



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2018 RM'000	Comparative quarter ended 30.06.2017 RM'000	Current three months ended 30.06.2018 RM'000	Comparative three months ended 30.06.2017 RM'000
Revenue	199,995	173,439	199,995	173,439
Cost of sales	(133,441)	(107,975)	(133,441)	(107,975)
Gross profit	66,554	65,464	66,554	65,464
Other income	17,392	16,731	17,392	16,731
Administrative expenses	(12,034)	(15,711)	(12,034)	(15,711)
Selling and marketing expenses	(1,704)	(5,469)	(1,704)	(5,469)
Other expenses	(20,028)	(12,620)	(20,028)	(12,620)
Operating profit	50,180	48,395	50,180	48,395
Finance costs	(15,511)	(14,852)	(15,511)	(14,852)
Share of results of an associate	-	-	-	-
Share of results of joint ventures	(5,124)	1,251	(5,124)	1,251
Profit before tax	29,545	34,794	29,545	34,794
Income tax expense	(14,088)	(12,055)	(14,088)	(12,055)
<b>Profit for the period</b>	<b>15,457</b>	<b>22,739</b>	<b>15,457</b>	<b>22,739</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Foreign currency translation	(533)	234	(533)	234
<b>Other comprehensive income for the period</b>	<b>(533)</b>	<b>234</b>	<b>(533)</b>	<b>234</b>
<b>Total comprehensive income for the period</b>	<b>14,924</b>	<b>22,973</b>	<b>14,924</b>	<b>22,973</b>
<b>Profit attributable to:</b>				
Owners of the parent	14,120	21,240	14,120	21,240
Non-controlling interests	1,337	1,499	1,337	1,499
	15,457	22,739	15,457	22,739
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	13,587	21,474	13,587	21,474
Non-controlling interests	1,337	1,499	1,337	1,499
	14,924	22,973	14,924	22,973
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	1.09	1.66	1.09	1.66
Diluted (sen)	1.09	1.66	1.09	1.66

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018 (Unaudited)**

	<b>AS AT 30.06.2018 RM'000</b>	<b>AS AT 31.03.2018 RM'000 (Audited)</b>
<b>ASSETS</b>		
Property, plant and equipment	240,519	243,404
Land held for property development	1,436,859	1,401,765
Investment properties	489,027	491,828
Intangible assets	159	181
Investment in associate	-	-
Investment in joint ventures	125,496	130,621
Other investments	3,024	3,371
Deferred tax assets	3,733	3,861
Trade and other receivables	6,231	5,762
	<u>2,305,048</u>	<u>2,280,793</u>
<b>Current assets</b>		
Property development costs	577,296	586,697
Inventories	286,219	324,417
Trade and other receivables	159,712	164,493
Prepayments	9,555	12,707
Tax recoverable	2,564	2,649
Accrued billings in respect of property development costs	-	198,107
Other investments	10,000	10,000
Cash and bank balances	754,013	521,568
	<u>1,799,359</u>	<u>1,820,638</u>
<b>TOTAL ASSETS</b>	<u>4,104,407</u>	<u>4,101,431</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	287,352	395,593
Provisions	39	39
Trade and other payables	185,317	198,084
Progress billings in respect of property development costs	238,098	-
Provision for retirement benefits	2	2
Income tax payable	34,285	30,544
	<u>745,093</u>	<u>624,262</u>
<b>Net current assets</b>	<u>1,054,266</u>	<u>1,196,376</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018 (Unaudited)**

	<b>AS AT 30.06.2018 RM'000</b>	<b>AS AT 31.03.2018 RM'000 (Audited)</b>
<b>EQUITY AND LIABILITIES (CONT'D)</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	1,137,215	1,254,980
Provisions	152	152
Trade and other payables	292,996	305,089
Provision for retirement benefits	248	246
Deferred tax liabilities	42,545	42,595
	<u>1,473,156</u>	<u>1,603,062</u>
<b>TOTAL LIABILITIES</b>	<u>2,218,249</u>	<u>2,227,324</u>
<b>Net assets</b>	<u>1,886,158</u>	<u>1,874,107</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	1,394,163	1,394,163
Treasury stock units	(40,860)	(37,962)
Reserves	504,411	490,799
	<u>1,857,714</u>	<u>1,847,000</u>
<b>Non-controlling interests</b>	28,444	27,107
<b>Total Equity</b>	<u>1,886,158</u>	<u>1,874,107</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>4,104,407</u>	<u>4,101,431</u>
<b>Net assets per stock unit attributable to owners of the parent (RM)</b>	<u>1.43</u>	<u>1.42</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 2018 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (Unaudited)**

