



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current	Comparative	Current	Comparative
	quarter ended 30.09.2011 RM'000	quarter ended 30.09.2010 RM'000	year to date 30.09.2011 RM'000	year to date 30.09.2010 RM'000
Revenue	82,599	65,814	158,482	112,124
Cost of sales	(52,264)	(44,603)	(95,491)	(60,708)
Gross profit	30,335	21,211	62,991	51,416
Other income	10,177	5,602	73,214	10,432
Administrative expenses	(17,136)	(12,509)	(32,524)	(21,738)
Selling and marketing expenses	(2,868)	(2,399)	(7,349)	(3,891)
Other expenses	(4,633)	(4,249)	(9,065)	(6,976)
Operating profit	15,875	7,656	87,267	29,243
Finance costs	(8,586)	(7,302)	(15,635)	(13,965)
Share of results of associates	87	(21)	174	705
Share of results of jointly controlled entities	10,826	4,817	17,086	6,728
Profit before tax	18,202	5,150	88,892	22,711
Income tax expense	(3,783)	671	(21,860)	(4,768)
<b>Profit for the period</b>	<b>14,419</b>	<b>5,821</b>	<b>67,032</b>	<b>17,943</b>
<b>Other comprehensive income:</b>				
Foreign currency translation	73	(10)	186	(7)
Share of other comprehensive income of associates	-	(2)	-	(2)
<b>Other comprehensive income for the period</b>	<b>73</b>	<b>(12)</b>	<b>186</b>	<b>(9)</b>
<b>Total comprehensive income for the period</b>	<b>14,492</b>	<b>5,809</b>	<b>67,218</b>	<b>17,934</b>
<b>Profit attributable to:</b>				
Owners of the parent	13,836	5,085	65,728	15,313
Minority interests	583	736	1,304	2,630
	14,419	5,821	67,032	17,943
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	13,909	5,073	65,914	15,304
Minority interests	583	736	1,304	2,630
	14,492	5,809	67,218	17,934
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	1.27	0.48	6.05	1.45
Diluted (sen)	1.27	0.48	6.04	1.44

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2011 (Unaudited)**

	<b>AS AT 30.09.2011 RM'000</b>	<b>AS AT 31.03.2011 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	273,651	260,634
Land held for property development	668,504	669,906
Investment properties	414,957	325,837
Land use rights	672	676
Intangible assets	3,249	3,227
Investment in associates	16,923	16,749
Investment in jointly controlled entities	41,813	17,822
Investment securities	2,075	3,050
Deferred tax assets	3,593	17,291
	<u>1,425,437</u>	<u>1,315,192</u>
<b>Current assets</b>		
Property development costs	287,995	300,598
Inventories	38,984	38,362
Trade and other receivables	96,487	123,501
Prepayments	7,537	6,266
Tax recoverable	29,097	23,584
Cash and bank balances	405,444	309,374
	<u>865,544</u>	<u>801,685</u>
<b>TOTAL ASSETS</b>	<u>2,290,981</u>	<u>2,116,877</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011	-	153
Loans and borrowings	365,333	378,934
Provisions	162	162
Trade and other payables	164,618	130,467
Progress billings in respect of property development costs	31,215	22,940
Income tax payable	15,048	7,356
	<u>576,376</u>	<u>540,012</u>
<b>Net current assets</b>	<u>289,168</u>	<u>261,673</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2011 (Unaudited)**

	<b>AS AT 30.09.2011 RM'000</b>	<b>AS AT 31.03.2011 RM'000 (Audited)</b>
<b>Non-current liabilities</b>		
8% Irredeemable Convertible Secured Loan Stocks 2009/2019	69,043	81,836
Loans and borrowings	399,508	364,204
Provisions	330	328
Deferred tax liabilities	48,083	48,592
	<u>516,964</u>	<u>494,960</u>
<b>TOTAL LIABILITIES</b>	<u>1,093,340</u>	<u>1,034,972</u>
<b>Net assets</b>	<u>1,197,641</u>	<u>1,081,905</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	923,460	842,592
8% Irredeemable Convertible Unsecured Loan Stocks 2006/2011	-	1,345
8% Irredeemable Convertible Secured Loan Stocks 2009/2019	57,221	71,133
Treasury Stock Units	(27,720)	(27,645)
Reserves	219,039	170,143
	<u>1,172,000</u>	<u>1,057,568</u>
Minority interests	25,641	24,337
<b>Total Equity</b>	<u>1,197,641</u>	<u>1,081,905</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,290,981</u>	<u>2,116,877</u>
<b>Net assets per stock unit attributable to owners of the parent (RM)</b>	<u>1.25</u>	<u>1.21</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 2011 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 2011 (Unaudited)

