



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2016 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2016 RM'000	Comparative quarter ended 30.06.2015 RM'000	Current three months ended 30.06.2016 RM'000	Comparative three months ended 30.06.2015 RM'000
Revenue	163,312	68,890	163,312	68,890
Cost of sales	(113,740)	(43,784)	(113,740)	(43,784)
Gross profit	49,572	25,106	49,572	25,106
Other income	17,390	22,923	17,390	22,923
Administrative expenses	(11,395)	(19,957)	(11,395)	(19,957)
Selling and marketing expenses	(10,397)	(6,427)	(10,397)	(6,427)
Other expenses	(26,412)	(8,509)	(26,412)	(8,509)
Operating profit	18,758	13,136	18,758	13,136
Finance costs	(12,002)	(13,388)	(12,002)	(13,388)
Share of results of an associate	50	20,720	50	20,720
Share of results of joint ventures	3,833	4,135	3,833	4,135
Profit before tax	10,639	24,603	10,639	24,603
Income tax expense	(6,827)	(1,261)	(6,827)	(1,261)
Profit for the period	3,812	23,342	3,812	23,342
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Foreign currency translation	(847)	(310)	(847)	(310)
Other comprehensive income for the period	(847)	(310)	(847)	(310)
Total comprehensive income for the period	2,965	23,032	2,965	23,032
Profit attributable to:				
Owners of the parent	3,237	23,259	3,237	23,259
Non-controlling interests	575	83	575	83
	3,812	23,342	3,812	23,342
Total comprehensive income attributable to:				
Owners of the parent	2,390	22,949	2,390	22,949
Non-controlling interests	575	83	575	83
	2,965	23,032	2,965	23,032
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	0.26	1.90	0.26	1.90
Diluted (sen)	0.26	1.88	0.26	1.88

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 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 2016 (Unaudited)**

	AS AT 30.06.2016 RM'000	AS AT 31.03.2016 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	329,117	333,476
Land held for property development	1,097,379	1,082,576
Investment properties	502,251	495,391
Intangible assets	335	366
Investment in associate	6,391	6,341
Investment in joint ventures	121,552	107,738
Investment securities	2,241	2,382
Deferred tax assets	5,362	5,252
Trade and other receivables	17,065	39,515
	<u>2,081,693</u>	<u>2,073,037</u>
Current assets		
Property development costs	703,419	1,014,617
Inventories	457,940	212,357
Trade and other receivables	152,918	55,881
Prepayments	20,616	17,242
Tax recoverable	22,655	17,772
Accrued billings in respect of property development costs	87,611	116,256
Cash and bank balances	223,184	247,294
	<u>1,668,343</u>	<u>1,681,419</u>
Assets of disposal group classified as held for sale	<u>3,133</u>	<u>4,269</u>
TOTAL ASSETS	<u>3,753,169</u>	<u>3,758,725</u>
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	254,854	178,040
Provisions	9,690	15,643
Trade and other payables	132,407	134,304
Provision for retirement benefits	15	96
Income tax payable	7,470	2,935
	<u>404,436</u>	<u>331,018</u>
Liabilities directly associated with disposal group classified as held for sale	<u>1,930</u>	<u>2,741</u>
Net current assets	<u>1,265,110</u>	<u>1,351,929</u>

EASTERN & ORIENTAL BERHAD (555-K)



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (Unaudited)**

	AS AT 30.06.2016 RM'000	AS AT 31.03.2016 RM'000 (Audited)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Provision for retirement benefits	504	405
Loans and borrowings	1,255,586	1,340,299
Provisions	156	278
Trade and other payables	357,996	354,482
Deferred tax liabilities	42,185	42,346
	<u>1,656,427</u>	<u>1,737,810</u>
TOTAL LIABILITIES	<u>2,062,793</u>	<u>2,071,569</u>
Net assets	<u>1,690,376</u>	<u>1,687,156</u>
Equity attributable to owners of the parent		
Share capital	1,259,784	1,259,784
Share premium	10,821	10,821
Treasury stock units	(4,778)	(4,557)
Reserves	375,223	372,357
	<u>1,641,050</u>	<u>1,638,405</u>
Non-controlling interests	<u>49,326</u>	<u>48,751</u>
Total Equity	<u>1,690,376</u>	<u>1,687,156</u>
TOTAL EQUITY AND LIABILITIES	<u>3,753,169</u>	<u>3,758,725</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>1.31</u>	<u>1.31</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 2016 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 2016 (Unaudited)**

