



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2019 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2019 RM'000	Comparative quarter ended 30.06.2018 RM'000	Current three months ended 30.06.2019 RM'000	Comparative three months ended 30.06.2018 RM'000
Revenue	134,588	199,995	134,588	199,995
Cost of sales	(82,165)	(131,935)	(82,165)	(131,935)
Gross profit	52,423	68,060	52,423	68,060
Other income	9,266	17,392	9,266	17,392
Administrative expenses	(11,728)	(12,034)	(11,728)	(12,034)
Selling and marketing expenses	(1,362)	(1,704)	(1,362)	(1,704)
Other expenses	(16,486)	(20,028)	(16,486)	(20,028)
Operating profit	32,113	51,686	32,113	51,686
Finance costs	(18,049)	(17,510)	(18,049)	(17,510)
Share of results of joint ventures	(1,616)	(5,124)	(1,616)	(5,124)
Profit before tax	12,448	29,052	12,448	29,052
Income tax expense	(9,204)	(13,902)	(9,204)	(13,902)
Profit for the period	3,244	15,150	3,244	15,150
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Foreign currency translation	167	(533)	167	(533)
Recycled foreign currency translation to profit or loss	-	25	-	25
Other comprehensive income for the period	167	(508)	167	(508)
Total comprehensive income for the period	3,411	14,642	3,411	14,642
Profit attributable to:				
Owners of the parent	1,700	13,775	1,700	13,775
Non-controlling interests	1,544	1,375	1,544	1,375
	3,244	15,150	3,244	15,150
Total comprehensive income attributable to:				
Owners of the parent	1,867	13,267	1,867	13,267
Non-controlling interests	1,544	1,375	1,544	1,375
	3,411	14,642	3,411	14,642
Earnings per stock unit attributable to owners of the parent:				
Basic (sen)	0.12	1.06	0.12	1.06
Diluted (sen)	0.12	1.06	0.12	1.06

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019 (Unaudited)**

	AS AT 30.06.2019 RM'000	AS AT 31.03.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	235,007	228,151
Inventories	1,465,505	1,427,630
Investment properties	486,334	487,993
Intangible assets	71	93
Rights of use assets	68,130	-
Investment in joint ventures	124,254	130,270
Other investments	3,167	3,313
Deferred tax assets	13,617	12,909
Trade and other receivables	25,833	16,995
	<u>2,421,918</u>	<u>2,307,354</u>
Current assets		
Inventories	711,677	750,249
Trade and other receivables	210,722	253,284
Prepayments	8,150	3,755
Tax recoverable	2,242	1,098
Contract cost assets	14,015	16,441
Cash and bank balances	889,476	854,833
	<u>1,836,282</u>	<u>1,879,660</u>
Non current asset classified as held for sale	-	8,000
TOTAL ASSETS	<u>4,258,200</u>	<u>4,195,014</u>
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	675,229	505,333
Provisions	39	39
Trade and other payables	326,989	332,862
Lease liability	4,940	-
Contract liabilities	331,218	309,345
Provision for retirement benefits	-	2
Income tax payable	33,183	33,192
	<u>1,371,598</u>	<u>1,180,773</u>
Net current assets	<u>464,684</u>	<u>706,887</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019 (Unaudited)**

	AS AT 30.06.2019 RM'000	AS AT 31.03.2019 RM'000 (Audited)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Loans and borrowings	711,920	908,040
Provisions	152	152
Trade and other payables	14,039	13,254
Lease liability	64,049	-
Provision for retirement benefits	295	282
Deferred tax liabilities	43,645	43,422
	<u>834,100</u>	<u>965,150</u>
TOTAL LIABILITIES	<u>2,205,698</u>	<u>2,145,923</u>
Net assets	<u>2,052,502</u>	<u>2,049,091</u>
Equity attributable to owners of the parent		
Share capital	1,521,789	1,521,789
Treasury stock units	(27,719)	(27,719)
Reserves	515,371	513,504
	<u>2,009,441</u>	<u>2,007,574</u>
Non-controlling interests	43,061	41,517
Total Equity	<u>2,052,502</u>	<u>2,049,091</u>
TOTAL EQUITY AND LIABILITIES	<u>4,258,200</u>	<u>4,195,014</u>
Net assets per stock unit attributable to owners of the parent (RM)	<u>1.40</u>	<u>1.40</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 2019 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 2019 (Unaudited)