	Attributable to owners of parent								Minority Interests	Total Equity	
	Non-Distributable				Distributable						
	Share Capital	ICULS 2006/2011	ICSLs 2009/2011	Share Premium	Treasury Stock Units	Share Option Reserve	Foreign Currency Translation 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	
<b>Financial period ended 30 September 2011</b>											
<b>At 1 April 2011</b>	842,592	1,345	71,133	241,699	(27,645)	1,726	649	(73,931)	1,057,568	24,337	1,081,905
Total comprehensive income for the period	-	-	-	-	-	-	186	65,728	65,914	1,304	67,218
<b>Transactions with owners</b>											
Issue of ordinary stock units:											
- Pursuant to ESOS	2,858	-	-	74	-	-	-	-	2,932	-	2,932
- Warrants exercised	29,833	-	-	-	-	-	-	-	29,833	-	29,833
- Conversion of ICULS	1,971	(1,345)	-	(624)	-	-	-	-	2	-	2
- Conversion of ICSLS	46,206	-	(13,912)	(16,654)	-	-	-	-	15,640	-	15,640
Purchase of treasury stock units	-	-	-	-	(75)	-	-	-	(75)	-	(75)
Share options granted under ESOS	-	-	-	-	-	197	-	-	197	-	197
Share options lapsed under ESOS	-	-	-	-	-	(11)	-	-	(11)	-	(11)
Share options granted under ESOS exercised	-	-	-	717	-	(717)	-	-	-	-	-
Total transactions with owners	80,868	(1,345)	(13,912)	(16,487)	(75)	(531)	-	-	48,518	-	48,518
<b>At 30 September 2011</b>	923,460	-	57,221	225,212	(27,720)	1,195	835	(8,203)	1,172,000	25,641	1,197,641

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

	Attributable to owners of parent								Minority Interests	Total Equity	
	Non-Distributable					Distributable					
	Share Capital	ICULS 2006/2011	ICSLS 2009/2019	Share Premium	Treasury Stock Units	Share Option Reserve	Foreign Currency Translation 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	
<b>Financial period ended 30 September 2010</b>											
<b>At 1 April 2010</b>	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
<b>At 1 April 2010, as restated</b>	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
<b>Transactions with owners</b>											
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 lapsed under ESOS	-	-	-	-	-	(42)	-	-	(42)	-	(42)
Share options granted under ESOS exercised	-	-	-	120	-	(120)	-	-	-	-	-
Total transactions with owners	34,161	(250)	(12,219)	(10,966)	(19,716)	1,499	-	-	(7,491)	-	(7,491)
<b>At 30 September 2010</b>	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 2011 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011 (Unaudited)**

	<b>6 mths ended 30.09.2011 RM'000</b>	<b>6 mths ended 30.09.2010 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	88,892	22,711
Adjustments for:-		
Depreciation and amortisation	6,306	6,701
Non-cash items	(79,682)	(2,230)
Non-operation items	10,175	8,152
Operating profit before changes in working capital	<u>25,691</u>	<u>35,334</u>
Working capital changes:-		
Land held for property development	(1,720)	1,350
Property development costs	18,968	(50,734)
Inventories	1,924	14,826
Receivables	28,296	20,871
Payables	<u>38,859</u>	<u>6,490</u>
Cash flows generated from operations	112,018	28,137
Interest received	5,187	5,611
Interest paid	(18,369)	(19,657)
Income taxes paid	<u>(7,058)</u>	<u>(6,250)</u>
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>91,778</b>	<b>7,841</b>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(50,287)</b>	<b>(45,188)</b>
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>61,347</b>	<b>(29,244)</b>
Effects of exchange rate changes on cash and cash equivalents	186	(9)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u><b>103,024</b></u>	<u><b>(66,600)</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>286,402</b>	<b>548,145</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<u><u><b>389,426</b></u></u>	<u><u><b>481,545</b></u></u>

**The condensed consolidated statement of cash flows should be read in conjunction with the audited financial Statements for the financial year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements.**



**A. Explanatory Notes Pursuant to FRS 134**

**1. Basis of preparation**

The interim financial statements have been prepared under the historical cost convention except for investment properties and investment securities which have been stated at fair value.

This interim financial 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 2011 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 2011.

