



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2010 (Unaudited)**

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| | Current | Comparative | Current | Comparative |
| | quarter ended 30.9.2010 RM'000 | quarter ended 30.9.2009 RM'000 | year to date 30.9.2010 RM'000 | year to date 30.9.2009 RM'000 |
| Revenue | 65,814 | 114,759 | 112,124 | 188,674 |
| Cost of sales | (44,603) | (78,720) | (60,708) | (130,614) |
| Gross profit | 21,211 | 36,039 | 51,416 | 58,060 |
| Other income | 5,602 | 2,854 | 10,432 | 9,279 |
| Administrative expenses | (12,509) | (13,765) | (21,738) | (22,706) |
| Selling and marketing expenses | (2,399) | (1,104) | (3,891) | (1,899) |
| Other expenses | (4,249) | (2,840) | (6,976) | (6,271) |
| Operating profit | 7,656 | 21,184 | 29,243 | 36,463 |
| Finance costs | (7,302) | (5,253) | (13,965) | (10,998) |
| Share of (loss)/profit of associates | (21) | (260) | 705 | (218) |
| Share of profit of jointly controlled entities | 4,817 | 4,828 | 6,728 | 4,750 |
| Profit before tax | 5,150 | 20,499 | 22,711 | 29,997 |
| Income tax expense | 671 | (7,736) | (4,768) | (11,507) |
| Profit for the period | 5,821 | 12,763 | 17,943 | 18,490 |
| Other comprehensive income: | | | | |
| Foreign currency translation | (10) | 95 | (7) | (124) |
| Share of other comprehensive income of associates | (2) | - | (2) | - |
| Other comprehensive income for the period | (12) | 95 | (9) | (124) |
| Total comprehensive income for the period | 5,809 | 12,858 | 17,934 | 18,366 |
| Profit attributable to: | | | | |
| Equity holders of the Company | 5,085 | 11,511 | 15,313 | 16,561 |
| Minority interests | 736 | 1,252 | 2,630 | 1,929 |
| | 5,821 | 12,763 | 17,943 | 18,490 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 5,073 | 11,606 | 15,304 | 16,437 |
| Minority interests | 736 | 1,252 | 2,630 | 1,929 |
| | 5,809 | 12,858 | 17,934 | 18,366 |
| Earnings per stock unit attributable to equity holders of the Company: | | | | |
| Basic (sen) | 0.48 | 1.62 | 1.45 | 2.34 |
| Diluted (sen) | 0.48 | 1.62 | 1.44 | 2.34 |

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010 (Unaudited)**

| | AS AT 30.9.2010 RM'000 | AS AT 01.04.2010 RM'000 (Unaudited and restated) | AS AT 31.03.2010 RM'000 (Audited and not restated) |
|--|------------------------------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 240,325 | 394,941 | 394,692 |
| Land held for property development | 699,801 | 680,884 | 680,884 |
| Investment properties | 269,338 | 14,887 | 14,887 |
| Prepaid lease payments | 680 | 684 | 933 |
| Intangible assets | 3,070 | 3,096 | 3,096 |
| Investments in associates | 25,749 | 25,047 | 25,047 |
| Investments in joint controlled entities | 13,384 | 10,156 | 9,793 |
| Other investments | - | - | 3,167 |
| Financial assets at fair value | 4,451 | 3,167 | - |
| Deferred tax assets | 18,154 | 15,421 | 15,421 |
| | <u>1,274,952</u> | <u>1,148,283</u> | <u>1,147,920</u> |
| Current assets | | | |
| Property development costs | 288,250 | 310,916 | 310,916 |
| Inventories | 41,418 | 55,286 | 55,286 |
| Receivables | 117,600 | 79,005 | 79,142 |
| Accrued billings in respect of property development costs | - | 24,685 | 24,685 |
| Cash and bank balances | 491,426 | 559,253 | 559,253 |
| | <u>938,694</u> | <u>1,029,145</u> | <u>1,029,282</u> |
| TOTAL ASSETS | <u>2,213,646</u> | <u>2,177,428</u> | <u>2,177,202</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | 795,805 | 761,644 | 761,644 |
| 8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011 | 1,445 | 1,695 | 1,695 |
| 8% Irredeemable Convertible Secured Loan Stocks 2009/2019 | 84,450 | 96,669 | 96,669 |
| Treasury Stock Units | (27,072) | (7,356) | (7,356) |
| Reserves | 194,561 | 188,724 | 187,903 |
| | <u>1,049,189</u> | <u>1,041,376</u> | <u>1,040,555</u> |
| Minority interests | 28,844 | 26,214 | 26,214 |
| Total Equity | <u>1,078,033</u> | <u>1,067,590</u> | <u>1,066,769</u> |



