

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2014 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2014 RM'000	Comparative quarter ended 30.06.2013 RM'000	Current three months ended 30.06.2014 RM'000	Comparative three months ended 30.06.2013 RM'000
Revenue	129,744	94,991	129,744	94,991
Cost of sales	(62,775)	(51,748)	(62,775)	(51,748)
Gross profit	66,969	43,243	66,969	43,243
Other income	4,254	25,242	4,254	25,242
Administrative expenses	(20,132)	(15,500)	(20,132)	(15,500)
Selling and marketing expenses	(3,516)	(3,987)	(3,516)	(3,987)
Other expenses	(7,761)	(6,919)	(7,761)	(6,919)
Operating profit	39,814	42,079	39,814	42,079
Finance costs	(8,045)	(9,534)	(8,045)	(9,534)
Share of results of associate	134	139	134	139
Share of results of joint ventures	1,305	1,898	1,305	1,898
Profit before tax	33,208	34,582	33,208	34,582
Income tax expense	(12,640)	(6,778)	(12,640)	(6,778)
Profit for the period	20,568	27,804	20,568	27,804
Other comprehensive income:				
Foreign currency translation	(20)	(216)	(20)	(216)
Income tax relating to components of other comprehensive income	-	-	-	-
Other comprehensive income for the period	(20)	(216)	(20)	(216)
Total comprehensive income for the period	20,548	27,588	20,548	27,588
Profit attributable to:				
Owners of the parent	18,960	27,220	18,960	27,220
Non-controlling interests	1,608	584	1,608	584
	20,568	27,804	20,568	27,804
Total comprehensive income attributable to:				
Owners of the parent	18,940	27,004	18,940	27,004
Non-controlling interests	1,608	584	1,608	584
	20,548	27,588	20,548	27,588
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	1.71	2.46	1.71	2.46
Diluted (sen)	1.69	2.43	1.69	2.43

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

EASTERN & ORIENTAL BERHAD (555-K)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014 (Unaudited)**

	AS AT 30.06.2014 RM'000	AS AT 31.03.2014 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	355,424	359,663
Land held for property development	617,114	616,270
Investment properties	488,704	484,337
Intangible assets	189	215
Investment in associate	17,242	17,108
Investment in joint ventures	77,564	78,223
Investment securities	3,683	3,697
Deferred tax assets	2,088	1,815
Trade and other receivables	13,537	19,225
	<u>1,575,545</u>	<u>1,580,553</u>
Current assets		
Property development costs	275,262	264,455
Inventories	71,342	74,767
Trade and other receivables	68,013	79,615
Prepayments	3,152	2,553
Tax recoverable	3,864	23,352
Accrued billings in respect of property development costs	227,011	171,537
Cash and bank balances	244,789	277,166
	<u>893,433</u>	<u>893,445</u>
TOTAL ASSETS	<u>2,468,978</u>	<u>2,473,998</u>
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	168,130	160,848
Provisions	30,844	31,434
Trade and other payables	115,209	115,208
Provision for retirement benefits	4	8
Income tax payable	14,331	7,415
	<u>328,518</u>	<u>314,913</u>
Net current assets	<u>564,915</u>	<u>578,532</u>

EASTERN & ORIENTAL BERHAD (555-K)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014 (Unaudited)**

	AS AT 30.06.2014 RM'000	AS AT 31.03.2014 RM'000 (Audited)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Loans and borrowings	528,431	567,311
Provisions	1,194	252
Trade and other payables	24,443	26,880
Provision for retirement benefits	409	383
Deferred tax liabilities	46,479	46,812
	<u>600,956</u>	<u>641,638</u>
TOTAL LIABILITIES	<u>929,474</u>	<u>956,551</u>
Net assets	<u>1,539,504</u>	<u>1,517,447</u>
Equity attributable to owners of the parent		
Share capital	1,135,622	1,135,622
Treasury stock units	(27,720)	(27,720)
Reserves	387,459	367,010
	<u>1,495,361</u>	<u>1,474,912</u>
Non-controlling interests	<u>44,143</u>	<u>42,535</u>
Total Equity	<u>1,539,504</u>	<u>1,517,447</u>
TOTAL EQUITY AND LIABILITIES	<u>2,468,978</u>	<u>2,473,998</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>1.35</u>	<u>1.33</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 2014 and the accompanying explanatory notes attached to the interim financial statements.