**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 2011, except for the adoption of the following new Financial Reporting Standards ("FRS"), Amendments to FRSs and Issues Committee ("IC") Interpretations which are applicable for the Group's financial period beginning 1 April 2011, as disclosed below:

**Adoption of FRSs, Amendments to FRSs and IC Interpretations**

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
Amendments to IC	
Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to FRS 132	Classification of Rights Issues
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 1, FRS 2, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132, FRS 134, FRS 139 and Amendments IC Interpretation 13	Improvements to FRSs (2010)
IC interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers



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

**2. Changes in Accounting Policies (cont'd)**

Except for the changes in accounting policies arising from the adoption of the revised FRS 3 and the amendments to FRS 127, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3 and the amendments to FRS 127 are described below:

Revised FRS 3: Business Combinations and Amendments to FRS 127: Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107: Statement of Cash Flows, FRS 112: Income Taxes, FRS 121: The Effects of Changes in Foreign Exchange Rates, FRS 128: Investments in Associates and FRS 131: Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

**Standards issued but not yet effective**

Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to FRS 124	Related Party Disclosure
IC Interpretation 15	Agreements for the Construction of Real Estate

At the date of authorisation of these interim financial report, the above FRSs, IC Interpretations and Amendments to IC Interpretation were issued but not yet effective and have not been applied by the Group for the financial year ending 31 March 2012. These standards will not have material impact on the financial statements in the period of initial application, except as discussed below:

IC Interpretation 15: Agreements for the Construction of Real Estate

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111: Construction Contracts or FRS 118: Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.





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

**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 2011 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.

**5. Exceptional or unusual items**

There were no unusual items during the current financial period ended 30 September 2011.

**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 2011, the Company issued 2,857,625 ordinary stock units of RM1.00 each for cash pursuant to the Company's ESOS, of which 13,125 ordinary stock units were issued from the exercised of 12,500 ESOS option at an exercise price of RM1.05 per unit; 926,000 ordinary stock units were issued from the exercised of 926,000 ESOS option at an exercise price of RM1.06 per unit; 1,885,000 ordinary stock units were issued from the exercised of 1,885,000 ESOS option at an exercise price of RM1.00 per unit and 33,500 ordinary stock units were issued from the exercised of 33,500 ESOS option at an exercise price of RM1.55 per unit.

**b) Warrants 2001/2011**

The trading in the Warrants have been suspended on 28 April 2011. During the financial period from 1 April 2011 to 16 May 2011, 29,833,373 units of Warrant were converted into ordinary stock units at the exercise price of RM1.00 per ordinary stock unit. The remaining unexercised Warrants of 495,115 have lapsed and become null and void on 16 May 2011. Accordingly, Warrants have been removed from the Official List of Bursa Malaysia Securities Berhad with effect from 18 May 2011.

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

The Company had on 3 June 2011, announced that pursuant to the conditions stipulated in the Trust Deed dated 18 May 2006 constituting the ICULS, the ICULS would mature on 25 July 2011 ("Maturity Date").

During the financial period from 1 April 2011 to 25 July 2011, a total of 1,970,564 ICULS at nominal value of RM1.00 each were converted into 1,970,564 new ordinary stock units of RM1.00 each. Out of this amount, a total of 1,944,391 units of ICULS were mandatory converted into 1,944,391 ordinary stock units of RM1.00 each on the Maturity Date.



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

7. Debt and equity securities (cont'd)

d) Treasury Stock Units

During the financial period ended 30 September 2011, the Company bought back 50,000 of its issued ordinary stock units in the open market for a consideration of RM74,540. As at 30 September 2011, the total stock units repurchased and held as treasury stock units amounted to 29,439,400 ordinary stock units of RM1.00 each at a total cost of RM27,719,586.

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

During the financial period ended 30 September 2011, a total of 46,206,032 ICSLS at nominal value of RM0.65 each were converted into 46,206,032 new ordinary stock units of RM1.00 each. The balance of outstanding ICSLS in issue as at 30 September 2011 was 208,676,604.

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.

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 2011</u>	Properties	Hospitality	Investment Holding and others	Elimination	Total
<b>RM'000</b>					
<b>REVENUE</b>					
External sales	118,197	38,278	2,007	-	158,482
Inter-segment sales	685	-	3,245	(3,930)	-
Total revenue	<u>118,882</u>	<u>38,278</u>	<u>5,252</u>		<u>158,482</u>
<b>RESULTS</b>					
Segment results	105,418	(303)	(10,740)	(7,108)	87,267
Share of results of associate	-	-	174		174
Share of results of jointly controlled entities	17,490	-	-	(404)	17,086
Finance cost					(15,635)
Profit before tax					<u>88,892</u>