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010 (Unaudited)**

| | AS AT 30.9.2010 RM'000 | AS AT 01.04.2010 RM'000 (Unaudited and restated) | AS AT 31.03.2010 RM'000 (Audited and not restated) |
|---|------------------------------|--|--|
| Non-current liabilities | | | |
| 8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011 | 159 | 372 | 372 |
| 8% Irredeemable Convertible Secured Loan Stocks 2009/2019 | 103,659 | 114,825 | 114,825 |
| Borrowings | 442,663 | 449,172 | 449,172 |
| Provisions | 328 | 328 | 328 |
| Deferred tax liabilities | 46,283 | 46,674 | 46,674 |
| | <u>593,092</u> | <u>611,371</u> | <u>611,371</u> |
| Current liabilities | | | |
| Borrowings | 382,524 | 381,892 | 381,892 |
| Provisions | 162 | 162 | 162 |
| Payables | 120,826 | 111,394 | 111,989 |
| Accrued billings in respect of property development costs | 26,091 | - | - |
| Taxation | 12,918 | 5,019 | 5,019 |
| | <u>542,521</u> | <u>498,467</u> | <u>499,062</u> |
| TOTAL LIABILITIES | <u>1,135,613</u> | <u>1,109,838</u> | <u>1,110,433</u> |
| TOTAL EQUITY AND LIABILITIES | <u>2,213,646</u> | <u>2,177,428</u> | <u>2,177,202</u> |
| Net assets per stock unit attributable to equity holders of the Company (RM) | <u>1.26</u> | <u>1.25</u> | <u>1.25</u> |

Based on number of stock units net of treasury stock units

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2009 (Unaudited)

| | Attributable to Equity Holders of the Company | | | | | | | Minority Interests | Total Equity | |
|---|---|--------------------|------------------|-------------------------|----------------------------|---------------------|-----------------------|-----------------------|-----------------|---------|
| | Non-Distributable | | | | Distributable | | | | | |
| | Share Capital | ICULS 2006/2011 | Share Premium | Treasury Stock Units | Share Option Reserve | Exchange Reserve | Accumulated Losses | | | Total |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Financial period ended 30 September 2009 | | | | | | | | | | |
| At 1 April 2009 | 591,995 | 83,991 | 294,657 | (9,954) | 1,292 | 501 | (148,111) | 814,371 | 21,537 | 835,908 |
| Total comprehensive income for the period | - | - | - | - | - | (124) | 16,561 | 16,437 | 1,929 | 18,366 |
| Transactions with owners | | | | | | | | | | |
| Issue of ordinary stock units: | | | | | | | | | | |
| - Conversion of ICULS | 77,415 | (52,817) | (12,781) | - | - | - | - | 11,817 | - | 11,817 |
| - Pursuant to ESOS | 1,809 | - | 107 | - | - | - | - | 1,916 | - | 1,916 |
| Share options granted under ESOS | - | - | - | - | 2,480 | - | - | 2,480 | - | 2,480 |
| Share options granted under ESOS lapsed | - | - | - | - | (21) | - | - | (21) | - | (21) |
| Share options granted under ESOS exercised | - | - | 659 | - | (659) | - | - | - | - | - |
| At 30 September 2009 | 671,219 | 31,174 | 282,642 | (9,954) | 3,092 | 377 | (131,550) | 847,000 | 23,466 | 870,466 |



