centred around strong mass transportation infrastructure, which it has successfully undertaken at its KL Sentral CBD Transit Oriented Development (“TOD”) project. The Group will therefore strive to emulate this success in its other TOD projects.

The Group’s Property Investment activity will largely continue to be undertaken through its 31% stake in MRCB-Quill REIT, which not only provides a potential avenue for the Group to release capital from the disposal of its completed projects to the REIT, but also allows it to earn a relatively steady and consistent stream of income from the REIT units it owns over the medium to longer term.

The Construction, Engineering & Environment division continues to tender for more contracting projects, which has led to a sizeable increase in its order book, which will keep the division busy over the next few years.  Furthermore, the Division is also placing greater emphasis on trying to secure long term fee based work to try to reduce volatility in its construction revenues, and improve the consistency of its construction related earnings.

With these strategies in place, the Board believes the Group is well positioned to overcome future challenges.

21. **Variance on forecast profit/profit guarantee**

Not applicable.

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| Notes to the Interim Report |

22. **Earnings per share (EPS)**

**Basic EPS**

The basic EPS is calculated by dividing the net profit for the current financial period by the weighted average number of shares in issue during the current financial period.

**Individual Quarter Cumulative Quarter**

**3 months ended 6 months ended**

**30.6.2016 30.6.2015 30.6.2016 30.6.2015**

Net profit for the financial period

attributable to the owners of

the parent (RM’000)

* from continuing operations 45,504 60,088 49,886 294,571
* from discontinuing operations - 16 - 3,394

Weighted average number of

Ordinary shares in issue (‘000) 1,864,613 1,786,581 1,825,602 1,784,830

Basic Earnings Per Share (sen)

* from continuing operations 2.44 3.36 2.73 16.50
* from discontinuing operations - 0.00 - 0.19

**Diluted Earnings Per Share**

There is no significant effect on the fully diluted earnings per share arising from the outstanding share options and warrants. Hence, the basic earnings per share approximates to the fully diluted earnings per share.

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| Notes to the Interim Report |

23**. Breakdown of realised and unrealised profits or losses**

The breakdown of the retained earnings of the Group as at 30 June 2016, into realised and unrealised, pursuant to a directive issued by Bursa Malaysia Securities Berhad are as follows;

|  |  |  |
| --- | --- | --- |
|  | Accumulated quarter ended 30.6.2016  (unaudited)  (RM’000) | Accumulated quarter ended 31.12.2015  (audited)  (RM’000) |
| Total accumulated profit or losses: |  |  |
| * Realised | 375,796 | 308,052 |
| * Unrealised | (4,301) | (8,828) |
|  |  |  |
| Total share of accumulated profit from associates: |  |  |
| * Realised | 66,050 | 61,106 |
|  |  |  |
| Total share of accumulated profit or losses from joint venture: |  |  |
| * Realised | 3,067 | (51,693) |
|  |  |  |
| Add: Consolidation adjustments | (307,315) | (225,484) |
|  |  |  |
| **Total Group retained earnings** | **133,297** | **83,153** |

The analysis of realised and unrealised retained earnings is compiled based on Guidance on Special Matter No.1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Listing Requirements as issued by the Malaysian Institute of Accountants.

The disclosure above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

## By Order of the Board

## Mohd Noor Rahim Yahaya

**Company Secretary**

**Kuala Lumpur**

**25 August 2016**