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

9. Segmental information by business segment (cont'd)

<u>6-month ended</u> <u>30 September 2010</u> RM'000	Properties	Hospitality	Investment Holding and others	Elimination	Total
<b>REVENUE</b>					
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>
<b>RESULTS</b>					
Segment results	32,665	1,296	509	(5,227)	29,243
Share of results of associates	-	-	705	-	705
Share of results of jointly controlled entities	6,728	-	-	-	6,728
Finance cost					(13,965)
Profit before tax					<u>22,711</u>

10. Valuation of investment properties

The Group adopts the fair value model for its investment properties. During the financial period, the Group has completed a self-constructed investment property. The investment property while under construction was measured at cost. Upon completion, the investment property is measured at fair value. This resulted in a gain of RM63.753 million which is recognised as profit in the statement of comprehensive income. An indirect wholly-owned subsidiary of the Company had on 11 July 2011 entered into a sale and purchase agreement for the disposal of this investment property.

11. Material subsequent event

There were no material event subsequent to the end of the financial period ended 30 September 2011 except for the following:

- (i) The Company had on 17 November 2011, announced that pursuant to the conditions stipulated in the Trust Deed dated 11 September 2009 constituting the ICSLS, the Company is exercising its rights of mandatory conversion, and the early conversion shall be on 27 December 2011 ("Early Conversion Date").

The Company shall on the Early Conversion Date convert all unconverted ICSLS into new E&O Stock Units at the conversion price of RM1.00 for every one (1) new E&O Stock Unit, whereby the RM0.35 otherwise unpaid on a new E&O Stock Unit upon its allotment and issuance, shall be debited from the share premium account of the Company. The new E&O Stock Units will as soon as it is practicable after the Early Conversion Date be credited into the CDS accounts of ICSLS Holders appearing in the Company's Record of Depositors of ICSLS on the Early Conversion Date.



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

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

Galaxy Prestige Sdn. Bhd., an indirect wholly-owned subsidiary of the Company had on 28 June 2011, entered into a Shareholders' Agreement for Joint Venture Company with Pulau Indah Ventures Sdn. Bhd. to establish a 50:50 joint venture company named Nuri Merdu Sdn. Bhd. to undertake the development of an iconic wellness township project in Iskandar Malaysia.

**13. Contingent Liabilities**

Details of contingent liabilities as at 23 November 2011 (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>366,073</u>

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

**1. Review of performance**

The Group achieved a revenue of RM158.482 million for the financial period ended 30 September 2011 as compared to RM112.124 million recorded in the previous year corresponding period ended 30 September 2010. In the current financial period under review, the higher revenue generated was mainly contributed by the property division from the higher revenue recognition for Seri Tanjung Pinang projects and higher revenue achieved from the hospitality and restaurants division. The jointly controlled projects namely the St. Mary Residences and the on-going Villas by-the-sea bungalows in Penang have achieved revenue totaling RM173.295 million (last year comparative quarter: RM52.292 million) which was not included in the group consolidated revenue.

The Group posted a pre-tax profit of RM88.892 million compared to the pre-tax profit of RM22.711 million in the previous year corresponding period. This represents an increase in pre-tax profit of RM66.181 million or 291%. The increase in pre-tax profit reflects higher contribution from the property division on the back of higher revenue recognised, higher share of profits in jointly controlled entities and the fair value gain on an investment property as disclosed in Note A10.

**2. Variation of results against preceding quarter**

The Group recorded a revenue of RM82.599 million and a profit before tax of RM18.202 million for the current quarter as compared to the immediate preceding quarter where the Group revenue was RM75.883 million and a profit before tax of RM70.690 million. Despite the increase in revenue of RM6.716 million or 9%, the pre-tax profits decreased by RM52.488 million or 74% for the current quarter. The higher pre-tax profit in the immediate preceding quarter was mainly due to the fair value gain on an investment property as disclosed in Note A10.



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

**3. Current year prospects**

While the global economic condition has exacerbated by the Eurozone situation remains uncertain, the Malaysian economy has sustained and continues to register moderate growth. Against this backdrop, the Group adopts a cautiously optimistic outlook supported by its strong brand positioning and expects a higher contribution to the Group's earnings by existing property development projects such as St. Mary Residences in Kuala Lumpur, Quayside Seafront Resort Condominiums at Seri Tanjung Pinang and new launches in Penang.

**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	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	4,736	5,081	14,265	14,512
- in respect of prior years	(663)	(5,014)	(5,595)	(6,621)
Deferred tax	(290)	(738)	13,190	(3,123)
	<u>3,783</u>	<u>(671)</u>	<u>21,860</u>	<u>4,768</u>

The effective tax rate of the Group for the financial period under review was higher than the statutory tax rate of 25% mainly due to certain expenses which was not deductible for tax purposes.