EASTERN & ORIENTAL BERHAD (555-K)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014 (Unaudited)**

	Attributable to owners of the parent					Retained Profits	Total	Non-controlling Interests	Total Equity
	<----->		Non-Distributable						
	Share Capital	Share Premium	Treasury Stock Units	LTIP Reserve	Foreign Currency Translation Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial quarter ended 30 June 2014									
At 1 April 2014	1,135,622	142,145	(27,720)	14,558	(769)	211,076	1,474,912	42,535	1,517,447
Total comprehensive income for the financial year	-	-	-	-	(20)	18,960	18,940	1,608	20,548
Transactions with owners									
Award of LTIP to employees	-	-	-	1,509	-	-	1,509	-	1,509
Total transactions with owners	-	-	-	1,509	-	-	1,509	-	1,509
At 30 June 2014	1,135,622	142,145	(27,720)	16,067	(789)	230,036	1,495,361	44,143	1,539,504



EASTERN & ORIENTAL BERHAD (555-K)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2013 (Unaudited)**

	Attributable to owners of the parent								
	<----- Non-Distributable ----->					Distributable			
	Share Capital	Share Premium	Treasury Stock Units	LTIP Reserve	Foreign Currency Translation Reserve	Retained Profits	Total	Non- controlling Interests	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial quarter ended 30 June 2013									
At 1 April 2013	1,135,622	142,145	(27,720)	3,696	954	135,171	1,389,868	35,990	1,425,858
Total comprehensive income for the financial quarter	-	-	-	-	(216)	27,220	27,004	584	27,588
Transactions with owners									
Award of LTIP to employees				2,434			2,434		2,434
Total transactions with owners	-	-	-	2,434	-	-	2,434	-	2,434
At 30 June 2013	1,135,622	142,145	(27,720)	6,130	738	162,391	1,419,306	36,574	1,455,880

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 2014 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014 (Unaudited)**

	Quarter ended 30.06.2014 RM'000	Quarter ended 30.06.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	33,208	34,582
Adjustments for:-		
Impairment loss on financial assets:		
trade receivables	149	39
Amortisation of intangible assets	27	28
Depreciation of property, plant and equipment	5,440	4,976
Bad debts written off	4	-
Recovery of bad debts	(13)	-
Interest expense	8,001	8,562
Property, plant and equipment written off	33	-
Reversal of impairment loss on:		
trade receivables	(186)	-
other receivables	-	(176)
Net gain on disposal of:		
property, plant and equipment	(40)	(6)
Unrealised gain on foreign exchange	(428)	(1,148)
Gain from fair value movement of investment properties	-	(20,000)
Net fair value adjustment	(606)	962
Fair value loss on investment securities	14	11
Interest income	(1,309)	(2,119)
Provision for foreseeable losses	1,091	-
Share of results of associate	(134)	(139)
Share of results of joint ventures	(1,305)	(1,898)
Award of Long-term Stock Incentive Plan to employees	1,760	2,434
Provision for retirement benefits	22	20
Operating profit before changes in working capital	<u>45,728</u>	<u>26,128</u>
Changes in working capital:-		
Land held for property development	(295)	(3,557)
Property development cost	(10,736)	7,194
Inventories	3,425	4,213
Receivables	(37,690)	70,957
Payables	<u>(1,581)</u>	<u>(45,260)</u>
Cash flows (used in)/from operations	(1,149)	59,675
Interest received	2,302	1,660
Interest paid	(9,546)	(8,693)
Income taxes refunded	19,537	392
Income taxes paid	<u>(6,742)</u>	<u>(13,919)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	4,402	39,115



