



**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2019 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2019 RM'000	Comparative quarter ended 31.12.2018 RM'000	Current 9 months ended 31.12.2019 RM'000	Comparative 9 months ended 31.12.2018 RM'000
Revenue	119,150	256,952	390,566	636,335
Cost of sales	(74,917)	(124,732)	(242,219)	(380,892)
Gross profit	44,233	132,220	148,347	255,443
Other income	14,048	6,688	31,314	39,657
Administrative expenses	(20,563)	(16,479)	(56,846)	(45,374)
Selling and marketing expenses	(2,309)	(3,650)	(4,934)	(6,719)
Other expenses	6,681	(66,382)	(29,152)	(87,540)
Operating profit	42,090	52,397	88,729	155,467
Finance costs	(15,167)	(17,926)	(47,939)	(53,080)
Share of results of joint ventures	(2,757)	945	(6,988)	(5,901)
Profit before tax	24,166	35,416	33,802	96,486
Income tax expense	(7,381)	(34,272)	(26,445)	(60,096)
Profit for the period	16,785	1,144	7,357	36,390
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):				
Foreign currency translation	(855)	(458)	(477)	(551)
Recycled foreign currency translation to profit or loss	-	-	-	25
Other comprehensive income for the period	(855)	(458)	(477)	(526)
Total comprehensive income for the period	15,930	686	6,880	35,864
Profit/ (Loss) attributable to:				
Owners of the parent	18,755	(8,757)	8,089	23,703
Non-controlling interests	(1,970)	9,901	(732)	12,687
	16,785	1,144	7,357	36,390
Total comprehensive income/ (loss) attributable to:				
Owners of the parent	17,900	(9,215)	7,612	23,177
Non-controlling interests	(1,970)	9,901	(732)	12,687
	15,930	686	6,880	35,864
Earnings/ (loss) per share attributable to owners of the parent:				
Basic (sen)	1.31	(0.67)	0.56	1.81
Diluted (sen)	1.31	(0.67)	0.56	1.81

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 31 DECEMBER 2019 (Unaudited)**

	AS AT 31.12.2019 RM'000	AS AT 31.03.2019 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	256,507	228,151
Inventories	1,500,082	1,427,630
Investment properties	490,453	487,993
Intangible assets	28	93
Rights of use assets	63,510	-
Investment in joint ventures	156,148	130,270
Other investments	3,688	3,313
Deferred tax assets	19,538	12,909
Trade and other receivables	26,499	16,995
	<u>2,516,453</u>	<u>2,307,354</u>
Current assets		
Inventories	657,896	750,249
Trade and other receivables	128,019	253,284
Prepayments	9,519	3,755
Tax recoverable	3,213	1,098
Contract cost assets	9,346	16,441
Cash and bank balances	566,365	854,833
	<u>1,374,358</u>	<u>1,879,660</u>
Non current asset classified as held for sale	18,170	8,000
TOTAL ASSETS	<u>3,908,981</u>	<u>4,195,014</u>
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	587,651	505,333
Provisions	39	39
Trade and other payables	170,239	332,862
Lease liabilities	6,516	-
Contract liabilities	294,589	309,345
Provision for retirement benefits	-	2
Income tax payable	4,360	33,192
	<u>1,063,394</u>	<u>1,180,773</u>
Net current assets	<u>329,134</u>	<u>706,887</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019 (Unaudited)**

