



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

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.9.2019 RM'000	Comparative quarter ended 30.9.2018 RM'000	Current six months ended 30.9.2019 RM'000	Comparative six months ended 30.9.2018 RM'000
Revenue	136,828	179,388	271,416	379,383
Cost of sales	(85,137)	(124,225)	(167,302)	(256,160)
Gross profit	51,691	55,163	104,114	123,223
Other income	8,000	15,577	17,266	32,969
Administrative expenses	(24,555)	(16,861)	(36,283)	(28,895)
Selling and marketing expenses	(1,263)	(1,365)	(2,625)	(3,069)
Other expenses	(19,347)	(1,130)	(35,833)	(21,158)
Operating profit	14,526	51,384	46,639	103,070
Finance costs	(14,723)	(17,644)	(32,772)	(35,154)
Share of results of joint ventures	(2,615)	(1,722)	(4,231)	(6,846)
(Loss)/Profit before tax	(2,812)	32,018	9,636	61,070
Income tax expense	(9,860)	(11,922)	(19,064)	(25,824)
<b>(Loss)/Profit for the period</b>	<b>(12,672)</b>	<b>20,096</b>	<b>(9,428)</b>	<b>35,246</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Foreign currency translation	211	440	378	(93)
Recycled foreign currency translation to profit or loss	-	-	-	25
<b>Other comprehensive income for the period</b>	<b>211</b>	<b>440</b>	<b>378</b>	<b>(68)</b>
<b>Total comprehensive income for the period</b>	<b>(12,461)</b>	<b>20,536</b>	<b>(9,050)</b>	<b>35,178</b>
<b>(Loss)/Profit attributable to:</b>				
Owners of the parent	(12,366)	18,685	(10,666)	32,460
Non-controlling interests	(306)	1,411	1,238	2,786
	<b>(12,672)</b>	<b>20,096</b>	<b>(9,428)</b>	<b>35,246</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	(12,155)	19,125	(10,288)	32,392
Non-controlling interests	(306)	1,411	1,238	2,786
	<b>(12,461)</b>	<b>20,536</b>	<b>(9,050)</b>	<b>35,178</b>
Earnings per share attributable to owners of the parent:				
Basic (sen)	(0.86)	1.43	(0.74)	2.49
Diluted (sen)	(0.86)	1.43	(0.74)	2.49

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 SEPTEMBER 2019 (Unaudited)**

	<b>AS AT 30.9.2019 RM'000</b>	<b>AS AT 31.03.2019 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	245,383	228,151
Inventories	1,508,893	1,427,630
Investment properties	484,245	487,993
Intangible assets	50	93
Rights of use assets	65,785	-
Investment in joint ventures	121,650	130,270
Other investments	3,215	3,313
Deferred tax assets	18,135	12,909
Trade and other receivables	26,242	16,995
	<u>2,473,598</u>	<u>2,307,354</u>
<b>Current assets</b>		
Inventories	677,020	750,249
Trade and other receivables	224,166	253,284
Prepayments	10,053	3,755
Tax recoverable	2,439	1,098
Contract cost assets	10,943	16,441
Cash and bank balances	580,912	854,833
	<u>1,505,533</u>	<u>1,879,660</u>
Non current asset classified as held for sale	-	8,000
<b>TOTAL ASSETS</b>	<u>3,979,131</u>	<u>4,195,014</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	605,104	505,333
Provisions	39	39
Trade and other payables	217,389	332,862
Lease liabilities	6,484	-
Contract liabilities	328,848	309,345
Provision for retirement benefits	-	2
Income tax payable	37,172	33,192
	<u>1,195,036</u>	<u>1,180,773</u>
<b>Net current assets</b>	<u>310,497</u>	<u>706,887</u>