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014 (Unaudited)**

	Quarter ended 30.06.2014 RM'000	Quarter ended 30.06.2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,113)	(4,438)
Purchase of intangible assets	(1)	-
Purchase of investment properties: - subsequent expenditure	(3,269)	(1,285)
Proceeds from disposal of property, plant and equipment	40	6
Additional investment in a joint venture	-	(17,500)
NET CASH FLOW USED IN INVESTING ACTIVITIES	(4,343)	(23,217)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	-	62,069
Repayment of borrowings	(33,405)	(43,223)
Repayment of obligations under finance lease	(110)	(118)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES	(33,515)	18,728
Effects of exchange rate changes on cash and cash equivalents	(20)	(216)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(33,476)	34,410
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	277,166	255,830
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL QUARTER	243,690	290,240

For the purpose of statement of cash flows, cash and cash equivalents comprise the following:-

Cash and bank balances	244,789	310,525
Bank overdrafts	(1,099)	(20,285)
	243,690	290,240

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2014 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 on 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 2014 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 2014.

2. Changes in Accounting Policies

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141: Agriculture and IC Interpretation 15: Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2016.

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 2014, 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 2014, as disclosed below:

Adoption of FRSS, Amendments to FRSS and IC Interpretations

		Effective for annual periods beginning on or after
Amendments to FRS 132	: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127	: Investment Entities	1 January 2014
Amendments to FRS 136	: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	: Levies	1 January 2014



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

2. Changes in Accounting Policies (cont'd)

Adoption of FRSs, Amendments to FRSs and IC Interpretations (cont'd)

Adoption of the above standards and interpretations do not have any significant effect on the financial performance and position of the Group except for those discussed below:

Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments to FRS 132 clarified that a legally enforceable right to set off is a right of set off that must not be contingent on a future event; and must be legally enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendments further clarified that an entity will meet the net settlement criterion as provided in FRS 132 if the entity can settle amounts in a manner that the outcome is, in effect, equivalent to net settlement.

Standards and interpretations issued but not yet effective

		Effective for annual periods beginning on or after
Amendments to FRS 119	: Defined Benefit Plans: Employee Contributions	1 July 2014
FRS 9	: Financial Instruments	To be announced
FRS 11	: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
FRS 14	: Regulatory Deferral Accounts	1 January 2016
FRS 116 and FRS 138	: Clarification of Acceptable Methods of Depreciation and amortisation	1 January 2016

At the date of authorisation of these interim financial report, the above FRSs, Amendment to 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 2015. The Group is in the process of making an assessment of the impact of adoption of the standards above, other than FRS 9 as discussed below:

FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139: Financial Instruments - Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The adoption of this first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets but will potentially have no impact on classification and measurements of financial liabilities.

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 2014 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 financial quarter ended 30 June 2014.

6. Changes in estimates

There were no material changes in estimates that have had a material effect in the current financial quarter ended 30 June 2014.



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

7. Debt and equity securities

There was no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the Company for the current period under review.

8. Dividends paid

No dividend was paid during the current financial quarter.

9. Segmental information by business segment

<u>Quarter ended</u> 30 June 2014	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
External sales	102,710	26,515	519	-	129,744
Inter-segment sales	444	-	30	(474)	-
Total revenue	<u>103,154</u>	<u>26,515</u>	<u>549</u>		<u>129,744</u>
RESULTS					
Segment results	46,038	82	(3,695)	(2,611)	39,814
Share of results of associate	-	-	134	-	134
Share of results of joint ventures	1,305	-	-	-	1,305
Finance cost					<u>(8,045)</u>
Profit before tax					<u>33,208</u>