	AS AT 31.12.2019 RM'000	AS AT 31.03.2019 RM'000 (Audited)
EQUITY AND LIABILITIES (CONT'D)		
Non-current liabilities		
Loans and borrowings	713,342	908,040
Provisions	152	152
Trade and other payables	16,447	13,254
Lease liabilities	59,554	-
Provision for retirement benefits	318	282
Deferred tax liabilities	42,767	43,422
	<u>832,580</u>	<u>965,150</u>
TOTAL LIABILITIES	<u>1,895,974</u>	<u>2,145,923</u>
Net assets	<u>2,013,007</u>	<u>2,049,091</u>
Equity attributable to owners of the parent		
Share capital	1,521,802	1,521,789
Treasury shares	(27,719)	(27,719)
Reserves	478,139	513,504
	<u>1,972,222</u>	<u>2,007,574</u>
Non-controlling interests	<u>40,785</u>	<u>41,517</u>
Total Equity	<u>2,013,007</u>	<u>2,049,091</u>
TOTAL EQUITY AND LIABILITIES	<u>3,908,981</u>	<u>4,195,014</u>
Net assets per share attributable to owners of the parent (RM)	<u>1.38</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 31 DECEMBER 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			
Financial period ended 31 December 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/ (Loss) for the financial period	-	-	-	-	8,089	8,089	(732)	7,357
Other comprehensive loss	-	-	(477)	-	-	(477)	-	(477)
Total comprehensive (loss)/ income for the financial period	-	-	(477)	-	8,089	7,612	(732)	6,880
Transactions with owners								
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)
At 31 December 2019	1,521,802	(27,719)	(4,138)	1,026	481,251	1,972,222	40,785	2,013,007

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018 (Unaudited)**

	Attributable to owners of the parent							Total Equity RM'000
	Share Capital RM'000	Non-Distributable			Distributable			
		Treasury Shares RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- controlling Interests RM'000	
Financial period ended 31 December 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	-	-	-	-	23,703	23,703	12,687	36,390
Other comprehensive loss	-	-	(526)	-	-	(526)	-	(526)
Total comprehensive income for the financial period	-	-	(526)	-	23,703	23,177	12,687	35,864
Transactions with owners								
Purchase of treasury shares	-	(15,457)	-	-	-	(15,457)	-	(15,457)
Redemption of preference shares	-	-	-	44	(44)	-	-	-
Share dividend distributed to shareholders	-	36,095	-	-	(36,095)	-	-	-
Total transactions with owners	-	20,638	-	44	(36,139)	(15,457)	-	(15,457)
At 31 December 2018	1,394,163	(17,324)	(3,907)	1,002	480,786	1,854,720	39,794	1,894,514

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 31 DECEMBER 2019 (Unaudited)**

	9 months ended 31.12.2019 RM'000	9 months ended 31.12.2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	33,802	96,486
Adjustments for:-		
Net of allowances for expected credit losses on:		
- trade receivables	521	185
Amortisation of :		
- intangible assets	65	18
- rights of use	6,998	-
Depreciation of property, plant and equipment	9,887	11,439
Bad debts written off	38	-
Waiver of debts	1,631	-
Reversal of impairment loss on property, plant and equipment	-	(209)
Interest expense	44,041	51,845
Interest expense on lease liabilities	3,590	-
Property, plant and equipment written off	219	231
Loss on liquidation of subsidiaries	-	57
Net loss on disposal of:		
- property, plant and equipment	16	25
Unrealised (gain)/ loss on foreign exchange	(6,790)	11,570
Net loss from fair value adjustment of investment properties	-	892
Unwinding of discounts - net	(662)	140
Net fair value (gain)/ loss on other investments at fair value through profit or loss	(375)	78
Interest income	(20,008)	(18,326)
Dividend income	(11)	-
Share of results of joint ventures	6,988	5,901
Provision for retirement benefits	42	34
Operating profit before changes in working capital	<u>79,992</u>	<u>160,366</u>
Changes in working capital:-		
Inventories	19,868	79,431
Receivables	79,649	121,405
Payables	(166,377)	102,475
Contract cost assets	<u>7,095</u>	<u>31,335</u>
Cash flows from operations	20,227	495,012
Interest received	18,271	19,256
Interest paid	(41,466)	(49,758)
Income taxes refunded	-	217
Income taxes paid	(64,613)	(61,993)
Retirement benefits paid	(8)	(9)
NET CASH FLOWS (USED IN)/ FROM OPERATING ACTIVITIES	<u>(67,589)</u>	<u>402,725</u>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 (Unaudited)**

