



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

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.9.2018 RM'000	Comparative quarter ended 30.9.2017 RM'000	Current six months ended 30.9.2018 RM'000	Comparative six months ended 30.9.2017 RM'000
Revenue	179,388	195,880	379,383	369,319
Cost of sales	(125,923)	(126,947)	(259,364)	(234,922)
Gross profit	53,465	68,933	120,019	134,397
Other income	15,577	14,681	32,969	31,412
Administrative expenses	(16,861)	(15,274)	(28,895)	(30,985)
Selling and marketing expenses	(1,365)	(6,822)	(3,069)	(12,291)
Other expenses	(1,130)	(15,231)	(21,158)	(27,851)
Operating profit	49,686	46,287	99,866	94,682
Finance costs	(15,757)	(14,833)	(31,268)	(29,685)
Share of results of joint ventures	(1,722)	840	(6,846)	2,091
Profit before tax	32,207	32,294	61,752	67,088
Income tax expense	(12,019)	(11,252)	(26,107)	(23,307)
Profit for the period	20,188	21,042	35,645	43,781
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Foreign currency translation	440	469	(93)	703
Other comprehensive income for the period	440	469	(93)	703
Total comprehensive income for the period	20,628	21,511	35,552	44,484
Profit attributable to:				
Owners of the parent	18,826	19,675	32,946	40,915
Non-controlling interests	1,362	1,367	2,699	2,866
	20,188	21,042	35,645	43,781
Total comprehensive income attributable to:				
Owners of the parent	19,266	20,144	32,853	41,618
Non-controlling interests	1,362	1,367	2,699	2,866
	20,628	21,511	35,552	44,484
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	1.44	1.49	2.53	3.11
Diluted (sen)	1.44	1.49	2.53	3.11

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 SEPTEMBER 2018 (Unaudited)**

	AS AT 30.9.2018 RM'000	AS AT 31.03.2018 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	237,078	243,404
Land held for property development	1,479,125	1,401,765
Investment properties	491,990	491,828
Intangible assets	137	181
Investment in joint ventures	123,775	130,621
Other investments	3,983	3,371
Deferred tax assets	3,847	3,861
Trade and other receivables	2,578	5,762
	<u>2,342,513</u>	<u>2,280,793</u>
Current assets		
Property development costs	586,088	586,697
Inventories	262,027	324,417
Trade and other receivables	182,985	164,493
Prepayments	8,904	12,707
Tax recoverable	1,874	2,649
Accrued billings in respect of property development costs	-	198,107
Other investments	-	10,000
Cash and bank balances	750,200	521,568
	<u>1,792,078</u>	<u>1,820,638</u>
TOTAL ASSETS	<u>4,134,591</u>	<u>4,101,431</u>
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	279,965	395,593
Provisions	39	39
Trade and other payables	140,511	198,084
Progress billings in respect of property development costs	260,125	-
Provision for retirement benefits	2	2
Income tax payable	34,596	30,544
	<u>715,238</u>	<u>624,262</u>
Net current assets	<u>1,076,840</u>	<u>1,196,376</u>



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

	AS AT 30.9.2018 RM'000	AS AT 31.03.2018 RM'000 (Audited)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Loans and borrowings	1,195,955	1,254,980
Provisions	152	152
Trade and other payables	273,718	305,089
Provision for retirement benefits	259	246
Deferred tax liabilities	42,483	42,595
	<u>1,512,567</u>	<u>1,603,062</u>
TOTAL LIABILITIES	<u>2,227,805</u>	<u>2,227,324</u>
Net assets	<u>1,906,786</u>	<u>1,874,107</u>
Equity attributable to owners of the parent		
Share capital	1,394,163	1,394,163
Treasury stock units	(4,765)	(37,962)
Reserves	487,582	490,799
	<u>1,876,980</u>	<u>1,847,000</u>
Non-controlling interests	<u>29,806</u>	<u>27,107</u>
Total Equity	<u>1,906,786</u>	<u>1,874,107</u>
TOTAL EQUITY AND LIABILITIES	<u>4,134,591</u>	<u>4,101,431</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>1.42</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 PERIOD ENDED 30 SEPTEMBER 2018 (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	
Financial period ended 30 September 2018									
At 1 April 2018	1,394,163	(37,962)	-	(3,381)	958	493,222	1,847,000	27,107	1,874,107
Profit for the financial period	-	-	-	-	-	32,946	32,946	2,699	35,645
Other comprehensive income	-	-	-	(93)	-	-	(93)	-	(93)
Total comprehensive income for the financial period	-	-	-	(93)	-	32,946	32,853	2,699	35,552
Transactions with owners									
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
Stock dividend distributed to stockholders	-	36,095	-	-	-	(36,095)	-	-	-
Total transactions with owners	-	33,197	-	25	41	(36,136)	(2,873)	-	(2,873)
At 30 September 2018	1,394,163	(4,765)	-	(3,449)	999	490,032	1,876,980	29,806	1,906,786