	Attributable to owners of the parent						Non- controlling Interests	Total Equity
	Share Capital	Treasury Stock Units	Foreign Currency Translation Reserve	Other Reserve	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial quarter ended 30 June 2019								
At 1 April 2019	1,521,789	(27,719)	(3,661)	1,026	516,139	2,007,574	41,517	2,049,091
Profit for the financial quarter	-	-	-	-	1,700	1,700	1,544	3,244
Other comprehensive income	-	-	167	-	-	167	-	167
Total comprehensive income for the financial quarter	-	-	167	-	1,700	1,867	1,544	3,411
At 30 June 2019	1,521,789	(27,719)	(3,494)	1,026	517,839	2,009,441	43,061	2,052,502

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

	Attributable to owners of the parent							Total Equity RM'000
	Share Capital RM'000	<----- Non-Distributable ----->			Distributable		Non- controlling Interests RM'000	
		Treasury Stock Units RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total RM'000		
Financial quarter ended 30 June 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 quarter	-	-	-	-	13,775	13,775	1,375	15,150
Other comprehensive income	-	-	(508)	-	-	(508)	-	(508)
Total comprehensive income for the financial quarter	-	-	(508)	-	13,775	13,267	1,375	14,642
Transactions with owners								
Purchase of treasury stock units	-	(2,898)	-	-	-	(2,898)	-	(2,898)
Redemption of preference shares	-	-	-	41	(41)	-	-	-
Total transactions with owners	-	(2,898)	-	41	(41)	(2,898)	-	(2,898)
At 30 June 2018	1,394,163	(40,860)	(3,889)	999	506,956	1,857,369	28,482	1,885,851

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 2019 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019 (Unaudited)**

	Quarter ended 30.06.2019 RM'000	Quarter ended 30.06.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	12,448	29,052
Adjustments for:-		
Net of allowances for expected credit losses on:		
trade receivables	205	115
Amortisation of :		
- intangible assets	22	22
- rights of use	2,321	-
Depreciation of property, plant and equipment	3,148	3,804
Interest expense	16,473	17,103
Interest expense on lease liability	1,201	-
Property, plant and equipment written off	1	19
Loss on liquidation of subsidiaries	-	25
Net loss on disposal of:		
property, plant and equipment	3	1
Unrealised loss on foreign exchange	6,952	8,876
Net loss from fair value adjustment of investment properties	159	87
Unwinding of discounts - net	213	(619)
Net fair value loss on other investments at fair value		
through profit or loss	146	347
Interest income	(8,088)	(5,379)
Dividend income	(6)	-
Share of results of joint ventures	1,616	5,124
Provision for retirement benefits	11	11
Operating profit before changes in working capital	36,825	58,588
Changes in working capital:-		
Inventories	11,760	16,103
Receivables	24,174	200,272
Payables	27,973	203,673
Contract cost assets	2,426	7,145
Cash flows from operations	103,158	478,636
Interest received	7,460	4,755
Interest paid	(14,713)	(15,760)
Income taxes paid	(10,768)	(10,148)
Retirement benefits paid	-	(9)
NET CASH FLOWS FROM OPERATING ACTIVITIES	85,137	457,474



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019 (Unaudited)**

	Quarter ended 30.06.2019 RM'000	Quarter ended 30.06.2018 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,123)	(677)
Purchase of investment properties:		
- subsequent expenditure	(295)	(206)
Proceeds from disposal of property, plant and equipment	102	1
Profit distribution from a joint ventures	4,634	-
Other dividends received	6	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	<u>(5,676)</u>	<u>(882)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of treasury stock units	-	(2,898)
Drawdown of borrowings	13,001	193,094
Repayment of borrowings	(54,074)	(411,779)
Repayment of obligations under finance lease	(140)	(115)
Repayment of lease liabilities	(2,664)	-
(Placement)/withdrawal of deposits with licensed banks	(646)	161
NET CASH FLOWS USED IN FINANCING ACTIVITIES	<u>(44,523)</u>	<u>(221,537)</u>
Effects of exchange rate changes	167	(533)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>35,105</u>	<u>234,522</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	<u>815,073</u>	<u>476,705</u>
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL QUARTER	<u><u>850,178</u></u>	<u><u>711,227</u></u>