	9 months ended 31.12.2019 RM'000	9 months ended 31.12.2018 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(37,946)	(922)
Purchase of investment properties:		
- subsequent expenditure	(1,250)	(1,228)
Proceeds from disposal of property, plant and equipment	88	83
Proceeds from disposal of other investments	-	10,000
Profit distribution from a joint venture	4,634	-
Other dividends received	11	-
NET CASH FLOWS (USED IN)/ FROM INVESTING ACTIVITIES	(34,463)	7,933
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	13	-
Purchase of treasury shares	-	(15,457)
Drawdown of borrowings	169,190	305,107
Repayment of borrowings	(309,454)	(487,673)
Repayment of obligations under finance lease	(448)	(373)
Repayment of lease liabilities	(8,029)	-
Withdrawal of deposits with licensed banks	3,164	356
Dividend paid	(42,977)	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(188,541)	(198,040)
Effects of exchange rate changes	(477)	(551)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(291,070)	212,067
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	815,073	476,705
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL PERIOD	524,003	688,772

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

Cash and bank balances	566,365	727,783
Bank overdrafts	(27,426)	(21,716)
Less: Restricted cash and bank balances	(14,936)	(17,295)
	524,003	688,772

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 Standards ("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 MFRSs 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 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:

	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 issued but not yet effective

	Effective for annual periods beginning on or after
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 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 31 December 2019.

6. Changes in estimates

There were no material changes in estimates that have had a material effect in the financial period ended 31 December 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 31 December 2019:

Warrants 2015/ 2019

During the financial period ended 31 December 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>31 December 2019</u> RM'000	Property	Hospitality	Investments and others	Elimination	Total
REVENUE					
External sales	339,396	47,289	3,881	-	390,566
Inter-segment sales	579	-	214,305	(214,884)	-
Total revenue	<u>339,975</u>	<u>47,289</u>	<u>218,186</u>		<u>390,566</u>
RESULTS					
Segment results	106,864	(6,358)	198,323	(210,100)	88,729
Share of results of joint ventures	(6,988)	-	-	-	(6,988)
Finance cost					<u>(47,939)</u>
Profit before tax					<u>33,802</u>

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

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

<u>Period ended</u>					
<u>31 December 2018</u>	Property	Hospitality	Investments and others	Elimination	Total
RM'000					
REVENUE					
External sales	569,480	64,882	1,973	-	636,335
Inter-segment sales	346	-	203,532	(203,878)	-
Total revenue	<u>569,826</u>	<u>64,882</u>	<u>205,505</u>		<u>636,335</u>
RESULTS					
Segment results	223,858	5,747	129,348	(203,486)	155,467
Share of results of joint ventures	(5,901)	-	-	-	(5,901)
Finance cost					<u>(53,080)</u>
Profit before tax					<u>96,486</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 31 December 2019, the property segment recorded a revenue of RM339.4 million as compared to RM569.5 million in the financial period ended 31 December 2018, a decrease of RM230.1 million or 40.4%. 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 RM106.9 million for the financial period ended 31 December 2019 as compared to the operating profit of RM223.9 million in the financial period ended 31 December 2018. This represented a decrease in profit of RM117.0 million or 52.2% due to lower revenue recognised.

The joint venture ("JV") projects, The Mews, Conlay and Avira Garden Terraces, contributed a total revenue of RM67.5 million in the financial period ended 31 December 2019 which was similar to the total revenue of RM67.6 million achieved in the previous financial period ended 31 December 2018. The recently unveiled project, Conlay serviced residences made minimal contribution as the construction work has just commenced in the third quarter of the current financial year.

After incorporating revenue recognised from the JV, the Group's property segment recorded an adjusted revenue of RM406.9 million in the financial period ended 31 December 2019 as compared to an adjusted revenue of RM637.1 million in the financial period ended 31 December 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 RM47.3 million for the financial period ended 31 December 2019 as compared to RM64.9 million in the financial period ended 31 December 2018, a decrease of RM17.6 million or 27.1%. The decrease was mainly due to the temporary closure of the Heritage Wing of Eastern & Oriental Hotel from March to December 2019 for refurbishment. The Heritage Wing was re-opened for business in December 2019.