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010 (Unaudited)**

| | Attributable to Equity Holders of the Company | | | | | | | | | Minority Interests | Total Equity | |
|---|---|--------------------|--------------------|-------------------|-------------------------|----------------------------|---------------------|-----------------------|-----------|-----------------------|-----------------|---------------|
| | <-----> | | | Non-Distributable | | | -----> | | | | | Distributable |
| | Share Capital | ICULS 2006/2011 | ICSLs 2009/2010 | Share Premium | Treasury Stock Units | Share Option Reserve | Exchange Reserve | Accumulated Losses | Total | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| Financial period ended 30 September 2010 | | | | | | | | | | | | |
| At 1 April 2010 | 761,644 | 1,695 | 96,669 | 266,175 | (7,356) | 734 | 658 | (79,664) | 1,040,555 | 26,214 | 1,066,769 | |
| Effects of adopting FRS 139 | - | - | - | - | - | - | - | 821 | 821 | - | 821 | |
| At 1 April 2010, as restated | 761,644 | 1,695 | 96,669 | 266,175 | (7,356) | 734 | 658 | (78,843) | 1,041,376 | 26,214 | 1,067,590 | |
| Total comprehensive income for the period | - | - | - | - | - | - | (9) | 15,313 | 15,304 | 2,630 | 17,934 | |
| Transactions with owners | | | | | | | | | | | | |
| Issue of ordinary stock units: | | | | | | | | | | | | |
| - Pursuant to ESOS | 591 | - | - | 1 | - | - | - | - | 592 | - | 592 | |
| - Conversion of ICULS | 366 | (250) | - | (64) | - | - | - | - | 52 | - | 52 | |
| - Conversion of ICSLs | 33,204 | - | (9,997) | (11,023) | - | - | - | - | 12,184 | - | 12,184 | |
| Purchase of treasury stock units | - | - | - | - | (19,716) | - | - | - | (19,716) | - | (19,716) | |
| Repurchase of ICSLs | - | - | (2,222) | - | - | - | - | - | (2,222) | - | (2,222) | |
| Share options granted under ESOS | - | - | - | - | - | 1,661 | - | - | 1,661 | - | 1,661 | |
| Share options granted under ESOS exercised | - | - | - | 120 | - | (120) | - | - | - | - | - | |
| Share options granted under ESOS lapsed | - | - | - | - | - | (42) | - | - | (42) | - | (42) | |
| At 30 September 2010 | 795,805 | 1,445 | 84,450 | 255,209 | (27,072) | 2,233 | 649 | (63,530) | 1,049,189 | 28,844 | 1,078,033 | |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2010 (Unaudited)**

| | 6 mths ended 30.9.2010 RM'000 | 6 mths ended 30.9.2009 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 22,711 | 29,997 |
| Adjustments for:- | | |
| Depreciation and amortisation | 6,701 | 5,872 |
| Non-cash items | (2,230) | (4,702) |
| Non-operation items | 8,152 | 7,634 |
| Operating profit before working capital changes | <u>35,334</u> | <u>38,801</u> |
| Working capital changes:- | | |
| Non-current asset classified as held for sale | - | 6,851 |
| Land held for property development | 1,350 | (1,604) |
| Property development costs | (50,734) | 24,307 |
| Inventories | 14,826 | 33,183 |
| Receivables | 20,871 | (15,961) |
| Payables | <u>6,490</u> | <u>(64,509)</u> |
| Cash generated from operations | 28,137 | 21,068 |
| Interest received | 5,611 | 1,918 |
| Interest paid | (19,657) | (31,307) |
| Income tax refunded | - | 310 |
| Income tax paid | <u>(6,250)</u> | <u>(6,524)</u> |
| NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES | 7,841 | (14,535) |
| NET CASH USED IN INVESTING ACTIVITIES | (45,188) | (6,744) |
| NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES | (29,244) | 12,021 |
| Effects of exchange translation differences | (9) | (124) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(66,600)</u> | <u>(9,382)</u> |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD | 548,145 | 234,590 |
| CASH AND CASH EQUIVALENTS AT THE END OF PERIOD | <u>481,545</u> | <u>225,208</u> |

The condensed consolidated cash flow statement should be read in conjunction with the audited financial Statements for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.