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	
Financial period ended 30 September 2017									
At 1 April 2017	1,274,879	(5,031)	4,644	(2,808)	956	426,191	1,698,831	53,063	1,751,894
Profit for the financial period	-	-	-	-	-	40,915	40,915	2,866	43,781
Other comprehensive income	-	-	-	703	-	-	703	-	703
Total comprehensive income for the financial period	-	-	-	703	-	40,915	41,618	2,866	44,484
Transactions with owners									
Issue of ordinary stock units:									
- pursuant to LTIP	3,364	-	(3,364)	-	-	-	-	-	-
- Restricted issue	115,920	-	-	-	-	-	115,920	-	115,920
Purchase of treasury stock units	-	(2,165)	-	-	-	-	(2,165)	-	(2,165)
Redemption of preference shares	-	-	-	-	1	(1)	-	-	-
LTIP expenses	-	-	(1,280)	-	-	-	(1,280)	-	(1,280)
Dividend on ordinary stock units	-	-	-	-	-	(39,619)	(39,619)	-	(39,619)
Total transactions with owners	119,284	(2,165)	(4,644)	-	1	(39,620)	72,856	-	72,856
At 30 September 2017	1,394,163	(7,196)	-	(2,105)	957	427,486	1,813,305	55,929	1,869,234

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 PERIOD ENDED 30 SEPTEMBER 2018 (Unaudited)**

	Six months ended 30.9.2018 RM'000	Six months ended 30.9.2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	61,752	67,088
Adjustments for:-		
Net of impairment loss on financial assets:		
trade receivables	173	288
other receivables	-	(186)
property, plant and equipment	(207)	(1)
Amortisation of intangible assets	-	46
Depreciation of property, plant and equipment	7,621	8,817
Bad debts written off	-	186
Inventories written down	-	99
Interest expense	30,374	29,547
Property, plant and equipment written off	226	7
Investment in subsidiaries written off	57	-
Net loss/(gain) on disposal of:		
property, plant and equipment	23	(101)
Unrealised gain on foreign exchange	(174)	(8,982)
Net loss/(gain) from fair value adjustment of investment properties	385	(1,664)
Unwinding of discounts - net	(175)	(1,551)
Net fair value gain on other investments at fair value through profit or loss	(612)	(1,362)
Interest income	(12,274)	(6,367)
Share of results of joint ventures	6,846	(2,091)
LTIP income	-	(1,371)
Provision for retirement benefits	22	46
Operating profit before changes in working capital	94,037	82,448
Changes in working capital:-		
Land held for property development	(75,407)	(139,409)
Property development cost	8,417	7,352
Inventories	62,390	47,443
Receivables	185,858	(71,621)
Payables	169,402	166,387
Cash flows from operations	444,697	92,600
Interest received	13,406	7,432
Interest paid	(34,349)	(34,663)
Income taxes refunded	217	4,426
Income taxes paid	(22,469)	(12,673)
Retirement benefits paid	(9)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	401,493	57,122