**6. Accumulated losses**

	As at 30.09.2011 RM'000	As at 31.03.2011 RM'000
Total accumulated losses of the Company and its subsidiaries		
Realised	(102,162)	(115,189)
Unrealised	11,257	(1,808)
	<u>(90,905)</u>	<u>(116,997)</u>
Share of retained profit/(accumulated losses) from associated companies		
Realised	113	(61)
Share of retained profits from jointly controlled entities		
Realised	33,438	16,553
Unrealised	1,345	1,144
	<u>(56,009)</u>	<u>(99,361)</u>
Add: Consolidated adjustments	47,806	25,430
Total Group accumulated losses as per consolidated accounts	<u>(8,203)</u>	<u>(73,931)</u>

**7. Sale of unquoted investments and/ or properties**

There were no disposals of unquoted investments and properties during the financial period ended 30 September 2011.



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

**8. Investment in quoted securities**

Particulars of investment in quoted securities:	<b>Current financial quarter to date 30.09.2011 RM'000</b>
(a) Purchases / disposals	
Total purchases	-
Total sale proceeds	-
Total profit/(loss) on disposal	-
(b) Balances as at 30 September 2011	
Total investments at cost	10,447
Total investments at carrying value/market value	<u>2,013</u>

**9. Status of Corporate Proposals**

- a) There was no corporate proposal announced but not completed as at 23 November 2011.
- b) Utilisation of proceeds from corporate proposals
  - (i) 8% Irredeemable Convertible Secured Loan Stocks 2009/2019

As at 23 November 2011, cash proceeds amounting to approximately RM235.62 million arising from issuance of Irredeemable Convertible Secured Loan Stocks was partially utilised as follows:

	Utilised to date <b>RM'000</b>
Repayment of bank borrowings	104,368
Acquisition of a property	27,754
ICSLS issue costs	2,500
	<u>134,622</u>

**10. Group Borrowings**

- a) The Group borrowings were as follows:-
 

	<b>As at 30.09.2011 RM'000</b>
Short Term - Secured	365,333
Long Term - Secured	399,508
- b) All the borrowings were denominated in Ringgit Malaysia.

**11. Off Balance Sheet Financial Instruments**

There were no financial instruments with off balance sheet risk as at 23 November 2011.

**12. Material Litigation**

There was no material litigation which affects the financial position or business of the Group as at 23 November 2011.



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

**13. Dividend**

The Board of Directors do not recommend any interim dividend for the financial period ended 30 September 2011.

On 30 September 2011, the stockholders have approved the payment of a first and final dividend of 2.0% less income tax of 25% on the ordinary stock units in issue at book closure date on 13 October 2011 in respect of the financial year ended 31 March 2011. The dividend was paid on 3 November 2011.

**14. Earnings Per Stock Unit**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2011	Comparative quarter ended 30.09.2010	Current year to date 30.09.2011	Comparative year to date 30.09.2010
<b>a) Basic earnings per stock unit</b>				
Profit attributable to owners of the parent (RM'000)	13,836	5,085	65,728	15,313
Weighted average number of ordinary stock units in issue (unit '000)	876,362	756,561	876,362	756,561
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	-	2,144	-	2,144
Weighted average number of ordinary stock units which will be issued upon conversion of ICCLS 2009/2019 (unit '000)	209,897	300,282	209,897	300,282
Adjusted weighted average number of ordinary stock units (unit '000)	1,086,259	1,058,987	1,086,259	1,058,987
Basic earnings per stock unit for the period (sen)	1.27	0.48	6.05	1.45



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

14. Earnings Per Stock Unit (cont'd)

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2011	Comparative quarter ended 30.09.2010	Current year to date 30.09.2011	Comparative year to date 30.09.2010
<b>b) Diluted earnings per stock unit</b>				
Profit attributable to owners of the parent (RM'000)	13,836	5,085	65,728	15,313
Weighted average number of ordinary stock units in issue (unit '000)	876,362	756,561	876,362	756,561
Weighted average number of ordinary stock units which will be issued upon conversion of ICULS 2006/2011 (unit '000)	-	2,144	-	2,144
Weighted average number of ordinary stock units which will be issued upon conversion of ICCLS 2009/2019 (unit '000)	209,897	300,282	209,897	300,282
Effect of dilution of ESOS (unit '000)	1,546	563	1,546	563
Effect of dilution of Warrants (unit '000)	-	2,905	-	2,905
	1,087,805	1,062,455	1,087,805	1,062,455
Diluted earnings per stock unit for the period (sen)	1.27	0.48	6.04	1.44

BY ORDER OF THE BOARD

Ang Hong Mai  
Company Secretary

Kuala Lumpur  
30 November 2011