	Attributable to owners of the parent								
	<----- Non-Distributable ----->				Distributable				
	Capital	Stock Units	Reserve	Foreign Currency Reserve	Reserve	Profits	Total	Non- Interests	Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Financial quarter ended 30 June 2018</b>									
<b>At 1 April 2018</b>	1,394,163	(37,962)	-	(3,381)	958	493,222	1,847,000	27,107	1,874,107
Profit for the financial quarter	-	-	-	-	-	14,120	14,120	1,337	15,457
Other comprehensive income	-	-	-	(533)	-	-	(533)	-	(533)
Total comprehensive income for the financial quarter	-	-	-	(533)	-	14,120	13,587	1,337	14,924
<b>Transactions with owners</b>									
Purchase of treasury stock units	-	(2,898)	-	-	-	-	(2,898)	-	(2,898)
Redemption of preference shares	-	-	-	-	41	(41)	-	-	-
Written off in investment in subsidiary	-	-	-	25	-	-	25	-	25
Total transactions with owners	-	(2,898)	-	25	41	(41)	(2,873)	-	(2,873)
<b>At 30 June 2018</b>	1,394,163	(40,860)	-	(3,889)	999	507,301	1,857,714	28,444	1,886,158

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2017 (Unaudited)**

	Attributable to owners of the parent								
	<----->		Non-Distributable			----->			Distributable
	Share Capital	Treasury Stock Units	LTIP Reserve	Foreign Currency Translation Reserve	Other 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
<b>Financial quarter ended 30 June 2017</b>									
<b>At 1 April 2017</b>	1,274,879	(5,031)	4,644	(2,808)	956	426,191	1,698,831	53,063	1,751,894
Profit for the financial quarter	-	-	-	-	-	21,240	21,240	1,499	22,739
Other comprehensive income	-	-	-	234	-	-	234	-	234
Total comprehensive income for the financial quarter	-	-	-	234	-	21,240	21,474	1,499	22,973
<b>Transactions with owners</b>									
Issue of ordinary stock units:									
- Restricted issue	115,920	-	-	-	-	-	115,920	-	115,920
Redemption of preference shares	-	-	-	-	1	(1)	-	-	-
Total transactions with owners	115,920	-	-	-	1	(1)	115,920	-	115,920
<b>At 30 June 2017</b>	1,390,799	(5,031)	4,644	(2,574)	957	447,430	1,836,225	54,562	1,890,787

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 2018 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (Unaudited)**

	Quarter ended 30.06.2018	Quarter ended 30.06.2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	29,545	34,794
Adjustments for:-		
Net of impairment loss on financial assets:		
trade receivables	115	91
property, plant and equipment	(206)	-
Amortisation of intangible assets	22	23
Depreciation of property, plant and equipment	3,804	4,408
Inventories written down	-	99
Interest expense	15,104	14,779
Property, plant and equipment written off	225	6
Investment in subsidiary written off	25	-
Net loss/(gain) on disposal of:		
property, plant and equipment	1	(106)
Unrealised loss/(gain) on foreign exchange	8,876	(3,100)
Net loss/(gain) from fair value adjustment of investment properties	87	(1,674)
Unwinding of discounts - net	(619)	(917)
Net fair value loss/(gain) on other investments at fair value through profit or loss	347	(3,231)
Interest income	(5,379)	(2,951)
Share of results of joint ventures	5,124	(1,251)
Provision for retirement benefits	11	23
Operating profit before changes in working capital	57,082	40,993
Changes in working capital:-		
Land held for property development	(33,832)	(90,413)
Property development cost	13,243	10,314
Inventories	38,198	14,468
Receivables	200,272	12,394
Payables	203,673	74,692
Cash flows from operations	478,636	62,448
Interest received	4,755	3,903
Interest paid	(15,760)	(19,980)
Income taxes refunded	-	23
Income taxes paid	(10,148)	(376)
Retirement benefits paid	(9)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>457,474</b>	<b>46,018</b>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2018 (Unaudited)**