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

	<b>AS AT 30.9.2019 RM'000</b>	<b>AS AT 31.03.2019 RM'000 (Audited)</b>
<b>EQUITY AND LIABILITIES (CONT'D)</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	666,812	908,040
Provisions	152	152
Trade and other payables	16,353	13,254
Lease liabilities	61,014	-
Provision for retirement benefits	307	282
Deferred tax liabilities	42,380	43,422
	<u>787,018</u>	<u>965,150</u>
<b>TOTAL LIABILITIES</b>	<u>1,982,054</u>	<u>2,145,923</u>
<b>Net assets</b>	<u>1,997,077</u>	<u>2,049,091</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	1,521,802	1,521,789
Treasury shares	(27,719)	(27,719)
Reserves	460,239	513,504
	<u>1,954,322</u>	<u>2,007,574</u>
<b>Non-controlling interests</b>	42,755	41,517
<b>Total Equity</b>	<u>1,997,077</u>	<u>2,049,091</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,979,131</u>	<u>4,195,014</u>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<u>1.36</u>	<u>1.40</u>

Based on number of shares net of treasury shares

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 PERIOD ENDED 30 SEPTEMBER 2019 (Unaudited)**

	Attributable to owners of the parent							Total Equity RM'000
	Share Capital RM'000	Non-Distributable			Distributable		Non- controlling Interests RM'000	
Treasury Shares RM'000		Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total RM'000			
<b>Financial period ended 30 September 2019</b>								
<b>At 1 April 2019</b>	1,521,789	(27,719)	(3,661)	1,026	516,139	2,007,574	41,517	2,049,091
(Loss)/Profit for the financial period	-	-	-	-	(10,666)	(10,666)	1,238	(9,428)
Other comprehensive income	-	-	378	-	-	378	-	378
Total comprehensive income for the financial period	-	-	378	-	(10,666)	(10,288)	1,238	(9,050)
<b>Transactions with owners</b>								
Issue of ordinary shares:								
- New issuance	13	-	-	-	-	13	-	13
Dividend on ordinary shares	-	-	-	-	(42,977)	(42,977)	-	(42,977)
Total transactions with owners	13	-	-	-	(42,977)	(42,964)	-	(42,964)
<b>At 30 September 2019</b>	1,521,802	(27,719)	(3,283)	1,026	462,496	1,954,322	42,755	1,997,077



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 Shares RM'000		Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total RM'000			
<b>Financial period ended 30 September 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 period	-	-	-	-	32,460	32,460	2,786	35,246
Other comprehensive expense	-	-	(68)	-	-	(68)	-	(68)
Total comprehensive income for the financial period	-	-	(68)	-	32,460	32,392	2,786	35,178
<b>Transactions with owners</b>								
Purchase of treasury shares	-	(2,898)	-	-	-	(2,898)	-	(2,898)
Redemption of preference shares	-	-	-	41	(41)	-	-	-
Share dividend distributed to shareholders	-	36,095	-	-	(36,095)	-	-	-
Total transactions with owners	-	33,197	-	41	(36,136)	(2,898)	-	(2,898)
<b>At 30 September 2018</b>	1,394,163	(4,765)	(3,449)	999	489,546	1,876,494	29,893	1,906,387

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 PERIOD ENDED 30 SEPTEMBER 2019 (Unaudited)**