The segment incurred an operating loss of RM6.3 million in the financial period ended 31 December 2019 as compared to an operating profit of RM5.8 million in the financial period ended 31 December 2018, a decrease of RM12.1 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 RM198.3 million for the financial period ended 31 December 2019 as compared to RM129.3 million in the financial period ended 31 December 2018, an increase of RM69.0 million or 53.3%. The higher operating profit was attributed by higher dividend income received from subsidiaries which amounted to approximately RM212.5 million as compared to RM200.0 million in the previous corresponding financial period. The operating results in this segment of the previous financial period included a holding cost payable of RM44.5 million in relation to the non-exercise of lease option to acquire a land. Furthermore, the volatility of the Pound Sterling against the Ringgit Malaysia has resulted in the unrealised foreign exchange gain of RM6.8 million in the current financial period as compared to the unrealised foreign exchange loss of RM11.6 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 10 February 2020 (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 31 December 2019.

12. Changes in composition of the Group

There were no changes in the composition of the Group at the end of the 9-month financial period ended 31 December 2019.

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

13. Contingent Liabilities

There were no contingent liabilities as at 10 February 2020 (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	<u>821,496</u>

14. Capital Commitments

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

	As at 31.12.2019 RM'000	As at 31.03.2019 RM'000
Capital expenditure		
Approved and contracted for		
Land reclamation	378,717	495,331
Property, plant and equipment	<u>1,773</u>	<u>31,514</u>
Approved but not contracted for		
Property, plant and equipment	<u>1,694</u>	<u>6,206</u>

15. Significant Related Party Transactions

Recurrent related party transactions conducted during the current financial period ended 31 December 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 RM390.6 million for the financial period ended 31 December 2019 as compared to RM636.3 million recorded in the financial period ended 31 December 2018. This represented a decrease of RM245.7 million or 38.6%. The decrease in revenue was mainly attributable to the property segment which registered a decrease of RM230.1 million. The hospitality segment also registered a lower revenue with a decrease of RM17.6 million due to the temporary closure of the Heritage Wing of Eastern & Oriental Hotel for refurbishment.

The Group posted profit before tax of RM33.8 million for the financial period ended 31 December 2019 as compared to RM96.5 million in the financial period ended 31 December 2018. This represented a decrease in profit before tax of RM62.7 million or 64.9%. 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.

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 31.12.2019 RM'000	Immediate preceding quarter ended 30.09.2019 RM'000	Variance RM'000
Revenue	119,150	136,828	(17,678)
Gross profit	44,233	51,691	(7,458)
Operating profit	42,090	14,526	27,564
Profit/ (loss) before tax	<u>24,166</u>	<u>(2,812)</u>	26,978

The Group recorded a revenue of RM119.2 million and profit before tax of RM24.2 million for the current financial quarter ended 31 December 2019 as compared to a revenue of RM136.8 million. Despite lower revenue recognised, the Group achieved a higher profit before tax of RM24.2 million as compared to loss before tax of RM2.8 million in the preceding quarter. The increase in profit before tax in the current quarter was mainly due to the fluctuation of the Pound Sterling against Ringgit Malaysia which resulted in an unrealised exchange gain of RM23.1 million as compared to an unrealised foreign exchange loss of RM9.2 million in the preceding quarter.

3. Group's prospects

With the property market remaining subdued, we are expecting slower property sales in the near term from both the local and foreign markets.

Our Eastern & Oriental Hotel now has more diverse and complete offerings with the completion of the newly refurbished rooms and facilities of the Heritage Wing in December 2019. The recent Covid-19 outbreak has adversely impacted our hotel occupancy. However, the unique hotel offerings and experience will position the hotel well in the longer term.

4. Variance in profit forecast/ profit guarantee

The Group did not issue any profit forecast/ profit guarantee for the current financial period ended 31 December 2019.