<u>Quarter ended</u> 30 June 2013	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
External sales	66,580	26,475	1,936	-	94,991
Inter-segment sales	302	-	144	(446)	-
Total revenue	<u>66,882</u>	<u>26,475</u>	<u>2,080</u>		<u>94,991</u>
RESULTS					
Segment results	45,328	(28)	1,544	(4,765)	42,079
Share of results of associate	-	-	139	-	139
Share of results of joint ventures	1,898	-	-	-	1,898
Finance cost					<u>(9,534)</u>
Profit before tax					<u>34,582</u>

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- (i) Property - development and investment in residential and commercial properties
- (ii) Hospitality - management and operation of hotels and restaurants
- (iii) Investments and others

Segment performance for the current financial quarter as compared to the previous period's corresponding financial quarter

(i) Property

The property segment recorded a revenue of RM102.710 million for the financial quarter ended 30 June 2014 as compared to RM66.580 million achieved for the financial quarter ended 30 June 2013, an increase of RM36.130 million or 54.27%.

The JV projects, St Mary Residences and The Mews recognised a total revenue of RM14.763 million for the financial quarter ended 30 June 2014 (financial quarter ended 30 June 2013: RM15.181 million).



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

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

Segment performance for the current financial quarter as compared to the previous period's corresponding financial quarter (cont'd)

(i) Property (cont'd)

After incorporating revenue recognised for the joint ventures ("JV"), the Group's property segment recorded an adjusted revenue of RM117.473 million for the financial quarter ended 30 June 2014 as compared to an adjusted revenue of RM81.761 million in the financial quarter ended 30 June 2013.

The higher revenue in the current financial quarter was mainly due to a higher percentage of recognition reflecting higher progress work done on existing development projects.

The property segment recorded an operating profit of RM46.038 million for the financial quarter ended 30 June 2014 as compared to the operating profit of RM45.328 million in the financial quarter ended 30 June 2013. This represented an increase of RM0.710 million or 1.57%.

In the corresponding quarter of the previous financial year, the property segment recorded a fair value gain of RM20 million on an investment property. With the exclusion of the fair value gain, the current financial quarter would reflect a higher increase in the operating profit on the back of higher revenue recognised.

The JV contributed RM1.305 million profit for the financial quarter ended 30 June 2014 as compared to the financial quarter ended 30 June 2013 of RM1.898 million, a decrease of RM0.593 million or 31.2%.

The JV recorded a relatively lower contribution as the St Mary Residences project has been completed while construction for the newly-launched The Mews has just commenced its development work and the Avira Garden Terraces have only just been launched with construction yet to start.

(ii) Hospitality

The hospitality segment recorded a revenue of RM26.515 million for the financial quarter ended 30 June 2014 as compared to RM26.475 million in the financial quarter ended 30 June 2013.

The division reported a slight operating profit of RM82,000 for the financial quarter ended 30 June 2014 as compared to a loss of RM28,000 for the financial quarter ended 30 June 2013.

(iii) Investments and others

The investments and others segment recorded an operating loss of RM3.695 million for the financial quarter ended 30 June 2014 as compared to an operating profit of RM1.544 million in the financial quarter ended 30 June 2013. The operating loss recognised in the current financial quarter is due to higher operating expenses.

10. Valuation of investment properties

The Group adopts the fair value model for its investment properties. Investment properties under construction are classified as investment properties and are measured at cost until either the fair value becomes reliably determinable or construction is completed.

There is no significant and indicative change in value of the said investment properties from the last financial year end.



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

11. Material subsequent events

There were no material events subsequent at the end of the financial quarter ended 30 June 2014 except for the following:

- (i) The Group had on 2 July 2014 acquired two (2) ordinary shares of RM1.00 each, representing 100% equity interest in Eastern & Oriental Express Sdn. Bhd. ("EOE") for a total cash consideration of RM2.00.