A. Explanatory Notes Pursuant to FRS 134

1. Basis of preparation

This interim report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard ("FRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2010 and the explanatory notes. These explanatory notes provide an explanation of the 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 2010.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations with effect from 1 April 2010.

On 1 April 2010, the Group adopted the following FRSs:

FRSs, Amendment to FRSs and Interpretations

| | |
|---|--|
| FRS 8 | Operating Segments |
| FRS 4 | Insurance Contracts |
| FRS 7 | Financial Instruments: Disclosures |
| FRS 101 | Presentation of Financial Statements (revised) |
| FRS 123 | Borrowing Costs |
| FRS 139 | Financial Instruments: Recognition and Measurement |
| Amendments to FRS 1 and FRS 127 | First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |
| Amendments to FRS 2 | Share-based Payment – Vesting Conditions and Cancellations |
| Amendments to FRS 132 | Financial Instruments: Presentation |
| Amendments to FRS 139 and FRS 7 and IC Interpretation 9 | Financial Instruments: Recognition and Measurement, Disclosures and Reassessment of Embedded Derivatives |
| Amendments to FRSs 'Improvements to FRSs (2009)' | Amendments to FRSs 'Improvements to FRSs (2009)' |
| IC Interpretation 9 | Reassessment of Embedded Derivatives |
| IC Interpretation 10 | Interim Financial Reporting and Impairment |
| IC Interpretation 11 | FRS 2 – Group and Treasury Share Transactions |
| IC Interpretation 13 | Customer Loyalty Programmes |
| IC Interpretation 14 | FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction |
| TR i – 3 | Presentation of Financial Statements of Islamic Financial Institutions |

Other than for the application of FRS 8, FRS 101, FRS 139, and amendments to FRS 117 and FRS 140, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.



A. Explanatory Notes Pursuant to FRS 134 (cont'd)

2. Changes in Accounting Policies (cont'd)

FRS 8: Operating Segment

FRS 8 replaces FRS 114₂₀₀₄: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position or results of the Group.

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity will include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The Group has elected to present in single statement. This revised FRS does not have any impact on the financial position and results of the Group.

Amendments to FRSs 'Improvements to FRSs (2009)' - FRS 117: Leases

FRS 117 Leases: Clarifies on the classification of leases of land and buildings. The resulting effect of this FRS taking effect was the reclassification of prepaid leases on land into property, plant and equipment. The effect of the reclassification in the consolidated statement of financial position is as follows:

| | As at 31.3.2010 | Reclassification | As at 1.4.2010 |
|---|----------------------------|-------------------------|---------------------------|
| | RM'000 | RM'000 | RM'000 |
| Consolidated statement of financial position | | | |
| Non-current assets | | | |
| Property, plant and equipment | 394,692 | 249 | 394,941 |
| Prepaid lease payments | 933 | (249) | 684 |
| | | | |

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 April 2010.

FRS 7 requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Group's exposure to risks, enhanced disclosure regarding components of the Group's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.



A. Explanatory Notes Pursuant to FRS 134 (cont'd)

2. Changes in Accounting Policies (cont'd)

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures (cont'd)

(i) Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, Held-to-maturity investments, Available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include cash and bank balances, loans and receivables, and financial assets at fair value through profit or loss.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) and financial assets that are specifically designated into this category upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with gains or losses recognized in the income statement.