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

	Six months ended 30.9.2018 RM'000	Six months ended 30.9.2017 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(847)	(669)
Purchase of investment properties:		
- subsequent expenditure	(659)	-
Proceeds from disposal of property, plant and equipment	81	109
Proceeds from disposal of other investment	10,000	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>8,575</u>	<u>(560)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of stock units	-	115,920
Purchase of treasury stock units	(2,898)	(2,165)
Drawdown of borrowings	282,347	191,732
Repayment of borrowings	(452,557)	(47,612)
Repayment of obligations under finance lease	(239)	(233)
Withdrawal of deposits with licensed banks	1,688	327
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	<u>(171,659)</u>	<u>257,969</u>
Effects of exchange rate changes	(93)	703
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>238,316</u>	<u>315,234</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	<u>476,705</u>	<u>285,826</u>
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	<u><u>715,021</u></u>	<u><u>601,060</u></u>

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

Cash and bank balances	750,200	614,314
Bank overdrafts	(19,216)	(433)
Assets of disposal group classified as held for sale	-	556
Less: Restricted cash and bank balances	(15,963)	(13,377)
	<u>715,021</u>	<u>601,060</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 has adopted the MFRS Framework for the first time. In presenting its first MFRS financial statements, the Group is 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

		Effective for annual periods beginning on or after
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 have any significant effect on the financial performance and position of the Group, except as discussed 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	1 January 2021
MFRS 10 and MFRS 128	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 period ended 30 September 2018.

6. Changes in estimates

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

Treasury Stock Units

On 28 September 2018, the Company distributed a total of 25,937,951 treasury shares, being payment of the first and final dividend for the financial year ended 31 March 2018.

During the financial period ended 30 September 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 September 2018, the total stock units repurchased and held as treasury stock units amount to 3,423,796 ordinary stock units at a total costs of RM4,764,568.

8. Dividends paid

On 21 August 2018, the stockholders have approved a first and final dividend of one (1) treasury stock unit for every fifty (50) existing ordinary stock units held in the Company in respect of the financial year ended 31 March 2018, which was credited on 28 September 2018 into the depositors' securities accounts of stockholders whose names appear in the Record of Depositors of the Company at the entitlement date on 12 September 2018 as disclosed in Note A7.

9. Segmental information by business segment

Period ended 30 September 2018 RM'000	Property	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	334,899	42,624	1,860	-	379,383
Inter-segment sales	231	-	2,348	(2,579)	-
Total revenue	<u>335,130</u>	<u>42,624</u>	<u>4,208</u>		<u>379,383</u>
RESULTS					
Segment results	104,238	3,499	114,665	(122,536)	99,866
Share of results of joint ventures	(6,846)	-	-	-	(6,846)
Finance cost					(31,268)
Profit before tax					<u>61,752</u>



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

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

<u>Period ended</u> <u>30 September 2017</u>	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
External sales	316,646	51,111	1,562	-	369,319
Inter-segment sales	293	-	2,578	(2,871)	-
Total revenue	<u>316,939</u>	<u>51,111</u>	<u>4,140</u>		<u>369,319</u>
RESULTS					
Segment results	103,731	877	(6,330)	(3,596)	94,682
Share of results of joint ventures	2,091	-	-	-	2,091
Finance cost					(29,685)
Profit before tax					<u>67,088</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 period as compared to the previous period's corresponding financial period

(i) **Property**

During the financial period ended 30 September 2018, the property segment recorded a revenue of RM334.899 million as compared to RM316.646 million in the financial period ended 30 September 2017, an increase of RM18.253 million or 5.76%. The increase in revenue mainly reflected the revenue recognised from the higher percentage of work progress on the reclaimed land in Seri Tanjung Pinang ("STP") 2A 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 RM36.121 million in the financial period ended 30 September 2018 as compared to total revenue of RM58.677 million in the financial period ended 30 September 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 RM371.020 million in the financial period ended 30 September 2018 as compared to an adjusted revenue of RM375.323 million in the financial period ended 30 September 2017.

The property segment recorded an operating profit of RM104.238 million for the financial period ended 30 September 2018 as compared to the operating profit of RM103.731 million in the financial period ended 30 September 2017. This represented a marginal increase in profit of RM0.507 million or 0.49%.