	Period ended 30.9.2019 RM'000	Period ended 30.9.2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	9,636	61,070
Adjustments for:-		
Net of allowances for expected credit losses on:		
- trade receivables	372	173
Amortisation of :		
- intangible assets	43	-
- rights of use	4,674	-
Depreciation of property, plant and equipment	6,308	7,621
Reversal of impairment loss on property, plant and equipment	-	(207)
Interest expense	30,240	34,260
Interest expense on lease liabilities	2,400	-
Property, plant and equipment written off	1	226
Loss on liquidation of subsidiaries	-	57
Net loss on disposal of:		
- property, plant and equipment	17	23
Unrealised loss/(gain) on foreign exchange	16,277	(174)
Net loss from fair value adjustment of investment properties	-	385
Unwinding of discounts - net	(304)	(175)
Net fair value loss/(gain) on other investments at fair value through profit or loss	98	(612)
Interest income	(14,730)	(12,274)
Dividend income	(6)	-
Share of results of joint ventures	4,231	6,846
Provision for retirement benefits	23	22
Operating profit before changes in working capital	59,280	97,241
Changes in working capital:-		
Inventories	6,428	(22,672)
Receivables	(929)	185,858
Payables	(89,568)	169,402
Contract cost assets	5,498	14,868
Cash flows (used in)/from operations	(19,291)	444,697
Interest received	12,658	13,406
Interest paid	(29,673)	(34,349)
Income taxes refunded	-	217
Income taxes paid	(22,616)	(22,469)
Retirement benefits paid	-	(9)
<b>NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(58,922)</b>	<b>401,493</b>



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

	Period ended 30.9.2019 RM'000	Period ended 30.9.2018 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(23,286)	(847)
Purchase of investment properties:		
- subsequent expenditure	(788)	(659)
Proceeds from disposal of property, plant and equipment	88	81
Proceeds from disposal of other investments	-	10,000
Profit distribution from a joint venture	4,634	-
Other dividends received	6	-
<b>NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES</b>	<u>(19,346)</u>	<u>8,575</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	13	-
Purchase of treasury shares	-	(2,898)
Drawdown of borrowings	122,947	282,347
Repayment of borrowings	(274,260)	(452,557)
Repayment of obligations under finance lease	(286)	(239)
Repayment of lease liabilities	(5,362)	-
(Placement)/withdrawal of deposits with licensed banks	(1,353)	1,688
Dividend paid	(42,977)	-
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<u>(201,278)</u>	<u>(171,659)</u>
Effects of exchange rate changes	378	(93)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(279,168)</u>	<u>238,316</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<u>815,073</u>	<u>476,705</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD</b>	<u><u>535,905</u></u>	<u><u>715,021</u></u>

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

Cash and bank balances	580,912	750,200
Bank overdrafts	(25,554)	(19,216)
Less: Restricted cash and bank balances	(19,453)	(15,963)
	<u>535,905</u>	<u>715,021</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**

		<b>Effective for annual periods beginning on or after</b>
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 and interpretation do not have any significant effect on the financial performance and position of the Group, 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.

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:

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

**Standards issued but not yet effective**

	<b>Effective for annual periods beginning on or after</b>
Revised Conceptual Framework for Financial Reporting	1 January 2020
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 7, MFRS 9 and MFRS 139 : Interest Rate Benchmark Reform (Amendments to MFRS 7, MFRS 9 and MFRS 139)	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 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 cyclical nature 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 2019.

**6. Changes in estimates**

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

**7. Debt and equity securities**

Save as disclosed below, there were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the Company during the financial period ended 30 September 2019:

**Warrants 2015/2019**

During the financial period ended 30 September 2019, a total of 4,977 Warrants were converted into ordinary shares at the exercise price of RM2.60 per ordinary shares. The remaining unexercised Warrants of 222,295,438 had lapsed and became null and void on 19 July 2019. The Warrants had been removed from the Official List of Bursa Malaysia Securities Berhad on 22 July 2019.

**8. Dividends paid**

On 28 August 2019, the shareholders approved the payment of a first and final single-tier dividend of 3.0 sen per share in respect of the financial year ended 31 March 2019 to shareholders whose names appeared in the record of depositors at book closure date on 12 September 2019. The total dividend amounting to RM42,976,488 was paid on 1 October 2019.

