

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 JUNE 2020 (Unaudited)**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2020 RM'000	Comparative quarter ended 30.06.2019 RM'000	Current three months ended 30.06.2020 RM'000	Comparative three months ended 30.06.2019 RM'000
Revenue	70,112	134,588	70,112	134,588
Cost of sales	(32,003)	(82,165)	(32,003)	(82,165)
Gross profit	38,109	52,423	38,109	52,423
Other income	3,813	9,266	3,813	9,266
Administrative expenses	(10,732)	(11,728)	(10,732)	(11,728)
Selling and marketing expenses	(1,073)	(1,362)	(1,073)	(1,362)
Other expenses	(16,694)	(16,486)	(16,694)	(16,486)
Operating profit	13,423	32,113	13,423	32,113
Finance costs	(8,691)	(18,049)	(8,691)	(18,049)
Share of results of joint ventures	(711)	(1,616)	(711)	(1,616)
Profit before tax	4,021	12,448	4,021	12,448
Income tax expense	(7,516)	(9,204)	(7,516)	(9,204)
<b>(Loss)/profit for the period</b>	<b>(3,495)</b>	<b>3,244</b>	<b>(3,495)</b>	<b>3,244</b>
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</b>				
Foreign currency translation	991	167	991	167
<b>Other comprehensive income for the period</b>	<b>991</b>	<b>167</b>	<b>991</b>	<b>167</b>
<b>Total comprehensive (expense)/income for the period</b>	<b>(2,504)</b>	<b>3,411</b>	<b>(2,504)</b>	<b>3,411</b>
<b>(Loss)/profit attributable to:</b>				
Owners of the parent	(3,328)	1,700	(3,328)	1,700
Non-controlling interests	(167)	1,544	(167)	1,544
	<b>(3,495)</b>	<b>3,244</b>	<b>(3,495)</b>	<b>3,244</b>
<b>Total comprehensive (expense)/income attributable to:</b>				
Owners of the parent	(2,337)	1,867	(2,337)	1,867
Non-controlling interests	(167)	1,544	(167)	1,544
	<b>(2,504)</b>	<b>3,411</b>	<b>(2,504)</b>	<b>3,411</b>
(Loss)/earnings per share attributable to owners of the parent:				
Basic (sen)	(0.23)	0.12	(0.23)	0.12
Diluted (sen)	(0.23)	0.12	(0.23)	0.12

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020 (Unaudited)**

	<b>AS AT 30.06.2020 RM'000</b>	<b>AS AT 31.03.2020 RM'000 (Audited)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	250,736	254,941
Right-of-use assets	38,179	39,599
Inventories	1,497,360	1,487,588
Investment properties	376,898	375,086
Intangible assets	46	18
Investment in joint ventures	134,766	143,499
Other investments	4,689	3,489
Deferred tax assets	18,701	17,736
Trade and other receivables	1,698	9,476
	<u>2,323,073</u>	<u>2,331,432</u>
<b>Current assets</b>		
Inventories	545,362	552,346
Trade and other receivables	155,210	115,515
Prepayments	10,983	12,886
Tax recoverable	4,193	6,951
Contract cost assets	24,928	24,946
Cash and bank balances	360,955	296,430
	<u>1,101,631</u>	<u>1,009,074</u>
Non current assets classified as held for sale	<u>27,298</u>	<u>45,468</u>
	<u>1,128,929</u>	<u>1,054,542</u>
<b>TOTAL ASSETS</b>	<u>3,452,002</u>	<u>3,385,974</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	67,559	301,684
Provisions	5,039	5,039
Trade and other payables	160,159	151,998
Contract liabilities	282,004	246,713
Lease liabilities	5,941	5,546
Provision for retirement benefits	32	32
Income tax payable	2,918	3,159
	<u>523,652</u>	<u>714,171</u>
<b>Net current assets</b>	<u>605,277</u>	<u>340,371</u>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020 (Unaudited)**

	<b>AS AT 30.06.2020 RM'000</b>	<b>AS AT 31.03.2020 RM'000 (Audited)</b>
<b>EQUITY AND LIABILITIES (CONT'D)</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	1,018,086	742,577
Provisions	374	374
Trade and other payables	18,201	18,022
Lease liabilities	55,209	56,858
Provision for retirement benefits	411	403
Deferred tax liabilities	40,303	40,986
	<u>1,132,584</u>	<u>859,220</u>
<b>TOTAL LIABILITIES</b>	<u>1,656,236</u>	<u>1,573,391</u>
<b>Net assets</b>	<u>1,795,766</u>	<u>1,812,583</u>
<b>Equity attributable to owners of the parent</b>		
Share capital	1,521,802	1,521,802
Treasury shares	(28,160)	(28,160)
Reserves	257,170	273,820
	<u>1,750,812</u>	<u>1,767,462</u>
<b>Non-controlling interests</b>	44,954	45,121
<b>Total Equity</b>	<u>1,795,766</u>	<u>1,812,583</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,452,002</u>	<u>3,385,974</u>
<b>Net assets per share attributable to owners of the parent (RM)</b>	<u>1.22</u>	<u>1.23</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 2020 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 2020 (Unaudited)**