	Quarter ended 30.06.2018	Quarter ended 30.06.2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(677)	(134)
Purchase of investment properties:		
- subsequent expenditure	(206)	-
Proceeds from disposal of property, plant and equipment	1	105
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<u>(882)</u>	<u>(29)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of stock units	-	115,920
Purchase of treasury stock units	(2,898)	-
Drawdown of borrowings	193,094	101,282
Repayment of borrowings	(411,779)	(27,613)
Repayment of obligations under finance lease	(115)	(115)
Withdrawal/(Placement) of deposits with licensed banks	161	(2,124)
<b>NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>	<u>(221,537)</u>	<u>187,350</u>
Effects of exchange rate changes	(533)	234
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>234,522</u>	<u>233,573</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<u>476,705</u>	<u>285,826</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL QUARTER</b>	<u><u>711,227</u></u>	<u><u>519,399</u></u>

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

Cash and bank balances	754,013	534,787
Bank overdrafts	(25,296)	-
Assets of disposal group classified as held for sale	-	440
Less: Restricted cash and bank balances	(17,490)	(15,828)
	<u>711,227</u>	<u>519,399</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 2018 and the accompanying explanatory notes attached to the interim financial statements.**



## A. Explanatory Notes Pursuant to MFRS 134

### 1. Basis of preparation

The interim financial statements have been prepared on the historical cost convention except for investment properties and quoted shares in other investments which have been stated at fair value.

This interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 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 2018 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 2018.

### 2. Changes in Accounting Policies

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.

In the current financial year ending 31 March 2019, the Group will be adopting the MFRS Framework for the first time. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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 2018, except for the adoption of the following new Malaysian Financial Reporting Standards ("MFRS") and Amendments to MFRSs which are applicable for the Group's financial period beginning 1 April 2018, as disclosed below:

#### Adoption of MFRSs and Amendments to MFRSs

		<b>Effective for annual periods beginning on or after</b>
MFRS 2	: Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9	: Financial Instruments	1 January 2018
MFRS 15	: Revenue from Contracts with Customers	1 January 2018
MFRS 140	: Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018





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

2. Changes in Accounting Policies (cont'd)

Adoption of MFRSs and Amendments to MFRSs (cont'd)

**Effective for  
annual periods  
beginning on or after**

Annual Improvements to MFRSs 2014 - 2016 Cycle	: Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
	: Amendments to MFRS 128 Investments in Associates and Joint Ventures	1 January 2018
IC Interpretation 22	: Foreign Currency Transactions and Advance Consideration	1 January 2018

Adoption of the above standard does not has any significant effect on the financial performance and position of the Group, except as dicussed below:

MFRS 9 : Financial Instruments

MFRS 9 replaces the guidance in MFRS 139: Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. MFRS 9 introduces new requirements for classification and measurement, impairment and hedge accounting.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any material impact on the financial performance or position of the Group.

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 of which it will supersede current revenue recognition guidance. The core principle is that an entity should recognise 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 when a performance obligation is satisfied.

The Group has concluded that the initial application of MFRS 15 does not have any material financial impact to the financial statements of the Group.

**Standards and interpretation issued but not yet effective**

**Effective for  
annual periods  
beginning on or after**

MFRS 9	: Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16	: Leases	1 January 2019
MFRS 128	: Long-term Interest in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRSs 2015 - 2017 Cycle	: Amendments to MFRS 3 Business Combinations	1 January 2019
	: Amendments to MFRS 11 Joint Arrangements	1 January 2019
	: Amendments to MFRS 112 Income Taxes	1 January 2019
	: Amendments to MFRS 123 Borrowing Costs	1 January 2019
MFRS 119	: Plant Amendment, Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23	: Uncertainty over Income Tax Treatments	1 January 2019

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

2. Changes in Accounting Policies (cont'd)

Standards and interpretation issued but not yet effective (cont'd)

		Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards	: Amendments to MFRS 2 Share-Based Payment	1 January 2020
	: Amendments to MFRS 3 Business Combinations	1 January 2020
	: Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources	1 January 2020
	: Amendments to MFRS 14 Regulatory Deferral Accounts	1 January 2020
	: Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
	: Amendments to MFRS Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
	: Amendments to MFRS 134 Interim Financial Reporting	1 January 2020
	: Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
	: Amendments to MFRS 138 Intangible Assets	1 January 2020
	: Amendments to IC Interpretation 20 Stripping Costs in Production Phase of a Surface Mine	1 January 2020
	: Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2020
	: Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs	1 January 2020
MFRS 17	: Insurance Contracts	1 January 2021
MFRS 10 and MFRS 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 MFRSs, Amendment to MFRSs and Interpretation were issued but not yet effective and have not been applied by the Group for the financial year ending 31 March 2019. The Group expects that the adoption of the standards and interpretation above will have no material impact on the financial statements in the period of initial application, except as discussed below:

MFRS 16 : Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and depreciation expense on the right-of-use asset.