The JV suffered a loss of RM6.846 million for the financial period ended 30 September 2018 as compared to a profit of RM2.091 million for the financial period ended 30 September 2017, a decrease of RM8.937 million.



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

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

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

(ii) Hospitality

The hospitality segment recorded a revenue of RM42.624 million for the financial period ended 30 September 2018 as compared to RM51.111 million in the financial period ended 30 September 2017, a decrease of RM8.487 million or 16.61%. 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 an increase in the operating profit of RM2.622 million from RM0.877 million for the financial period ended 30 September 2017 to RM3.499 million for the financial period ended 30 September 2018 mainly due to lower operating costs incurred following the disposal of EOE.

(iii) Investments and others

The investments and others segment recorded an operating profit of RM114.665 million for the financial period ended 30 September 2018 as compared to an operating loss of RM6.330 million in the financial period ended 30 September 2017. The results of this segment for the current financial period was attributed by higher dividend income received from subsidiaries which amounted to approximately RM120.0 million as compared to nil in the previous corresponding financial period.

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 period, there was a fair value loss in the investment properties of RM385,000 which was recognised in the statement of comprehensive income.

11. Material subsequent events

As at 2 November 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 period ended 30 September 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.

On 22 September 2018, E&O Restaurants Sdn Bhd, an indirect wholly-owned subsidiary of E&O, was dissolved by way of Members' Voluntary Winding Up.



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

13. Contingent Liabilities

There were no contingent liabilities as at 2 November 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:

	RM'000
Corporate guarantees issued by the Company for banking facilities granted to subsidiaries:	
- Secured	<u>976,566</u>

14. Capital Commitments

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

	As at 30.09.2018 RM'000	As at 31.03.2018 RM'000
Capital expenditure		
Approved and contracted for		
Land reclamation	490,545	619,638
Property, plant and equipment	1,705	1,705
Acquisition of freehold land	-	7,057
	<u>2,276</u>	<u>3,086</u>
Approved but not contracted for		
Property, plant and equipment	2,276	3,086
	<u>2,276</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 period ended 30 September 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 RM379.383 million for the financial period ended 30 September 2018 as compared to RM369.319 million recorded in the financial period ended 30 September 2017. This represented an increase of RM10.064 million or 2.73%. The increase in revenue is mainly attributable to the property segment which registered an increase of RM18.253 million. However, the increase was dampened by the hospitality segment which registered a decrease of RM8.487 million following the disposal of EOE.

The Group posted profit before tax of RM61.752 million for the financial period ended 30 September 2018 as compared to profit before tax of RM67.088 million in the financial period ended 30 September 2017. This represented a decrease in profit before tax of RM5.336 million or 7.95%.

The Group achieved a higher operating profit of RM99.866 million on the back of higher revenue. However, the results were reduced by the share of losses from the joint ventures of RM6.846 million and higher finance costs.

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

	Current quarter ended 30.09.2018 RM'000	Immediate preceding quarter ended 30.06.2018 RM'000	Variance RM'000
Revenue	179,388	199,995	(20,607)
Operating profit	49,686	50,180	(494)
Profit before tax	<u>32,207</u>	<u>29,545</u>	2,662

The Group recorded a revenue of RM179.388 million and profit before tax of RM32.207 million for the current financial quarter ended 30 September 2018 as compared to a revenue of RM199.995 million and profit before tax of RM29.545 million in the preceding financial quarter ended 30 June 2018. Higher revenue in the previous quarter is due to higher sales of the completed properties. Despite the lower revenue recognised in the current quarter, the Group achieved a higher profit before tax in this quarter partly due to the lower share of losses from the joint ventures and the unrealised foreign exchange gain which arose from the strengthening of the Pound Sterling against Ringgit Malaysia.

3. Group's prospects

Notwithstanding the uncertainties and continued weakness in the property market, the Group was able to sustain new property sales in 2Q2019 continuing the trend of 1Q2019 performance. The broad outlook for the property sector in 2018/19 continues to be challenging. Thus, we remain cautious about our impending launches which we have carefully crafted to cater to current market demands.