EOE had on 4 July 2014 together with the Company, entered into a sale and purchase agreement with Sime Darby Elmina Development Sdn Bhd, a wholly owned subsidiary of Sime Darby Berhad to acquire a parcel of freehold land measuring approximately 135 acres for a purchase consideration of RM239,800,000.

12. Changes in composition of the Group

There were no changes in composition of the Group at the end of the financial quarter ended 30 June 2014.

13. Contingent Liabilities

There were no contingent liabilities as at 19 August 2014 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report), except for the Company which has issued corporate guarantees to banks and financial institutions for banking facilities granted to certain subsidiaries as follows:

	RM'000
Corporate guarantees issued by the Company for banking facilities granted to subsidiaries:	
- Secured	501,147

14. Capital Commitments

Capital commitments of the Group in respect of capital expenditure are as follows:

	As at 30.06.2014 RM'000	As at 31.03.2014 RM'000
Capital expenditure		
Approved and contracted for		
Property, plant and equipment	-	142
Investment property under construction	52,500	52,500
Approved but not contracted for		
Property, plant and equipment	5,557	6,134
Share of joint venture's capital commitments in relation to acquisition of land	155,500	155,500



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

15. Significant Related Party Transactions

Recurrent related party transactions conducted during the current financial quarter ended 30 June 2014 are in accordance with the stockholders' mandate obtained at the last Annual General Meeting of the Company.

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

1. Review of performance

The Group achieved a revenue of RM129.744 million for the financial quarter ended 30 June 2014 as compared to RM94.991 million recorded in the financial quarter ended 30 June 2013. This represented an increase of RM34.753 million or 36.59%, largely from the property segment which registered an increase of RM36.130 million.

After incorporating revenue recognised for the joint ventures projects, the Group recorded an adjusted revenue of RM144.507 million as compared to the financial quarter ended 30 June 2013 of RM110.172 million.

The Group posted profit before tax of RM33.208 million for the financial quarter ended 30 June 2014 compared to profit before tax of RM34.582 million in the financial quarter ended 30 June 2013. This represented a marginally lower profit before tax of RM1.374 million or 3.97%.

Notably, revenue for the current financial quarter under review was higher as compared to the previous financial corresponding quarter. Nonetheless, higher operating expenses and lower contribution from the JV have tempered the positive impact on profit before tax.

Further explanatory comments on the performance of each of the Group's business segments are provided in Note A9.

2. Variation of results against preceding quarter

The Group recorded a revenue of RM129.744 million and profit before tax of RM33.208 million for the current financial quarter ended 30 June 2014 as compared to the preceding financial quarter ended 31 March 2014 where the Group achieved a revenue of RM229.687 million and profit before tax of RM79.938 million. This reflected a decrease in revenue of RM99.943 million or 44% and decrease in profit before tax of RM46.730 million or 58%. The higher revenue and profit recognition in the preceding quarter was mainly contributed by the property segment due to higher percentage recognition from higher development progress of on-going projects.

3. Current year prospects

The Malaysian property market has experienced an overall moderation of sentiments as a result of the Budget 2014 cooling measures on the sector which have also affected the investment decision of our buyers. We are increasing marketing efforts to promote our strategically located and distinctive offerings to potential buyers. It is expected that these efforts will reaffirm the long-term value proposition of our products and boost buyers' confidence, thus enabling us to fuel demand. Barring any unforeseen circumstances and depending on the next round of Budget policy announcements, we anticipate that the property market will consolidate at the current level in the short term before rebounding in the medium- to longer-term.



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

4. Variance in profit forecast/profit guarantee

The Group did not issue any profit forecast/profit guarantee for the current financial quarter ended 30 June 2014.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2014 RM'000	Comparative quarter ended 30.06.2013 RM'000	Current three months ended 30.06.2014 RM'000	Comparative three months ended 30.06.2013 RM'000
Malaysian income tax				
- current	13,155	6,939	13,155	6,939
- in respect of prior years	90	-	90	-
Deferred tax	(605)	(161)	(605)	(161)
	<u>12,640</u>	<u>6,778</u>	<u>12,640</u>	<u>6,778</u>

The effective tax rate of the Group for the current financial quarter ended 30 June 2014 under review is higher than the statutory rate of 25% mainly due to certain expenses of the group are not deductible.