	Attributable to owners of the parent						Total	Non-controlling Interests	Total Equity	
	Non-Distributable			Distributable						
	Share Capital	Share Premium	Treasury Stock Units	LTIP Reserve	Foreign Currency Translation Reserve	Other Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Financial quarter ended 30 June 2016										
At 1 April 2016	1,259,784	10,821	(4,557)	7,832	(2,485)	956	366,054	1,638,405	48,751	1,687,156
Profit for the financial quarter	-	-	-	-	-	-	3,237	3,237	575	3,812
Other comprehensive income	-	-	-	-	(847)	-	-	(847)	-	(847)
Total comprehensive income for the financial quarter	-	-	-	-	(847)	-	3,237	2,390	575	2,965
Transactions with owners										
Purchase of treasury stock units	-	-	(221)	-	-	-	-	(221)	-	(221)
LTIP expenses	-	-	-	476	-	-	-	476	-	476
Total transactions with owners	-	-	(221)	476	-	-	-	255	-	255
At 30 June 2016	1,259,784	10,821	(4,778)	8,308	(3,332)	956	369,291	1,641,050	49,326	1,690,376

EASTERN & ORIENTAL BERHAD (555-K)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2015 (Unaudited)**

	Attributable to owners of the parent					Retained Profits	Total	Non-controlling Interests	Total Equity
	Non-Distributable		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 2015									
At 1 April 2015	1,252,095	32,446	(27,720)	14,579	(1,245)	329,819	1,599,974	47,113	1,647,087
Profit for the financial quarter	-	-	-	-	-	23,259	23,259	83	23,342
Other comprehensive income	-	-	-	-	(310)	-	(310)	-	(310)
Total comprehensive income for the financial quarter	-	-	-	-	(310)	23,259	22,949	83	23,032
Transactions with owners									
LTIP expenses	-	-	-	1,284	-	-	1,284	-	1,284
Total transactions with owners	-	-	-	1,284	-	-	1,284	-	1,284
At 30 June 2015	1,252,095	32,446	(27,720)	15,863	(1,555)	353,078	1,624,207	47,196	1,671,403

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016 (Unaudited)**

	Quarter ended 30.06.2016 RM'000	Quarter ended 30.06.2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,639	24,603
Adjustments for:-		
Impairment loss on financial assets:		
trade receivables	-	128
Amortisation of intangible assets	31	43
Depreciation of property, plant and equipment	4,799	5,147
Bad debts written off	467	-
Reversal of impairment loss on property, plant and equipment	(118)	-
Interest expense	11,958	12,457
Property, plant and equipment written off	-	146
Reversal of impairment loss on:		
trade receivables	(469)	-
Net loss/(gain) on disposal of:		
property, plant and equipment	81	(5)
Unrealised gain on foreign exchange	14,249	(15,717)
Gain from fair value movement of investment properties	(2,909)	-
Unwinding of discounts - net	(313)	770
Fair value loss on investment securities at fair value through profit or loss	141	321
Interest income	(2,197)	(2,643)
Share of results of an associate	(50)	(20,720)
Share of results of joint ventures	(3,833)	(4,135)
Long-term Stock Incentive Plan expenses	503	1,396
Provision for retirement benefits	18	23
Operating profit before changes in working capital	<u>32,997</u>	<u>1,814</u>
Changes in working capital:-		
Land held for property development	(12,904)	(22,061)
Property development cost	55,043	(72,491)
Inventories	15,037	32
Receivables	(57,734)	78,274
Payables	<u>(25,026)</u>	<u>12,672</u>
Cash flows from/(used in) operations	7,413	(1,760)
Interest received	1,646	1,657
Interest paid	(13,218)	(11,767)
Income taxes refunded	-	567
Income taxes paid	<u>(7,018)</u>	<u>(7,458)</u>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(11,177)	(18,761)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016 (Unaudited)**