Lessor accounting is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. The Group plans to adopt the new standard on the required effective date.



**A. Explanatory Notes Pursuant to MFRS 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 2018 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 2018.

**6. Changes in estimates**

There were no material changes in estimates that have had a material effect in the financial quarter ended 30 June 2018.

**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 2018.

**Treasury Stock Units**

During the financial quarter ended 30 June 2018, the Company bought back 2,023,000 of its issued ordinary stock units in the open market for a considerations of RM2,897,702. As at 30 June 2018, the total stock units repurchased and held as treasury stock units amount to 29,361,747 ordinary stock units at a total costs of RM40,859,925.

**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 2018</u> RM'000	Property	Hospitality	Investments and others	Elimination	Total
<b>REVENUE</b>					
External sales	179,141	19,994	860	-	199,995
Inter-segment sales	115	-	904	(1,019)	-
Total revenue	<u>179,256</u>	<u>19,994</u>	<u>1,764</u>		<u>199,995</u>
<b>RESULTS</b>					
Segment results	58,720	877	(8,937)	(480)	50,180
Share of results of an associate	-	-	-	-	-
Share of results of joint ventures	(5,124)	-	-	-	(5,124)
Finance cost					(15,511)
Profit before tax					<u>29,545</u>

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

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

<u>Quarter ended</u> <u>30 June 2017</u>	Property	Hospitality	Investments and others	Elimination	Total
<b>RM'000</b>					
<b>REVENUE</b>					
External sales	148,886	23,795	758	-	173,439
Inter-segment sales	187	-	1,598	(1,785)	-
Total revenue	<u>149,073</u>	<u>23,795</u>	<u>2,356</u>		<u>173,439</u>
<b>RESULTS</b>					
Segment results	48,821	1,041	222	(1,689)	48,395
Share of results of an associate	-	-	-	-	-
Share of results of joint ventures	1,251	-	-	-	1,251
Finance cost					<u>(14,852)</u>
Profit before tax					<u>34,794</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**

During the financial quarter ended 30 June 2018, the property segment recorded a revenue of RM179.141 million as compared to RM148.886 million recorded in the financial quarter ended 30 June 2017, an increase of RM30.255 million or 20.32%. The increase in revenue is mainly due to higher revenue recognition from the sale of the 20% reclaimed land in Seri Tanjung Pinang ("STP") 2A project to KWAP and higher sales of completed properties in STP1 namely Andaman condominiums.

The joint venture ("JV") projects, The Mews and Avira Garden Terraces, contributed a total revenue of RM14.114 million in the financial quarter ended 30 June 2018 as compared to total revenue of RM32.215 million in the financial quarter ended 30 June 2017. The lower revenue recognised is mainly due to the completion of The Mews project in the previous financial year.

After incorporating revenue recognised for the JV, the Group's property segment recorded an adjusted revenue of RM193.255 million in the financial quarter ended 30 June 2018 as compared to an adjusted revenue of RM181.101 million in the financial quarter ended 30 June 2017.

The property segment recorded an operating profit of RM58.720 million for the financial quarter ended 30 June 2018 as compared to the operating profit of RM48.821 million in the financial quarter ended 30 June 2017. This represented an increase in profit of RM9.899 million or 20.28% on the back of higher revenue recognised.

The JV suffered a loss of RM5.124 million for the financial quarter ended 30 June 2018 as compared to a profit of RM1.251 million for the financial quarter ended 30 June 2017, a decrease of RM6.375 million.



**A. Explanatory Notes Pursuant to MFRS 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)**

**(ii) Hospitality**

The hospitality segment recorded a revenue of RM19.994 million for the financial quarter ended 30 June 2018 as compared to RM23.795 million in the financial quarter ended 30 June 2017, a decrease of RM3.801 million or 15.97%. The decrease is mainly due to the disposal of E&O Express Sdn Bhd ("EOE") which owned the Lone Pine Hotel in the previous financial year.