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

Cash and bank balances	889,476	754,013
Bank overdrafts	(20,552)	(25,296)
Less: Restricted cash and bank balances	(18,746)	(17,490)
	<u>850,178</u>	<u>711,227</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 2019 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 2019 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 2019.

2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2019, 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 2019, as disclosed below:

Adoption of MFRSs and Amendments to MFRSs

		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	: Plan 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)

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

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 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.

MFRS 16 was adopted by the Group from 1 April 2019 using the modified retrospective transition approach which measures the lease liabilities based on the present value of future lease payments calculated using the incremental borrowing rate and exchange rate at date of transition. Lease payments would be split into principal and interest payments, using the effective interest method.

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 following assets and liabilities were recognised on the consolidated statement of financial position at 1 April 2019 on adoption of MFRS 16:

	Audited 31.3.2019 RM'000	Effect of adoption of MFRS 16 RM'000	After adoption of MFRS 16 RM'000
Statement of financial position			
Right of use assets	-	70,473	70,473
Lease liabilities	-	70,473	70,473

Standards and interpretation issued but not yet effective

	Effective for annual periods beginning on or after
	Revised Conceptual Framework for Financial Reporting
MFRS 3	: Definition of a Business (Amendments to MFRS 3) 1 January 2020
MFRS 101	: Definition of Material (Amendments to MFRS 101) 1 January 2020
MFRS 108	: Definition of Material (Amendments to MFRS 108) 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 and Amendment to MFRSs were issued but not yet effective and have not been applied by the Group for the financial year ending 31 March 2020. 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.



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 2019 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 2019.

6. Changes in estimates

There were no material changes in estimates that have had a material effect in the financial quarter ended 30 June 2019.

7. Debt and equity securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the Company during the financial quarter ended 30 June 2019.

8. Dividends paid

No dividend was paid during the current financial quarter.

9. Segmental information by business segment

Quarter ended 30 June 2019 RM'000	Property	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	119,575	13,665	1,348	-	134,588
Inter-segment sales	115	-	539	(654)	-
Total revenue	<u>119,690</u>	<u>13,665</u>	<u>1,887</u>		<u>134,588</u>
RESULTS					
Segment results	44,433	(2,630)	(9,716)	26	32,113
Share of results of joint ventures	(1,616)	-	-	-	(1,616)
Finance cost					<u>(18,049)</u>
Profit before tax					<u>12,448</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 2018</u>	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
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>
RESULTS					
Segment results	60,226	877	(8,937)	(480)	51,686
Share of results of joint ventures	(5,124)	-	-	-	(5,124)
Finance cost					(17,510)
Profit before tax					<u>29,052</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 2019, the property segment recorded a revenue of RM119.575 million as compared to RM179.141 million recorded in the financial quarter ended 30 June 2018, a decrease of RM59.566 million or 33.25%. The decrease in revenue was mainly due to lower revenue recognition from the development projects in Seri Tanjung Pinang ("STP") 1, namely The Tamarind and the Ariza Seafront Terraces which were completed in the previous financial year.

The property segment recorded an operating profit of RM44.433 million for the financial quarter ended 30 June 2019 as compared to the operating profit of RM60.226 million in the financial quarter ended 30 June 2018. This represented a decrease in profit of RM15.793 million or 26.22% due to lower revenue recognised.

The joint venture ("JV") projects, The Mews and Avira Garden Terraces, contributed a total revenue of RM8.320 million in the financial quarter ended 30 June 2019 as compared to total revenue of RM14.114 million in the financial quarter ended 30 June 2018, a decrease of RM5.794 million or 41.05%. Although revenue recognised by the JV was reduced by 41.05% in the current financial quarter as compared to the corresponding quarter of the previous financial year, the JV suffered lower loss.