	Quarter ended 30.06.2016 RM'000	Quarter ended 30.06.2015 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(262)	(467)
Purchase of investment properties:		
- subsequent expenditure	(8,720)	(4,462)
Proceeds from disposal of property, plant and equipment	309	10
Profit distribution from a joint ventures	2	-
Additional investment in a joint ventures	(10,000)	(56)
NET CASH FLOW USED IN INVESTING ACTIVITIES	<u>(18,671)</u>	<u>(4,975)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury stock units	(221)	-
Drawdown of borrowings	22,186	363,435
Repayment of borrowings	(15,908)	(240,312)
Repayment of obligations under finance lease	(96)	(133)
Withdrawal of deposits with licensed banks	448	2,529
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>6,409</u>	<u>125,519</u>
Effects of exchange rate changes on cash and cash equivalents	(847)	(310)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	<u>(24,286)</u>	<u>101,473</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	<u>237,057</u>	<u>165,954</u>
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL QUARTER	<u><u>212,771</u></u>	<u><u>267,427</u></u>

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

Cash and bank balances	223,184	299,991
Bank overdrafts	-	(1,357)
Assets of disposal group classified as held for sale	559	-
Less: Restricted cash and bank balances	(10,972)	(31,207)
	<u>212,771</u>	<u>267,427</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 2016 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 2016 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 2016.

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").

On 8 September 2015, the MASB announced that the effective date of MFRS 15: Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018. As a result, the effective date for Transitioning Entities to apply to Malaysian Financial Reporting Standards ("MFRSs") will also be deferred to annual periods beginning on or after 1 January 2018.

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 2019.

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 2016, except for the adoption of the following new Financial Reporting Standards ("FRS") and Amendments to FRSS which are applicable for the Group's financial period beginning 1 April 2016, as disclosed below:

Adoption of FRSS and Amendments to FRSS

	Effective for annual periods beginning on or after
Annual Improvements to FRSS 2012 - 2014 Cycle	1 January 2016
FRS 10, FRS 12 and FRS 128 : Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 11 : Accounting for Acquisition of Interests in Joint Operations	1 January 2016
FRS 14 : Regulatory Deferral Accounts	1 January 2016
FRS 101 : Disclosure Initiative	1 January 2016
FRS 116 and FRS 138 : Clarification of Acceptable Methods of Depreciation and amortisation	1 January 2016
FRS 127 : Equity Method in Separate Financial Statements	1 January 2016

Adoption of the above standard does not has any significant effect on the financial performance and position of the Group.

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

2. Changes in Accounting Policies (cont'd)

Standards and interpretations issued but not yet effective

		Effective for annual periods beginning on or after
FRS 107	: Disclosure Initiatives	1 January 2017
FRS 112	: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 9	: Financial Instruments	1 January 2018
MFRS 15	: Revenue from Contracts with Customers	1 January 2018
FRS 10 and FRS 128	: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

At the date of authorisation of these interim financial reports, the above FRSs and Amendment to FRSs were issued but not yet effective and have not been applied by the Group for the financial year ending 31 March 2017. The Group expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application, 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.

MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. The core principle is that an entity should recognised revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group is currently assessing the impact of adopting MFRS 15 and plans to adopt the new standard on the required effective date.

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 2016 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 2016.

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 2016.

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

7. Debt and equity securities

Save for the following, there were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the Company during the financial quarter ended 30 June 2016.

a) Treasury Stock Units

During the current financial quarter ended 30 June 2016, the Company bought back 132,556 of its issued ordinary stock units in the open market for a considerations of RM220,963. As at 30 June 2016, the total stock units repurchased and held as treasury stock units amount to 4,971,337 ordinary stock units of RM1.00 each at a total costs of RM4,777,722.