The segment recorded a decrease in the operating profit of RM0.164 million from RM1.041 million for the financial quarter ended 30 June 2017 to RM0.877 million for the financial quarter ended 30 June 2018 in tandem with lower revenue recognised.

**(iii) Investments and others**

The investments and others segment recorded an operating loss of RM8.937 million for the financial quarter ended 30 June 2018 as compared to an operating profit of RM0.222 million in the financial quarter ended 30 June 2017. The operating loss in the current financial quarter included the fair value loss on other investments of RM0.347 million and the unrealised foreign exchange loss of RM8.876 million.

**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 a fair value loss in the investment properties of RM87,000 which was recognised in the statement of comprehensive income.

**11. Material subsequent events**

As at 13 August 2018 (the latest practicable date which is not earlier than 7 days from the issue of this quarterly report), there were no material subsequent events at the end of the financial quarter ended 30 June 2018.

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

On 12 July 2018, Kamunting Management (HK) Limited, an indirect wholly-owned subsidiary of E&O, was dissolved by way of Members' Voluntarily Liquidation.



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

**13. Contingent Liabilities**

There were no contingent liabilities as at 13 August 2018 (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:

	<b>RM'000</b>
Corporate guarantees issued by the Company for banking facilities granted to subsidiaries:	
- Secured	<u>951,391</u>

**14. Capital Commitments**

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

	<b>As at 30.06.2018 RM'000</b>	<b>As at 31.03.2018 RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for		
Land reclamation	562,041	619,638
Property, plant and equipment	1,705	1,705
Acquisition of freehold land	<u>7,057</u>	<u>7,057</u>
Approved but not contracted for		
Property, plant and equipment	<u>3,437</u>	<u>3,086</u>
Share of joint venture's capital commitments in relation to:		
- Acquisition of land	<u>125,321</u>	<u>125,321</u>

**15. Significant Related Party Transactions**

Recurrent related party transactions conducted during the current financial quarter ended 30 June 2018 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 RM199.995 million for the financial quarter ended 30 June 2018 as compared to RM173.439 million recorded in the financial quarter ended 30 June 2017. This represented an increase of RM26.556 million or 15.31%. The increase in revenue is mainly attributable to the property segment which registered an increase of RM30.255 million and contributed to an increase in operating profit of RM9.899 million. The hospitality segment registered a decrease of RM3.801 million in revenue and decrease in profit of RM0.164 million following the disposal of EOE.

The Group posted profit before tax of RM29.545 million for the financial quarter ended 30 June 2018 as compared to profit before tax of RM34.794 million in the financial quarter ended 30 June 2017. This represented a decrease in profit before tax of RM5.249 million or 15.09%.

Despite higher operating profit recognised from the property segment, the Group's results were affected by the unrealised foreign exchange losses of RM8.876 million in the investments and others segment and share of losses of joint ventures of RM5.124 million.

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



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

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

	<b>Current quarter ended 30.06.2018 RM'000</b>	<b>Immediate preceding quarter ended 31.03.2018 RM'000</b>	<b>Variance RM'000</b>
Revenue	199,995	281,491	(81,496)
Operating profit	50,180	78,766	(28,586)
Profit before tax	<u>29,545</u>	<u>58,621</u>	(29,076)

The Group recorded a revenue of RM199.995 million and profit before tax of RM29.545 million for the current financial quarter ended 30 June 2018 as compared to a revenue of RM281.491 million and profit before tax of RM58.621 million in the preceding financial quarter ended 31 March 2018. Higher revenue in the previous quarter reflected a higher work done on the reclamation project and higher sales of the completed properties which resulted in higher revenue and profit recognition.

**3. Group's prospects**

The broad outlook for the property sector remains challenging with continuing tight mortgage financing coupled with other global uncertainties. We believe that properties in strategic locations by reputable developers will possess an advantage and sustain buyer interest through property cycles.

In 2018/19, we are projected to launch two E&O-signature developments in Kuala Lumpur. With the impending launches, we are well positioned to capitalise on opportunities when the overall market uptrend crystallises. This means that we continuously review the value proposition of our products and marketing strategies whilst maintaining a pulse on the evolving 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 2018.