**9. Segmental information by business segment**

<u>Period ended</u> <u>30 September 2019</u> RM'000	Property	Hospitality	Investments and others	Elimination	Total
<b>REVENUE</b>					
External sales	240,412	28,927	2,077	-	271,416
Inter-segment sales	364	-	151,170	(151,534)	-
Total revenue	<u>240,776</u>	<u>28,927</u>	<u>153,247</u>		<u>271,416</u>
<b>RESULTS</b>					
Segment results	79,189	(4,494)	120,934	(148,990)	46,639
Share of results of joint ventures	(4,231)	-	-	-	(4,231)
Finance cost					<u>(32,772)</u>
Profit before tax					<u>9,636</u>



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

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

<u>Period ended</u> <b>30 September 2018</b>	<b>Property</b>	<b>Hospitality</b>	<b>Investments and others</b>	<b>Elimination</b>	<b>Total</b>
<b>RM'000</b>					
<b>REVENUE</b>					
External sales	334,899	42,624	1,860	-	379,383
Inter-segment sales	231	-	122,348	(122,579)	-
Total revenue	<u>335,130</u>	<u>42,624</u>	<u>124,208</u>		<u>379,383</u>
<b>RESULTS</b>					
Segment results	107,442	3,499	114,665	(122,536)	103,070
Share of results of joint ventures	(6,846)	-	-	-	(6,846)
Finance cost					<u>(35,154)</u>
Profit before tax					<u>61,070</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, serviced apartments 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 2019, the property segment recorded a revenue of RM240.4 million as compared to RM334.9 million in the financial period ended 30 September 2018, a decrease of RM94.5 million or 28.2%. The decrease in revenue was mainly due to lower revenue recognition from development projects in Seri Tanjung Pinang ("STP") 1, namely The Tamarind and Ariza Seafront Terraces which were completed in the previous financial year. However, this lower revenue recognition was mitigated by continuing sales of the remaining inventories in STP 1.

The property segment recorded an operating profit of RM79.2 million for the financial period ended 30 September 2019 as compared to the operating profit of RM107.4 million in the financial period ended 30 September 2018. This represented a decrease in profit of RM28.2 million or 26.3% due to lower revenue recognised.

The joint venture ("JV") projects, The Mews and Avira Garden Terraces, contributed a total revenue of RM30.2 million in the financial period ended 30 September 2019 as compared to total revenue of RM36.1 million in the financial period ended 30 September 2018, a decrease of RM5.9 million or 16.3%. The JV incurred a lower loss of RM4.2 million in the current financial period ended 30 September 2019 as compared to the loss of RM6.8 million in the financial period ended 30 September 2018, a decrease of RM2.6 million.

After incorporating revenue recognised from the JV, the Group's property segment recorded an adjusted revenue of RM270.6 million in the financial period ended 30 September 2019 as compared to an adjusted revenue of RM371.0 million in the financial period ended 30 September 2018.



**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 RM28.9 million for the financial period ended 30 September 2019 as compared to RM42.6 million in the financial period ended 30 September 2018, a decrease of RM13.7 million or 32.1%. 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 incurred an operating loss of RM4.5 million in the financial period ended 30 September 2019 as compared to an operating profit of RM3.5 million in the financial period ended 30 September 2018, a decrease of RM8.0 million due to lower revenue recognised as a result of the temporary closure.

**(iii) Investments and others**

The investments and others segment recorded an operating profit of RM120.9 million for the financial period ended 30 September 2019 as compared to RM114.6 million in the financial period ended 30 September 2018, an increase of RM6.3 million or 5.5%. The higher operating profit was attributed by higher dividend income received from subsidiaries which amounted to approximately RM150.0 million as compared to RM120.0 million in the previous corresponding financial period. However, the increase was dampened by the unrealised foreign exchange loss of RM16.3 million in the current financial period as compared to unrealised foreign exchange gain of RM0.2 million in the previous corresponding financial period.

**10. Valuation of investment properties**

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

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

**11. Material subsequent events**

As at 21 November 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 period ended 30 September 2019.

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

There were no changes in the composition of the Group at the end of the 6-month financial period ended 30 September 2019.