The JV suffered a loss of RM1.616 million for the financial quarter ended 30 June 2019 as compared to RM5.124 million for the financial quarter ended 30 June 2018, a decrease of RM3.508 million.

After incorporating revenue recognised for the JV, the Group's property segment recorded an adjusted revenue of RM127.895 million in the financial quarter ended 30 June 2019 as compared to an adjusted revenue of RM193.255 million in the financial quarter ended 30 June 2018.



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 RM13.665 million for the financial quarter ended 30 June 2019 as compared to RM19.994 million in the financial quarter ended 30 June 2018, a decrease of RM6.329 million or 31.65%. The decrease was mainly due to the temporary closure of the Heritage Wing of Eastern & Oriental Hotel since March 2019 for refurbishment. The Heritage Wing is expected to re-open for business in December 2019.

The segment suffered an operating loss of RM2.630 million in the financial quarter ended 30 June 2019 as compared to an operating profit of RM0.877 million in the financial quarter ended 30 June 2018, a decrease of RM3.507 million due to lower revenue recognised.

(iii) Investments and others

The investments and others segment recorded an operating loss of RM9.716 million for the financial quarter ended 30 June 2019 as compared to RM8.937 million in the financial quarter ended 30 June 2018, a decrease of RM0.779 million or 8.72%.

10. Valuation of investment properties

The Group adopts the fair value model for its investment properties.

During the current financial quarter, there was a net fair value loss in the investment properties of RM159,000 which was recognised in the statement of comprehensive income.

11. Material subsequent events

As at 20 August 2019 (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 2019 except for the following:

- (i) The trading in the Warrants have been suspended on 4 July 2019. During the financial period from 1 July 2019 to 19 July 2019, 4,977 units of Warrant were converted into ordinary stock units at the exercise price of RM2.60 per ordinary stock units. The remaining unexercised Warrants of 222,295,438 have lapsed and become null and void on 19 July 2019. Accordingly, Warrants have been removed from the Official List of Bursa Malaysia Securities Berhad with effect from 22 July 2019.

12. Changes in composition of the Group

There were no changes in the composition of the Group at the end of the 3-month financial period ended 30 June 2019.



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

13. Contingent Liabilities

There were no contingent liabilities as at 20 August 2019 (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>911,110</u>

14. Capital Commitments

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

	As at 30.06.2019 RM'000	As at 31.03.2019 RM'000
Capital expenditure		
Approved and contracted for		
Land reclamation	435,738	495,331
Property, plant and equipment	<u>32,419</u>	<u>31,514</u>
Approved but not contracted for		
Property, plant and equipment	<u>4,852</u>	<u>6,206</u>

15. Significant Related Party Transactions

Recurrent related party transactions conducted during the current financial quarter ended 30 June 2019 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 RM134.588 million for the financial quarter ended 30 June 2019 as compared to RM199.995 million recorded in the financial quarter ended 30 June 2018. This represented a decrease of RM65.407 million or 32.70%. The decrease in revenue was mainly attributable to the property segment which registered a decrease of RM59.566 million. The hospitality segment also registered a decrease of RM6.329 million in revenue following the temporary closure of the Heritage Wing for refurbishment.

The Group posted profit before tax of RM12.448 million for the financial quarter ended 30 June 2019 as compared to profit before tax of RM29.052 million in the financial quarter ended 30 June 2018. This represented a decrease in profit before tax of RM16.604 million or 57.15%. The lower profit in the current financial quarter was largely due to lower revenue recognised in both the property and the hospitality segments. The lower other income was mitigated by the lower other expenses and lower share of losses of JV.