(b) Loans and receivables

Prior to financial periods beginning on or after 1 April 2010, loans and receivables were initially stated at gross receivables less allowance for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest method. Gains and losses arising from the derecognition of the loans and receivables, amortisation under the effective interest method and impairment losses are recognised in the income statement.

(ii) Financial Liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables, loans and borrowings.

(a) Trade and other payables

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

(b) Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.



A. Explanatory Notes Pursuant to FRS 134 (cont'd)

2. Changes in Accounting Policies (cont'd)

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures (cont'd)

Impact on opening balance

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 March 2010 are not restated. Instead, the changes have been accounted for by restating the following opening balances in the consolidated statement of financial position as at 1 April 2010.

| | As at 31.3.2010 RM'000 | Effect of FRS 139 RM'000 | As at 1.4.2010 RM'000 |
|---|---------------------------------------|---|--------------------------------------|
| Consolidated statement of financial position | | | |
| Assets | | | |
| Investments in joint controlled entities | 9,793 | 363 | 10,156 |
| Other investments | 3,167 | (3,167) | - |
| Financial assets at fair value | - | 3,167 | 3,167 |
| Receivables | 79,142 | (137) | 79,005 |
| Liabilities | | | |
| Payables | 111,989 | (595) | 111,394 |
| Equity | | | |
| Reserves | 187,903 | 821 | 188,724 |

The adoption of FRS 139 does not have any significant impact on the profit for the current financial year-to-date.

Amendments to FRSs 'Improvements to FRSs (2009)' - FRS 140: Investment property

FRS 140 Investment Property: Property under construction or development for future use as an investment property is classified as investment property. The change will be applied prospectively.

During the financial period ended 30 September 2010, the Group has reclassified the property work-in-progress with the intention for investment purposes of RM173,957,000 from property, plant and equipment to investment properties under construction.

3. Auditors' report on preceding audited financial statements

The auditors' report for the annual financial statements of the Group for the financial year ended 31 March 2010 was not subject to any qualification.

4. Seasonality or cyclicity of operations

The business of the Group is not affected in any material way by seasonal or cyclical factors or influence, apart from the general economic conditions in which it operates.



A. Explanatory Notes Pursuant to FRS 134 (cont'd)

5. Material and unusual items

There were no material or unusual items during the current financial period ended 30 September 2010.

6. Changes in estimates

There were no material changes in estimates that have had a material effect in the current financial quarter.

7. Debt and equity securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the Company:

a) Employees' Share Option Scheme ("ESOS")

During the financial period ended 30 September 2010, the Company issued 591,000 ordinary stock units of RM1.00 each for cash pursuant to the Company's ESOS, of which 14,500 ordinary stock units were issued from the exercised of 14,500 ESOS option at an exercise price of RM1.06 per unit and 576,500 ordinary stock units were issued from the exercised of 576,500 ESOS option at an exercise price of RM1.00 per unit.

b) 8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011 ("ICULS")

During the financial period ended 30 September 2010, a total of 366,500 ICULS at nominal value of RM1.00 each were converted into 366,500 new ordinary stock units of RM1.00 each. The balance of outstanding ICULS in issue as at 30 September 2010 was 2,117,912.

c) Treasury Stock Units

During the financial period ended 30 September 2010, the Company bought back 21,231,700 of its issued ordinary stock units in the open market for a consideration of RM19,716,233. As at 30 September 2010, the total stock units repurchased and held as treasury stock units amounted to 28,895,800 ordinary stock units of RM1.00 each at a total cost of RM27,072,005.

d) 8% Irredeemable Convertible Secured Loan Stocks 2009/2019 ("ICSLS")

During the financial period ended 30 September 2010, a total of 33,203,826 ICSLS at nominal value of RM0.65 each were converted into 33,203,826 new ordinary stock units of RM1.00 each. The balance of outstanding ICSLS in issue as at 30 September 2010 was 292,899,441.