8. Dividends paid

No dividend was paid during the current financial quarter.

9. Segmental information by business segment

<u>Quarter ended</u> <u>30 June 2016</u> RM'000	Property	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	137,088	25,619	605	-	163,312
Inter-segment sales	414	-	788	(1,202)	-
Total revenue	<u>137,502</u>	<u>25,619</u>	<u>1,393</u>		<u>163,312</u>
RESULTS					
Segment results	37,696	(1,270)	(14,493)	(3,175)	18,758
Share of results of an associate	50	-	-	-	50
Share of results of joint ventures	3,833	-	-	-	3,833
Finance cost					(12,002)
Profit before tax					<u>10,639</u>
<u>Quarter ended</u> <u>30 June 2015</u> RM'000	Property	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	41,958	26,155	777	-	68,890
Inter-segment sales	240	-	667	(907)	-
Total revenue	<u>42,198</u>	<u>26,155</u>	<u>1,444</u>		<u>68,890</u>
RESULTS					
Segment results	2,986	(328)	13,606	(3,128)	13,136
Share of results of an associate	20,720	-	-	-	20,720
Share of results of joint ventures	4,135	-	-	-	4,135
Finance cost					(13,388)
Profit before tax					<u>24,603</u>



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

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

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

During the current financial quarter ended 30 June 2016, the property segment recorded a revenue of RM137.088 million as compared to RM41.958 million recorded in the financial quarter ended 30 June 2015, a significant increase of RM95.130 million or 226.73%. The increase in revenue was mainly due to higher revenue recognition from the ongoing projects in Seri Tanjung Pinang, ("STP") namely The Tamarind, the Amaris Terraces, the Andorra Terraces, the low medium costs apartments, and the Andaman Condominiums, and from the Princes House project in United Kingdom which is nearing its final stage of completion. Higher sales of completed properties also contributed to higher revenue recognition.

The joint venture ("JV") projects, The Mews and Avira Garden Terraces, contributed a total revenue of RM40.511 million in the financial quarter ended 30 June 2016 as compared to total revenue of RM49.968 million in the financial quarter ended 30 June 2015. The revenue recognised from the locked-in sales on the JV projects reflected the percentage of work progress during the current financial quarter.

After incorporating revenue recognised for the JV, the Group's property segment recorded an adjusted revenue of RM177.599 million in the financial quarter ended 30 June 2016 as compared to an adjusted revenue of RM91.926 million in the financial quarter ended 30 June 2015.

The property segment recorded an operating profit of RM37.696 million for the financial quarter ended 30 June 2016 due to higher revenue recognition from the ongoing projects as compared to the operating profit of RM2.986 million in the financial quarter ended 30 June 2015. This represented an increase of RM34.710 million or 1162.42%.

The JV contributed RM3.833 million profit for the financial quarter ended 30 June 2016 as compared to the financial quarter ended 30 June 2015 of RM4.135 million, a slight decrease of RM0.302 million.

The share of results of an associate was minimal at RM0.050 million for the financial quarter ended 30 June 2016 as compared to RM20.720 million in the financial quarter ended 30 June 2015. The higher share of results in the financial quarter ended 30 June 2015 was due to a gain from the sale of a piece of land held for development.

(ii) Hospitality

The hospitality segment recorded a revenue of RM25.619 million for the financial quarter ended 30 June 2016 as compared to RM26.155 million in the financial quarter ended 30 June 2015. The Hotel division recorded a revenue of RM22.082 million in the current financial quarter showing an increase of RM1.024 million while the Food & Beverage ("F&B") segment recorded a revenue of RM3.537 million in the current financial quarter with a decrease of RM1.560 million.

Overall, the segment suffered an operating loss of RM1.270 million for the financial quarter ended 30 June 2016 as compared to a lower operating loss RM0.328 million for the financial quarter ended 30 June 2015 due to lower revenue recognised coupled with higher operating costs incurred.