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

5. Taxation

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2019 RM'000	Comparative quarter ended 31.12.2018 RM'000	Current 9 months ended 31.12.2019 RM'000	Comparative 9 months ended 31.12.2018 RM'000
Malaysian income tax				
- current	8,578	26,921	33,909	53,114
- in respect of prior years	(180)	5,162	(180)	5,174
Deferred tax	(1,017)	2,189	(7,284)	1,808
	<u>7,381</u>	<u>34,272</u>	<u>26,445</u>	<u>60,096</u>

The effective tax rate of the Group for the current financial period ended 31 December 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 31.12.2019 RM'000	Comparative quarter ended 31.12.2018 RM'000	Current 9 months ended 31.12.2019 RM'000	Comparative 9 months ended 31.12.2018 RM'000
Interest income	5,278	6,052	20,008	18,326
Net of allowance for expected credit losses on receivables	(149)	(12)	(521)	(185)
Interest expense	(13,801)	(17,585)	(44,041)	(51,845)
Interest expense on lease liabilities	(1,190)	-	(3,590)	-
Depreciation and amortisation	(5,925)	(3,836)	(16,950)	(11,457)
Bad debts written off	(38)	-	(38)	-
Property, plant and equipment written off	(218)	(5)	(219)	(231)
Reversal of impairment loss on property, plant and equipment	-	2	-	209
Unrealised (loss)/ gain on foreign exchange	23,067	(11,744)	6,790	(11,570)
Net loss on disposal of property, plant and equipment	1	(2)	(16)	(25)
Gain/ (Loss) from fair value adjustment of investment properties	-	(507)	-	(892)
Unwinding of discounts - net	358	(315)	662	(140)
Fair value gain/ (loss) on other investments	473	(690)	375	(78)



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 10 February 2020.

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
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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.

After taking into consideration the recent unfavourable market sentiments observed in the Malaysian equity market and the recent share price performance of the Company, the Company had on 11 December 2019 resolved to defer the implementation of the Rights Issue with Warrants. In this respect, the Company had on 11 December 2019 submitted an application to Bursa Securities for an extension of time of six (6) months from 8 February 2020 (being six (6) months from the date of the approval by Bursa Securities of the Company's listing application in respect of the Rights Issue with Warrants) to 7 August 2020 for the implementation and completion of the Rights Issue with Warrants.

On 17 December 2019, E&O had obtained approval from Bursa Securities for an extension of time of six (6) months from 8 February 2020 to 7 August 2020 to complete 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:-

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Short Term - Secured		
- Bank overdraft	27,426	21,716
- Revolving credit	114,991	40,000
- Term loan	95,881	215,535
- Obligations under finance leases	543	558
	<u>238,841</u>	<u>277,809</u>
Short Term - Unsecured - RCMTNs	<u>348,810</u>	-
	<u>587,651</u>	<u>277,809</u>
Long Term - Secured		
- Revolving credit	54,809	312,024
- Term loan	657,517	533,321
- Obligations under finance leases	1,016	968
	<u>713,342</u>	<u>846,313</u>
Long Term - Unsecured - RCMTNs	-	334,276
	<u>713,342</u>	<u>1,180,589</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)	5,000
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 10 February 2020.

10. Dividend

The Board of Directors does not recommend any interim dividend for the financial period ended 31 December 2019.

11. Earnings Per Share

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2019	Comparative quarter ended 31.12.2018	Current 9 months ended 31.12.2019	Comparative 9 months ended 31.12.2018
Basic earnings per share				
Profit/ (loss) attributable to owners of the parent (RM'000)	18,755	(8,757)	8,089	23,703
Weighted average number of ordinary shares in issue (unit '000)	1,432,549	1,316,318	1,432,547	1,306,568
Adjusted weighted average number of ordinary shares (unit '000)	1,432,549	1,316,318	1,432,547	1,306,568
Basic earnings/ (loss) per share for the period (sen)	1.31	(0.67)	0.56	1.81

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
17 February 2020