The holders of the ICSLS will be able to convert one (1) ICSLS into one (1) ordinary stock unit of RM1.00 each in E&O ("E&O Stock Unit"). The nominal value of RM0.65 comprised in one (1) ICSLS will be insufficient to pay in full for one (1) new E&O Stock Unit, which has a RM1.00 par value. Notwithstanding, upon conversion, new E&O Stock Units will be issued and subsequently, the balance unpaid of RM0.35 on each of such new E&O Stock Units issued will be paid from and debited against the share premium account of E&O.

To facilitate the conversion of outstanding ICSLS into new E&O Stock Units, E&O has allocated in its share premium account a sufficient amount equivalent to RM0.35 for each outstanding ICSLS, which is sufficient to be applied towards fully paying up the new E&O Stock Units to be issued pursuant to such conversion and, such allocation shall not be available for or be applied towards any other purpose, other than to fully satisfy the conversion of the outstanding ICSLS.



A. Explanatory Notes Pursuant to FRS 134 (cont'd)

8. Dividends paid

No dividend was paid during the current financial period under review.

9. Segmental information by business segment

| <u>6-month ended</u> <u>30 September 2010</u> RM'000 | Properties | Hospitality | Investment Holding and others | Elimination | Total |
|--|---------------|---------------|-------------------------------------|-------------|----------------|
| REVENUE | | | | | |
| External sales | 78,685 | 31,420 | 2,019 | - | 112,124 |
| Inter-segment sales | 502 | - | 1,692 | (2,194) | - |
| Total revenue | <u>79,187</u> | <u>31,420</u> | <u>3,711</u> | | <u>112,124</u> |
| RESULTS | | | | | |
| Segment results | 32,665 | 1,296 | 509 | (5,227) | 29,243 |
| Share of profit of associates | | | | | 705 |
| Share of profit of jointly controlled entities | | | | | 6,728 |
| Finance cost | | | | | (13,965) |
| Profit before tax | | | | | <u>22,711</u> |

| <u>6-month ended</u> <u>30 September 2009</u> RM'000 | Properties | Hospitality | Investment Holding and others | Elimination | Total |
|--|----------------|---------------|-------------------------------------|-------------|----------------|
| REVENUE | | | | | |
| External sales | 157,237 | 26,462 | 4,975 | - | 188,674 |
| Inter-segment sales | 365 | - | 1,209 | (1,574) | - |
| Total revenue | <u>157,602</u> | <u>26,462</u> | <u>6,184</u> | | <u>188,674</u> |
| RESULTS | | | | | |
| Segment results | 41,145 | 1,156 | (3,985) | (1,853) | 36,463 |
| Share of loss of associates | | | | | (218) |
| Share of profit of jointly controlled entities | | | | | 4,750 |
| Finance cost | | | | | (10,998) |
| Profit before tax | | | | | <u>29,997</u> |

10. Material subsequent event

There were no material event subsequent to the end of the financial period ended 30 September 2010.



A. Explanatory Notes Pursuant to FRS 134 (cont'd)

11. Changes in composition of the Group

The Company had on 21 April 2010 incorporated two new wholly-owned subsidiaries, Eastern & Oriental Properties (Guernsey) Limited ("EOPG") and Oriental Light (Guernsey) Limited ("OLG") in Guernsey.

The issued and paid-up share capital of both EOPG and OLG are £1 divided into one ordinary share. OLG is a wholly-owned subsidiary of EOPG.

12. Contingent Liabilities

Details of contingent liabilities as at 22 November 2010 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report) are as follows:-

| | RM'000 |
|---|----------------|
| i) Corporate guarantees issued by the Company for banking facilities granted to subsidiaries: | |
| - Secured | <u>221,298</u> |

B. Explanatory Notes required by the Bursa Malaysia's Listing Requirements

1. Review of performance

The Group achieved a revenue of RM112.124 million for the financial period ended 30 September 2010 as compared to RM188.674 million recorded in the previous corresponding period ended 30 September 2009. In the previous corresponding period, the higher revenue generated were mainly contributed by the property division from the sale of a piece of land held for property development, sale of completed units in Dua Residency and higher revenue recognition for Seri Tanjung Pinang projects. The jointly controlled projects namely the St. Mary Residences and the on-going Villas by-the-sea bungalows in Penang have achieved revenue totaling RM52.295 million (last year comparative quarter: RM72.597 million) which was not included in the group consolidated revenue.