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)

(iii) Investments and others

The investments and others segment recorded an operating loss of RM14.493 million for the financial quarter ended 30 June 2016 as compared to an operating profit of RM13.606 million in the financial quarter ended 30 June 2015. The results of this segment was affected by the exchange rate volatility of the Sterling Pound. In the financial quarter ended 30 June 2016, the Group recorded an unrealised foreign exchange loss of RM14.249 million as compared to an unrealised foreign exchange gain of RM15.717 million in the financial quarter ended 30 June 2015. This accounted for a variance of RM29.996 million to the Group's profit before tax.

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.

During the current financial quarter, there was an indicative change in the value of one investment property from the last financial year end that has resulted in a fair value gain of RM2.909 million which was recognised as profit in the statement of comprehensive income.

11. Material subsequent events

There were no material subsequent events at the end of the financial quarter ended 30 June 2016.

12. Changes in composition of the Group

There were no changes in the composition of the Group at the end of the current financial quarter ended 30 June 2016.

13. Contingent Liabilities

There were no contingent liabilities as at 18 August 2016 (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	<u>1,120,528</u>

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

14. Capital Commitments

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

	As at 30.06.2016 RM'000	As at 31.03.2016 RM'000
Capital expenditure		
Approved and contracted for		
Land reclamation	1,052,976	1,059,741
Investment property under construction	6,577	17,853
Acquisition of freehold land	<u>31,755</u>	<u>32,440</u>
Approved but not contracted for		
Property, plant and equipment	<u>9,623</u>	<u>9,752</u>
Share of joint venture's capital commitments in relation to:		
- Acquisition of land	125,241	125,241
- Property, plant and equipment	<u>806</u>	<u>844</u>

15. Significant Related Party Transactions

Recurrent related party transactions conducted during the current financial quarter ended 30 June 2016 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 RM163.312 million for the financial quarter ended 30 June 2016 as compared to RM68.890 million recorded in the financial quarter ended 30 June 2015. This represented an increase of RM94.422 million or 137.06%. The increase in revenue was mainly due to the property segment which registered an increase of RM95.130 million.

After incorporating revenue recognised for the joint ventures projects, the Group recorded an adjusted revenue of RM203.823 million as compared to the financial quarter ended 30 June 2015 of RM118.858 million, an increase of RM84.965 million or 71.48%.

The Group posted profit before tax of RM10.639 million for the financial quarter ended 30 June 2016 compared to profit before tax of RM24.603 million in the financial quarter ended 30 June 2015. This represented a decrease in profit before tax of RM13.964 million or 56.76%.

The higher operating profit in the property segment was dampened by lower contribution from the share of result of an associate which registered a share of profit of RM20.720 million following the sale of a piece of land in the previous corresponding financial quarter. The higher operating profit in the property segment also cushioned the impact of the unrealised foreign exchange loss of RM14.249 million in the Investment segment for the current

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 RM163.312 million and profit before tax of RM10.639 million for the current financial quarter ended 30 June 2016 as compared to the preceding financial quarter ended 31 March 2016 where the Group achieved a revenue of RM149.033 million and loss before tax of RM0.447 million. The loss before tax in the preceding quarter was mainly due to the unrealised foreign exchange loss of RM39.543 million mitigated by the fair value gain from investment properties of RM20.458 million.

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

3. Current year prospects

Despite a protracted soft property market, our unbilled sales of RM1.03 billion will anchor the earnings for the next two financial years while we continue to sell our completed units and selectively launch new projects which are suited to the current market environment.

With the reduction of overnight policy rate which results in lower borrowing costs to consumers, we expect the demand for properties to gradually improve. Nonetheless, we remain cautious on the recovery of the property market.

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 2016.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2016 RM'000	Comparative quarter ended 30.06.2015 RM'000	Current three months ended 30.06.2016 RM'000	Comparative three months ended 30.06.2015 RM'000
Malaysian income tax				
- current	8,610	1,969	8,610	1,969
Deferred tax	(1,783)	(708)	(1,783)	(708)
	<u>6,827</u>	<u>1,261</u>	<u>6,827</u>	<u>1,261</u>

The effective tax rate of the Group for the current financial quarter ended 30 June 2016 under review is higher than the statutory rate of 24% mainly due to certain expenses of the Group are not deductible.