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 30.06.2019 RM'000	Immediate preceding quarter ended 31.03.2019 RM'000	Variance RM'000
Revenue	134,588	249,985	(115,397)
Gross profit	52,423	137,168	(84,745)
Operating profit	32,113	83,561	(51,448)
Profit before tax	12,448	65,412	(52,964)

The Group recorded a revenue of RM134.588 million and profit before tax of RM12.448 million for the current financial quarter ended 30 June 2019 as compared to a revenue of RM249.985 million and profit before tax of RM65.412 million in the preceding financial quarter ended 31 March 2019. Higher revenue and higher profit before tax in the previous quarter reflected higher work done on the reclamation project, higher sales of the completed properties and better cost management in completed development projects. The decrease in revenue and profit before tax in the current quarter was due to lower revenue recognition following the completion of the development projects in STP1, namely The Tamarind and the Ariza Seafront Terraces in the preceding quarter.

3. Group's prospects

For the FYE 31 March 2020, the Group is gearing up to launch The Conlay and The Peak with GDV exceeding RM1.0 billion while continuing to sell the remaining inventories.

Moving forward, the Group is also focused on laying the foundation for the next growth trajectory in STP2A in Penang. Barring unforeseen circumstances, the maiden launch in STP2A is expected in second half of 2020.

In terms of overseas ventures, as the UK prepares for its exit from the European Union ("Brexit"), the Group is facing uncertainties in the near term and expect the property market to be subdued.

The uncertainties in Brexit have created volatility in Sterling Pound against major currencies including the Ringgit Malaysia. Further weakening in Sterling Pound would result in unrealised foreign exchange losses which would adversely impact the Group's profitability.



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

4. Variance in profit forecast/profit guarantee

The Group did not issue any profit forecast/profit guarantee for the current financial quarter ended 30 June 2019.

5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2019	Comparative quarter ended 30.06.2018	Current three months ended 30.06.2019	Comparative three months ended 30.06.2018
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	9,689	13,998	9,689	13,998
- in respect of prior years	-	12	-	12
Deferred tax	(485)	(108)	(485)	(108)
	<u>9,204</u>	<u>13,902</u>	<u>9,204</u>	<u>13,902</u>

The effective tax rate of the Group for the current financial quarter ended 30 June 2019 under review is higher than the statutory rate of 24% mainly due to certain expenses of the Group are not deductible.

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 30.06.2019	Comparative quarter ended 30.06.2018	Current three months ended 30.06.2019	Comparative three months ended 30.06.2018
	RM'000	RM'000	RM'000	RM'000
Interest income	8,088	5,379	8,088	5,379
Net of allowance for expected credit losses on receivables	(205)	(115)	(205)	(115)
Interest expense	(16,473)	(17,103)	(16,473)	(17,103)
Interest expense on lease liability	(1,201)	-	(1,201)	-
Depreciation and amortisation	(5,491)	(3,826)	(5,491)	(3,826)
Property, plant and equipment written off	(1)	(19)	(1)	(19)
Unrealised loss on foreign exchange	(6,952)	(8,876)	(6,952)	(8,876)
Net loss on disposal of property, plant and equipment	(3)	(1)	(3)	(1)
Loss from fair value movement of investment properties	(159)	(87)	(159)	(87)
Unwinding of discounts - net	(213)	619	(213)	619
Fair value loss on other investments	(146)	(347)	(146)	(347)



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

7. Status of Corporate Proposals

- a) This was the corporate proposal announced but not completed as at 20 August 2019.

On 11 February 2019, the Company announced the proposal for fund raising that comprised of :

- i) a private placement of new ordinary stocks in the Company ("E&O Stocks") of up to 10% of the Company's existing issued share capital at an issue price to be determined later ("Private Placement"); and
- ii) a renounceable rights issue of new E&O Stocks to the entitled stockholders of E&O together with free detachable warrants at an issue price and basis to be determined and announced later ("Proposed Rights Issue with Warrants")

which in aggregate will aim to raise minimum gross proceeds of RM250 million for the Company ("Minimum Aggregate Proceeds").

The Private Placement which raised a proceeds of RM127.626 million was completed on 18 March 2019.

On 9 August 2019, Bursa Malaysia had approved the following:

- i) the listing and quotation of up to 381,734,246 Rights Stocks to be issued pursuant to the Proposed Rights Issue with Warrants;
- ii) admission to the official list of Bursa Securities and the listing and quotation of up to 190,867,123 Warrants C to be issued pursuant to the Proposed Rights Issue with Warrants;
- iii) the listing and quotation of up to 190,867,123 new E&O Stocks to be issued pursuant to the exercise of the Warrants C.