The Group posted a pre-tax profit of RM22.711 million compared to the pre-tax profit of RM29.997 million in the previous corresponding period. This represents a decrease in pre-tax profit of RM7.286 million or 24%. The decrease in pre-tax profit reflects lower contribution from the property division on the back of lower revenue recognised coupled with pre-opening expenses totaling RM4.1 million for Lone Pine Hotel and Straits Quay Retail which schedule for opening in the last quarter of year 2010. Despite the lower revenue achieved in the property division, the results was cushioned by improved budget control in certain development projects near completion and increase in group's share of profit in its jointly controlled entities.

2. Variation of results against preceding quarter

The Group recorded a revenue of RM65.814 million and a profit before tax of RM5.150 million for the current quarter as compared to the immediate preceding quarter where the Group revenue was RM46.310 million and a profit before tax of RM17.561 million. The higher pre-tax profit in the immediate preceding quarter was mainly due to the improved budget control in certain development projects near completion and lower finance costs.



B. Explanatory Notes required by the Bursa Malaysia's Listing Requirements (cont'd)

3. Current year prospects

The Group expects an improved environment with the return of positive sentiments in the property market. We expect the launched property development projects such as St. Mary Residences in Kuala Lumpur, Quayside condominiums at Seri Tanjung Pinang and existing developments in Penang to contribute positively to the group's earnings.

Further, the proceeds from the issuance of ICSSLs will position the Group on a strong footing to consolidate its earning prospects.

4. Variance in profit forecast/profit guarantee

The Group did not issue any profit forecast/profit guarantee for the financial period under review.

5. Taxation

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|-----------------------------|--------------------------|--------------|--------------------------|---------------|
| | 30.9.2010 | 30.9.2009 | 30.9.2010 | 30.9.2009 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysian income tax | | | | |
| - current | 5,081 | 7,282 | 14,512 | 11,222 |
| - in respect of prior years | (5,014) | - | (6,621) | - |
| Deferred tax | (738) | 454 | (3,123) | 285 |
| | <u>(671)</u> | <u>7,736</u> | <u>4,768</u> | <u>11,507</u> |

The effective tax rate of the Group for the financial period under review is lower than the statutory tax rate of 25% mainly due to certain incomes of the group are not subject to income tax.

6. Sale of unquoted investments and/ or properties

There were no disposals of unquoted investments and properties during the financial period ended 30 September 2010.

7. Investment in quoted securities

| Particulars of investment in quoted securities: | Current financial | Current financial |
|---|-------------------|-------------------|
| | quarter | period to date |
| (a) Purchases / disposals | 30.9.2010 | 30.9.2010 |
| | RM'000 | RM'000 |
| Total sale proceeds | 10 | 10 |
| Total profit/(loss) on disposal | (88) | (88) |
| (b) Balances as at 30 September 2010 | | |
| Total investments at cost | | 10,447 |
| Total investments at carrying value/book value | | <u>4,388</u> |
| Total investment at market value at end of reporting period | | <u>4,388</u> |



B. Explanatory Notes required by the Bursa Malaysia's Listing Requirements (cont'd)

8. Status of Corporate Proposals

- a) There was no corporate proposal announced but not completed as at 22 November 2010.
- b) Utilisation of proceeds from corporate proposals
 - (i) 8% Irredeemable Convertible Secured Loan Stocks 2009/2019

As at 22 November 2010, cash proceeds amounting to approximately RM235.62 million arising from issuance of Irredeemable Convertible Secured Loan Stocks was partially utilised as follows:

| | Utilised todate |
|------------------------------|-----------------|
| | RM'000 |
| Repayment of bank borrowings | 49,130 |
| ICSLS issue costs | 2,067 |
| | <u>51,197</u> |

9. Group Borrowings

- a) The Group borrowings were as follows:-

| | As at |
|----------------------|------------------|
| | 30.9.2010 |
| | RM'000 |
| Short Term - Secured | 382,524 |
| Long Term - Secured | 442,663 |

- b) All the borrowings were denominated in Ringgit Malaysia.

10. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 22 November 2010.

11. Material Litigation

There was no material litigation which affects the financial position or business of the Group as at 22 November 2010.

12. Dividend

The Board of Directors do not recommend any dividend for the financial quarter ended 30 September 2010.

On 29 September 2010, the stockholders have approved the payment of a first and final dividend of 3.8% less income tax of 25% on the ordinary stock units in issue at book closure date on 18 October 2010 in respect of the financial year ended 31 March 2010. The dividend was paid on 8 November 2010.



B. Explanatory Notes required by the Bursa Malaysia's Listing Requirements (cont'd)

13. Earnings Per Stock Unit

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------------------|---|--------------------------------------|--|
| | Current quarter ended 30.9.2010 | Comparative quarter ended 30.9.2009 | Current year to date 30.9.2010 | Comparative year to date 30.9.2009 |
| a) Basic earnings per stock unit | | | | |
| Profit attributable to equity holders of the Company (RM'000) | 5,085 | 11,511 | 15,313 | 16,561 |
| Weighted average number of ordinary stock units in issue (unit '000) | 756,561 | 603,915 | 756,561 | 603,915 |
| Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000) | 2,144 | 104,628 | 2,144 | 104,628 |
| Weighted average number of ordinary stock units which will be issued upon conversion of ICCLS 2009/2019 (unit '000) | 300,282 | - | 300,282 | - |
| Adjusted weighted average number of ordinary stock units (unit '000) | 1,058,987 | 708,543 | 1,058,987 | 708,543 |
| Basic earnings per stock unit for the period (sen) | 0.48 | 1.62 | 1.45 | 2.34 |



B. Explanatory Notes required by the Bursa Malaysia's Listing Requirements (cont'd)

13. Earnings Per Stock Unit (cont'd)

| | Individual Quarter | | Cumulative Quarter | |
|---|---------------------------------------|---|--------------------------------------|--|
| | Current quarter ended 30.9.2010 | Comparative quarter ended 30.9.2009 | Current year to date 30.9.2010 | Comparative year to date 30.9.2009 |
| b) Diluted earnings per stock unit | | | | |
| Profit attributable to equity holders of the Company (RM'000) | 5,085 | 11,511 | 15,313 | 16,561 |
| Weighted average number of ordinary stock units in issue (unit '000) | 756,561 | 603,915 | 756,561 | 603,915 |
| Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000) | 2,144 | 104,628 | 2,144 | 104,628 |
| Weighted average number of ordinary stock units which will be issued upon conversion of ICMLS 2009/2019 (unit '000) | 300,282 | - | 300,282 | - |
| Effect of dilution of ESOS (unit '000) | 563 | - | 563 | - |
| Effect of dilution of Warrants (unit '000) | 2,905 | - | 2,905 | - |
| | 1,062,455 | 708,543 | 1,062,455 | 708,543 |
| Diluted earnings per stock unit for the period (sen) | 0.48 | 1.62 | 1.44 | 2.34 |

The fully diluted earnings per stock unit is the same as the basic earnings per stock unit for previous corresponding financial period, as the effects of ESOS and Warrants are ignored as they are anti-dilutive in calculating the diluted earnings per stock unit in accordance with FRS 133 on Earnings per share.

BY ORDER OF THE BOARD

Ang Hong Mai
Company Secretary

Kuala Lumpur
29 November 2010