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

**13. Contingent Liabilities**

There were no contingent liabilities as at 21 November 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:

	<b>RM'000</b>
Corporate guarantees issued by the Company for banking facilities granted to subsidiaries	<u>761,726</u>

**14. Capital Commitments**

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

	<b>As at 30.09.2019 RM'000</b>	<b>As at 31.03.2019 RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for		
Land reclamation	374,850	495,331
Property, plant and equipment	<u>16,779</u>	<u>31,514</u>
Approved but not contracted for		
Property, plant and equipment	<u>3,326</u>	<u>6,206</u>

**15. Significant Related Party Transactions**

Recurrent related party transactions conducted during the current financial period ended 30 September 2019 are in accordance with the shareholders' 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 RM271.4 million for the financial period ended 30 September 2019 as compared to RM379.4 million recorded in the financial period ended 30 September 2018. This represented a decrease of RM108.0 million or 28.5%. The decrease in revenue was mainly attributable to the property segment which registered a decrease of RM94.5 million. The hospitality segment also registered a lower revenue with a decrease of RM13.7 million due to the temporary closure of the Heritage Wing of Eastern & Oriental Hotel for refurbishment.

The Group posted profit before tax of RM9.6 million for the financial period ended 30 September 2019 as compared to profit before tax of RM61.1 million in the financial period ended 30 September 2018. This represented a decrease in profit before tax of RM51.5 million or 84.3%. The lower profit before tax in the current financial period were largely due to lower operating results from both the property and the hospitality segments on the back of lower revenue achieved. It was further dampened by the unrealised foreign exchange loss of RM16.3 million as compared to unrealised foreign exchange gain of RM0.2 million in the investments and others segment.

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 30.09.2019 RM'000</b>	<b>Immediate preceding quarter ended 30.06.2019 RM'000</b>	<b>Variance RM'000</b>
Revenue	136,828	134,588	2,240
Gross profit	51,691	52,423	(732)
Operating profit	14,526	32,113	(17,587)
(Loss)/Profit before tax	<u>(2,812)</u>	<u>12,448</u>	(15,260)

The Group recorded a revenue of RM136.8 million and loss before tax of RM2.8 million for the current financial quarter ended 30 September 2019 as compared to a revenue of RM134.6 million and profit before tax of RM12.4 million in the preceding financial quarter ended 30 June 2019. The decrease in profit before tax in the current quarter was due to higher operating costs and unrealised foreign exchange loss incurred as compared to the preceding quarter.

**3. Group's prospects**

We anticipate continued demand for properties in choiced locations which are backed by reputable brand names such as ours. As such, we will continue to line up launches of property development projects in the current and next financial years to meet such demands.

The reclamation of STP2A has been completed and handed over by the reclamation contractor. We are preparing for the maiden launch of STP2A in the second half of 2020.

As for the UK property market, pending the outcome of the election and Brexit negotiations, uncertainties will prevail. The volatility of the Sterling Pound continues to affect our Group's profitability.

**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 2019.



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

**5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	Comparative quarter ended	Current six months ended	Comparative six months ended
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- current	15,642	12,195	25,331	26,193
- in respect of prior years	-	-	-	12
Deferred tax	(5,782)	(273)	(6,267)	(381)
	<u>9,860</u>	<u>11,922</u>	<u>19,064</u>	<u>25,824</u>

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

**6. Additional disclosures**

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

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	Comparative quarter ended	Current six months ended	Comparative six months ended
	30.9.2019	30.9.2018	30.9.2019	30.9.2018
	RM'000	RM'000	RM'000	RM'000
Interest income	6,642	6,895	14,730	12,274
Net of allowance for expected credit losses on receivables	(167)	(58)	(372)	(173)
Interest expense	(13,767)	(17,157)	(30,240)	(34,260)
Interest expense on lease liabilities	(1,199)	-	(2,400)	-
Depreciation and amortisation	(5,534)	(3,795)	(11,025)	(7,621)
Property, plant and equipment written off	-	(207)	(1)	(226)
Reversal of impairment loss on property, plant and equipment	-	207	-	207
Unrealised (loss)/gain on foreign exchange	(9,325)	9,050	(16,277)	174
Net loss on disposal of property, plant and equipment	(14)	(22)	(17)	(23)
Gain/(Loss) from fair value adjustment of investment properties	159	(298)	-	(385)
Unwinding of discounts - net	517	(444)	304	175
Fair value gain/(loss) on other investments	48	959	(98)	612
	<u>48</u>	<u>959</u>	<u>(98)</u>	<u>612</u>



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

**7. Status of Corporate Proposals**

Corporate proposal announced but not completed as at 21 November 2019.