The circular to shareholders for the Proposed Rights Issue with Warrants was dispatched on 16 August 2019 for the EGM to be held on 3 September 2019.

The entitlement basis, issue price and exercise price of the Warrants C will be determined and announced by the Board indicatively by end September 2019, after taking into consideration, amongst others, the following:

- i) the objective of the Company in achieving the Gross Proceeds;
- ii) the then prevailing market conditions; and
- iii) the discount of not less than 15.0% to the resultant TERP, based on the 5-day VWAP of the Company up to and including the price fixing date.

The Proposed Rights Issue with Warrants is expected to raise a minimum of RM122.37 million with RM76.55 million being undertakings procured from major shareholders and RM45.82 million from underwriting arrangements.

The Proposed Rights Issue with Warrants is expected to be completed in mid November 2019.



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

7. Status of Corporate Proposals (cont'd)

b) Utilisation of proceeds from Proposed Private Placement as at 20 August 2019.

On 18 March 2019, the private placement of 130,230,000 E&O stock units ("Private Placement") at the issue price of RM0.98 per stock unit amount to RM127.626 million was subscribed by Sweetwater SPV Sdn Bhd.

The cash proceeds from the Private Placement was fully utilised as follows:

	Proposed utilisation RM'000	Utilised to date RM'000	Deviations* RM'000	Balance to utilised RM'000	Estimated Timeframe for utilisation
Loan repayment	100,000	100,000	-	-	Within 12 months
General working capital	26,626	27,368	742	-	Within 24 months
Estimated expenses for the proposals	1,000	258	(742)	-	Within 6 months
	<u>127,626</u>	<u>127,626</u>	<u>-</u>	<u>-</u>	

* All the estimated expenses for the proposals have been fully paid. Accordingly, the balance of RM0.742 million will be utilised for general working capital of the Group.

8. Group Borrowings

a) The Group borrowings were as follows:-

	As at 30.06.2019 RM'000	As at 30.06.2018 RM'000
Short Term - Secured		
- Bank overdraft	20,552	25,296
- Revolving credit	164,595	40,000
- Term loan	148,118	221,559
- Obligations under finance leases	514	497
	<u>333,779</u>	<u>287,352</u>
Short Term - Unsecured - RCMTNs	341,450	-
	<u>675,229</u>	<u>287,352</u>
Long Term - Secured		
- Revolving credit	204,024	321,960
- Term loan	507,162	486,912
- Obligations under finance leases	734	989
	<u>711,920</u>	<u>809,861</u>
Long Term - Unsecured - RCMTNs	-	327,354
	<u>711,920</u>	<u>1,137,215</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)	15,000
Long Term Term Loan - Secured Denominated in Pound Sterling (£'000)	20,000



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 20 August 2019.

10. Dividend

The Board of Directors does not recommend any interim dividend for the financial quarter ended 30 June 2019.

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 3.0 sen per stock units in issue, in respect of the financial year ended 31 March 2019, will be proposed for stockholders' approval.

11. Earnings Per Stock Unit

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2019	Comparative quarter ended 30.06.2018	Current three months ended 30.06.2019	Comparative three months ended 30.06.2018
Basic earnings per stock unit				
Profit attributable to owners of the parent (RM'000)	1,700	13,775	1,700	13,775
Weighted average number of ordinary stock units in issue (unit '000)	1,432,544	1,297,395	1,432,544	1,297,395
Adjusted weighted average number of ordinary stock units (unit '000)	1,432,544	1,297,395	1,432,544	1,297,395
Basic earnings per stock unit for the period (sen)	0.12	1.06	0.12	1.06

The Group has no potential ordinary shares in issue as at reporting date and therefore the diluted earnings per share is same as basic earnings per share. The outstanding warrants which are expired on 19 July 2019 and Redeemable Convertible Medium Term Notes ("RCMTNs") have not been included for 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
27 August 2019