6. Retained profits

	As at 30.06.2014 RM'000	As at 31.03.2014 RM'000
Total accumulated losses of the Company and its subsidiaries		
Realised	59,397	39,245
Unrealised	40,434	40,341
	<u>99,831</u>	<u>79,586</u>
Share of retained profits of associate		
Realised	432	298
Share of retained profits from joint ventures		
Realised	41,123	39,532
Unrealised	(819)	1,431
	<u>140,567</u>	<u>120,847</u>
Add: Consolidated adjustments	89,469	90,229
Total Group's retained profits as per consolidated accounts	<u>230,036</u>	<u>211,076</u>



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

7. Additional disclosures

Included in the condensed consolidated statements of comprehensive income for the quarter are the followings:

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2014 RM'000	Comparative quarter ended 30.06.2013 RM'000	Current three months ended 30.06.2014 RM'000	Comparative three months ended 30.06.2013 RM'000
Interest income	1,309	2,119	1,309	2,119
Reversal of/(Impairment) loss on receivables	37	137	37	137
Recovery of bad debts	13	-	13	-
Interest expense	(8,001)	(8,562)	(8,001)	(8,562)
Depreciation and amortisation	(5,467)	(5,004)	(5,467)	(5,004)
Bad debts written off	(4)	-	(4)	-
Property, plant and equipment written off	(33)	-	(33)	-
Unrealised gain on foreign exchange	428	1,148	428	1,148
Net gain on disposal of property, plant and equipment	40	6	40	6
Gain from fair value movement of investment properties	-	20,000	-	20,000
Net fair value adjustment	(606)	(962)	(606)	(962)
Fair value loss on investment securities	(14)	(11)	(14)	(11)

8. Status of Corporate Proposals

There were no corporate proposal announced but not completed as at 19 August 2014.

9. Group Borrowings

a) The Group borrowings were as follows:-

	As at 30.06.2014 RM'000
Short Term - Secured	168,130
Long Term - Secured	528,431

b) All the borrowings above were denominated in Ringgit Malaysia, except for the following:-

Long Term - Secured Denominated in Pound Sterling (£'000)	16,000
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10. Material Litigation

There were no material litigation which affect the financial position or business of the Group as at 19 August 2014.

11. Dividend

The Board of Directors do not recommend any interim dividend for the financial quarter ended 30 June 2014.

At the forthcoming Annual General Meeting, a first and final dividend in respect of financial year ended 31 March 2014, of 3% on the ordinary stock units in issue will be proposed for stockholders' approval.



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

12. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2014	Comparative quarter ended 30.06.2013	Current three months ended 30.06.2014	Comparative three months ended 30.06.2013
a) Basic earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	18,960	27,220	18,960	27,220
Weighted average number of ordinary stock units in issue (unit '000)	1,106,182	1,106,182	1,106,182	1,106,182
Adjusted weighted average number of ordinary stock units (unit '000)	1,106,182	1,106,182	1,106,182	1,106,182
Basic earnings per stock unit for the quarter (sen)	1.71	2.46	1.71	2.46
b) Diluted earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	18,960	27,220	18,960	27,220
Weighted average number of ordinary stock units in issue (unit '000)	1,106,182	1,106,182	1,106,182	1,106,182
Effect of dilution of LTIP (unit '000)	18,624	14,178	18,624	14,178
	1,124,806	1,120,360	1,124,806	1,120,360
Diluted earnings per stock unit for the quarter (sen)	1.69	2.43	1.69	2.43

BY ORDER OF THE BOARD

Ang Hong Mai
Company Secretary

Kuala Lumpur
26 August 2014