6. Retained profits

	As at 30.06.2016 RM'000	As at 31.03.2016 RM'000
Total retained profits of the Company and its subsidiaries		
Realised	131,582	145,197
Unrealised	69,539	67,227
	<u>201,121</u>	<u>212,424</u>
Share of retained profits of an associate		
Realised	909	859
Share of retained profits from joint ventures		
Realised	30,884	27,315
Unrealised	1,277	1,031
	<u>234,191</u>	<u>241,629</u>
Add: Consolidated adjustments	135,100	124,425
Total Group's retained profits as per consolidated accounts	<u>369,291</u>	<u>366,054</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 30.06.2016	Comparative quarter ended 30.06.2015	Current three months ended 30.06.2016	Comparative three months ended 30.06.2015
	RM'000	RM'000	RM'000	RM'000
Interest income	2,197	2,643	2,197	2,643
Reversal of/(Impairment) loss on receivables	469	(128)	469	(128)
Interest expense	(11,958)	(12,457)	(11,958)	(12,457)
Depreciation and amortisation	(4,830)	(5,190)	(4,830)	(5,190)
Bad debts written off	(467)	-	(467)	-
Property, plant and equipment written off	-	(146)	-	(146)
Reversal of impairment loss on property, plant and equipment	118	-	118	-
Unrealised (loss)/gain on foreign exchange	(14,249)	15,717	(14,249)	15,717
Net (loss)/gain on disposal of property, plant and equipment	(81)	5	(81)	5
Gain from fair value movement of investment properties	2,909	-	2,909	-
Unwinding of discounts - net	313	(770)	313	(770)
Fair value loss on investment securities	(141)	(321)	(141)	(321)

8. Status of Corporate Proposals

There were no corporate proposal announced but not completed as at 18 August 2016.

9. Group Borrowings

a) The Group borrowings were as follows:-

	As at 30.06.2016 RM'000
Short Term - Secured	254,854
Long Term - Secured	1,255,586

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

Short Term - Secured Denominated in Pound Sterling (£'000)	12,060
Long Term - Secured Denominated in Pound Sterling (£'000)	70,940

10. Material Litigation

There were no material litigation which affect the financial position or business of the Group as at 18 August 2016.

11. Dividend

The Board of Directors do not recommend any interim dividend for the financial quarter ended 30 June 2016.

During the Annual General Meeting held on 25 August 2016, a first and final single-tier dividend of 2.0 sen per stock units in issue, in respect of financial year ended 31 March 2016 was approved by the shareholders.

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 30.06.2016	Comparative quarter ended 30.06.2015	Current three months ended 30.06.2016	Comparative three months ended 30.06.2015
a) Basic earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	3,237	23,259	3,237	23,259
Weighted average number of ordinary stock units in issue (unit '000)	1,254,900	1,222,655	1,254,900	1,222,655
Adjusted weighted average number of ordinary stock units (unit '000)	1,254,900	1,222,655	1,254,900	1,222,655
Basic earnings per stock unit for the quarter (sen)	0.26	1.90	0.26	1.90
b) Diluted earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	3,237	23,259	3,237	23,259
Weighted average number of ordinary stock units in issue (unit '000)	1,254,900	1,222,655	1,254,900	1,222,655
Effect of dilution of LTIP (unit '000)	5,746	13,271	5,746	13,271
	1,260,646	1,235,926	1,260,646	1,235,926
Diluted earnings per stock unit for the quarter (sen)	0.26	1.88	0.26	1.88

The outstanding warrants and Redeemable Convertible Medium Term Notes ("RCMTNs") have been excluded from the computation of fully diluted earnings per stock unit as the exercise of warrants and RCMTNs to ordinary stock units would be anti-dilutive.

BY ORDER OF THE BOARD

Ang Hong Mai
Company Secretary

Kuala Lumpur
25 August 2016