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

- i) a private placement of new ordinary shares 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 proceeds of RM127.626 million was completed on 18 March 2019.

On 22 July 2019, the Company announced the following:

- i) the Proposed Rights Issue with Warrants will be undertaken on a minimum subscription level basis to raise a minimum gross proceeds of RM122.37 million.
- ii) the issue price of the Rights Stocks will be fixed at a discount of not less than 15% to the prevailing theoretical ex-rights of E&O Stocks based on the 5-day VWAP of E&O Stocks up to the price fixing date.

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 on 3 September 2019 in which the shareholders had approved the Proposed Rights Issue with Warrants.

The Board further announced the following on 19 September 2019:

Issue price of the Rights Share	:	RM0.60 per Rights Share
Entitlement basis	:	1 Rights Share for every 4 existing ordinary shares held by the entitled shareholders as at 5.00 pm on an entitlement date to be determined and announced later and 1 Warrants C for every 2 Rights Shares subscribed for
Exercise price for the Warrants C	:	RM1.00 per Warrant C

The issue price of the Rights Shares of RM0.60 represents a discount of 16.67% to the TERP of E&O Shares of RM0.72 based on the 5 day VWAP of E&O shares up to and including 18 September 2019.

On 31 October 2019, E&O has announced that the Entitlement Date for the Rights Issue with Warrants is expected to be announced within the 4th quarter of calendar year 2019, with consequential changes to the estimated timeline for completion of the Rights Issue with Warrants.





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

**8. Group Borrowings**

a) The Group borrowings were as follows:-

	<b>As at 30.9.2019 RM'000</b>	<b>As at 30.09.2018 RM'000</b>
Short Term - Secured		
- Bank overdraft	25,554	19,216
- Revolving credit	114,983	40,000
- Term loan	120,660	220,191
- Obligations under finance leases	552	558
	<u>261,749</u>	<u>279,965</u>
Short Term - Unsecured - RCMTNs	343,355	-
	<u>605,104</u>	<u>279,965</u>
Long Term - Secured		
- Revolving credit	54,793	317,554
- Term loan	611,080	548,252
- Obligations under finance leases	939	1,103
	<u>666,812</u>	<u>866,909</u>
Long Term - Unsecured - RCMTNs	-	329,046
	<u>666,812</u>	<u>1,195,955</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)	10,000
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 21 November 2019.

**10. Dividend**

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

**11. Earnings Per Share**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.9.2019	Comparative quarter ended 30.9.2018	Current six months ended 30.9.2019	Comparative six months ended 30.9.2018
<b>Basic earnings per share</b>				
(Loss)/Profit attributable to owners of the parent (RM'000)	(12,366)	18,685	(10,666)	32,460
Weighted average number of ordinary shares in issue (unit '000)	1,432,549	1,305,991	1,432,547	1,301,693
Adjusted weighted average number of ordinary shares (unit '000)	1,432,549	1,305,991	1,432,547	1,301,693
Basic earnings per share for the period (sen)	(0.86)	1.43	(0.74)	2.49

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 Redeemable Convertible Medium Term Notes ("RCMTNs") has not been included for the computation of fully diluted earnings per share as the exercise of RCMTNs to ordinary shares would be anti-dilutive.

BY ORDER OF THE BOARD

Wong Yah Yee  
Company Secretary

Kuala Lumpur  
28 November 2019