E&O is well known in the property market for its premium residential developments and we have steadfastly maintained a remarkable track record in developing premium quality properties in good established locations. Our strategy moving forward is to study the market carefully and offer developments that suit current demands and economic sentiments.

4. Variance in profit forecast/profit guarantee

The Group did not issue any profit forecast/profit guarantee for the current financial period ended 30 September 2018.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.9.2018 RM'000	Comparative quarter ended 30.9.2017 RM'000	Current six months ended 30.9.2018 RM'000	Comparative six months ended 30.9.2017 RM'000
Malaysian income tax				
- current	12,195	11,446	26,193	23,737
- in respect of prior years	-	-	12	-
Deferred tax	(176)	(194)	(98)	(430)
	<u>12,019</u>	<u>11,252</u>	<u>26,107</u>	<u>23,307</u>

The effective tax rate of the Group for the current financial period ended 30 September 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 30.9.2018	Comparative quarter ended 30.9.2017	Current six months ended 30.9.2018	Comparative six months ended 30.9.2017
	RM'000	RM'000	RM'000	RM'000
Interest income	6,895	3,416	12,274	6,367
Net of impairment loss on receivables	(58)	(11)	(173)	(102)
Inventories written down	-	-	-	(99)
Interest expense	(15,270)	(14,768)	(30,374)	(29,547)
Depreciation and amortisation	(3,795)	(4,432)	(7,621)	(8,863)
Bad debts written off	-	(186)	-	(186)
Property, plant and equipment written off	(1)	(1)	(226)	(7)
Reversal of impairment loss on property, plant and equipment	1	1	207	1
Unrealised gain on foreign exchange	9,050	5,882	174	8,982
Net (loss)/gain on disposal of property, plant and equipment	(22)	(5)	(23)	101
(Loss)/gain from fair value movement of investment properties	(298)	(10)	(385)	1,664
Unwinding of discounts - net	(444)	634	175	1,551
Fair value gain/(loss) on other investments	959	(1,869)	612	1,362

7. Status of Corporate Proposals

There were no corporate proposal announced but not completed as at 2 November 2018.

8. Group Borrowings

a) The Group borrowings were as follows:-

	As at 30.9.2018	As at 30.09.2017
	RM'000	RM'000
Short Term - Secured		
- Bank overdraft	19,216	433
- Revolving credit	40,000	60,000
- Term loan	220,191	269,487
- Obligations under finance leases	558	457
	<u>279,965</u>	<u>330,377</u>
Long Term - Secured		
- Revolving credit	317,554	268,679
- Term loan	548,252	776,162
- Obligations under finance leases	1,103	1,105
	<u>866,909</u>	<u>1,045,946</u>
Long Term - Unsecured - RCMTNs	329,046	315,592
	<u>1,195,955</u>	<u>1,361,538</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)	20,423
Long Term Term Loan - Secured Denominated in Pound Sterling (£'000)	29,831



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 2 November 2018.

10. Dividend

The Board of Directors does not recommend any interim dividend for the 6-month financial period ended 30 September 2018.

11. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.9.2018	Comparative quarter ended 30.9.2017	Current six months ended 30.9.2018	Comparative six months ended 30.9.2017
a) Basic earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	18,826	19,675	32,946	40,915
Weighted average number of ordinary stock units in issue (unit '000)	1,305,991	1,320,611	1,301,693	1,315,052
Adjusted weighted average number of ordinary stock units (unit '000)	1,305,991	1,320,611	1,301,693	1,315,052
Basic earnings per stock unit for the period (sen)	1.44	1.49	2.53	3.11
b) Diluted earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	18,826	19,675	32,946	40,915
Weighted average number of ordinary stock units in issue (unit '000)	1,305,991	1,320,611	1,301,693	1,315,052
Diluted earnings per stock unit for the period (sen)	1.44	1.49	2.53	3.11

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
9 November 2018