**5. Taxation**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current quarter ended 30.06.2018 RM'000</b>	<b>Comparative quarter ended 30.06.2017 RM'000</b>	<b>Current three months ended 30.06.2018 RM'000</b>	<b>Comparative three months ended 30.06.2017 RM'000</b>
Malaysian income tax				
- current	13,998	12,291	13,998	12,291
- in respect of prior years	12		12	-
Deferred tax	78	(236)	78	(236)
	<u>14,088</u>	<u>12,055</u>	<u>14,088</u>	<u>12,055</u>

The effective tax rate of the Group for the current financial quarter ended 30 June 2018 under review is higher than the statutory rate of 24% mainly due to certain expenses of the Group are not deductible.

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

**6. Additional disclosures**

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

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2018	Comparative quarter ended 30.06.2017	Current three months ended 30.06.2018	Comparative three months ended 30.06.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	5,379	2,951	5,379	2,951
Net of impairment loss on receivables	(115)	(91)	(115)	(91)
Inventories written down	-	(99)	-	(99)
Interest expense	(15,104)	(14,779)	(15,104)	(14,779)
Depreciation and amortisation	(3,826)	(4,431)	(3,826)	(4,431)
Property, plant and equipment written off	(225)	(6)	(225)	(6)
Reversal of impairment loss on property, plant and equipment	206	-	206	-
Unrealised (loss)/gain on foreign exchange	(8,876)	3,100	(8,876)	3,100
Net (loss)/gain on disposal of property, plant and equipment	(1)	106	(1)	106
(Loss)/gain from fair value movement of investment properties	(87)	1,674	(87)	1,674
Unwinding of discounts - net	619	917	619	917
Fair value (loss)/gain on other investments	(347)	3,231	(347)	3,231

**7. Status of Corporate Proposals**

There were no corporate proposal announced but not completed as at 13 August 2018.

**8. Group Borrowings**

a) The Group borrowings were as follows:-

	As at 30.06.2018	As at 30.06.2017
	RM'000	RM'000
Short Term - Secured		
- Bank overdraft	25,296	-
- Revolving credit	40,000	60,000
- Term loan	221,559	174,558
- Obligations under finance leases	497	439
	<u>287,352</u>	<u>234,997</u>
Long Term - Secured		
- Revolving credit	321,960	211,509
- Term loan	486,912	852,123
- Obligations under finance leases	989	1,094
	<u>809,861</u>	<u>1,064,726</u>
Long Term - Unsecured - RCMTNs	<u>327,354</u>	<u>314,108</u>
	<u>1,137,215</u>	<u>1,378,834</u>

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

Short Term Term Loan - Secured Denominated in Pound Sterling (£'000)	22,193
Long Term Term Loan - Secured Denominated in Pound Sterling (£'000)	34,802





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

**9. Material Litigation**

There were no material litigation which affect the financial position or business of the Group as at 13 August 2018.

**10. Dividend**

The Board of Directors does not recommend any interim dividend for the financial quarter ended 30 June 2018.

At the forthcoming Annual General Meeting, a first and final dividend via distribution of treasury stock units on the basis of one (1) stock unit for every fifty (50) existing ordinary stock units held in the Company in respect of the financial year ended 31 March 2018, will be proposed for stockholders' approval.

**11. Earnings Per Stock Unit**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2018	Comparative quarter ended 30.06.2017	Current three months ended 30.06.2018	Comparative three months ended 30.06.2017
<b>a) Basic earnings per stock unit</b>				
Profit attributable to owners of the parent (RM'000)	14,120	21,240	14,120	21,240
Weighted average number of ordinary stock units in issue (unit '000)	1,297,395	1,278,197	1,297,395	1,278,197
Adjusted weighted average number of ordinary stock units (unit '000)	1,297,395	1,278,197	1,297,395	1,278,197
Basic earnings per stock unit for the period (sen)	1.09	1.66	1.09	1.66
<b>b) Diluted earnings per stock unit</b>				
Profit attributable to owners of the parent (RM'000)	14,120	21,240	14,120	21,240
Weighted average number of ordinary stock units in issue (unit '000)	1,297,395	1,278,197	1,297,395	1,278,197
Effect of dilution of LTIP (unit '000)	-	1,388	-	1,388
	1,297,395	1,279,585	1,297,395	1,279,585
Diluted earnings per stock unit for the period (sen)	1.09	1.66	1.09	1.66

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

Wong Yah Yee  
Company Secretary

Kuala Lumpur  
20 August 2018