	Attributable to owners of the parent							Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-Distributable			Distributable		Total		
	Treasury Shares RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000		RM'000			
<b>Financial quarter ended 30 June 2020</b>									
<b>At 1 April 2020</b>	1,521,802	(28,160)	(4,426)	1,026	277,220	1,767,462	45,121	1,812,583	
Loss for the financial period	-	-	-	-	(3,328)	(3,328)	(167)	(3,495)	
Other comprehensive income	-	-	991	-	-	991	-	991	
Total comprehensive income/(expense) for the financial period	-	-	991	-	(3,328)	(2,337)	(167)	(2,504)	
<b>Transactions with owners</b>									
Dividend on ordinary shares	-	-	-	-	(14,313)	(14,313)	-	(14,313)	
Total transactions with owners	-	-	-	-	(14,313)	(14,313)	-	(14,313)	
<b>At 30 June 2020</b>	1,521,802	(28,160)	(3,435)	1,026	259,579	1,750,812	44,954	1,795,766	

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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 quarter ended 30 June 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
Profit for the financial period	-	-	-	-	1,700	1,700	1,544	3,244
Other comprehensive income	-	-	167	-	-	167	-	167
Total comprehensive income for the financial period	-	-	167	-	1,700	1,867	1,544	3,411
<b>At 30 June 2019</b>	1,521,789	(27,719)	(3,494)	1,026	517,839	2,009,441	43,061	2,052,502

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 2020 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020 (Unaudited)**

	<b>Quarter ended 30.06.2020 RM'000</b>	<b>Quarter ended 30.06.2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,021	12,448
Adjustments for:-		
Allowances for expected credit losses on:		
- trade receivables	166	205
Amortisation of intangible assets	3	22
Depreciation of right-of-use assets	1,420	2,321
Depreciation of property, plant and equipment	4,197	3,148
Interest expense	8,451	17,674
Property, plant and equipment written off	7	1
Net loss on disposal of property, plant and equipment	-	3
Unrealised loss on foreign exchange	5,856	6,952
Net loss from fair value adjustment of investment properties	-	159
Unwinding of discounts - net	(488)	213
Net fair value (gain)/loss on other investments at fair value through profit or loss	(1,200)	146
Interest income	(1,461)	(8,088)
Dividend income	-	(6)
Share of results of joint ventures	711	1,616
Provision for retirement benefits	16	11
Operating profit before changes in working capital	<u>21,699</u>	<u>36,825</u>
Changes in working capital:-		
Inventories	18,987	11,760
Receivables	(34,922)	24,174
Payables	28,258	27,973
Contract cost assets	18	2,426
Cash flows from operations	<u>34,040</u>	<u>103,158</u>
Interest received	711	7,460
Interest paid	(12,636)	(14,713)
Income taxes paid	(6,764)	(10,768)
Retirement benefits paid	(8)	-
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>15,343</u>	<u>85,137</u>



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020 (Unaudited)**

	<b>Quarter ended 30.06.2020 RM'000</b>	<b>Quarter ended 30.06.2019 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5)	(10,123)
Purchase of investment properties:		
- subsequent expenditure	(2,974)	(295)
Proceeds from disposal of property, plant and equipment	1	102
Dividends from joint ventures	7,650	4,634
Other dividends received	-	6
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>4,672</b>	<b>(5,676)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	210,832	13,001
Repayment of borrowings	(152,797)	(54,074)
Repayment of obligations under finance lease	(143)	(140)
Repayment of lease liabilities	(2,334)	(2,664)
Placement of deposits with licensed banks	(360)	(646)
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>55,198</b>	<b>(44,523)</b>
Effects of exchange rate changes	991	167
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>76,204</b>	<b>35,105</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR</b>	<b>236,687</b>	<b>815,073</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL QUARTER</b>	<b>312,891</b>	<b>850,178</b>

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

Cash and bank balances	360,955	889,476
Bank overdrafts	(28,096)	(20,552)
Less: Restricted cash and bank balances	(19,968)	(18,746)
	<b>312,891</b>	<b>850,178</b>

**The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 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 2020 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 2020.

**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 2020, 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 2020, as disclosed below:

**Adoption of MFRSs and Amendments to MFRSs**

	<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

Adoption of the above standards do not have any significant effect on the financial performance and position of the Group.

**Standards issued but not yet effective**

	<b>Effective for annual periods beginning on or after</b>
MFRS 16 : Covid-19 - Related Rent Concessions (Amendments to MFRS 16)	1 June 2020
Annual Improvements to MFRSs 2018- 2020	1 January 2022
MFRS 3 : Reference to the Conceptual Framework (Amendments to MFRS 3)	1 January 2022
MFRS 116 : Proceeds before Intended Use (Amendments to MFRS 116)	1 January 2022
MFRS 137 : Cost of Fulfilling a Contract (Amendments to MFRS 137)	1 January 2022
MFRS 17 : Insurance Contracts	1 January 2023
MFRS 101 : Classification of Liabilities as Current or Non-current (Amendments to MFRS 101)	1 January 2023
MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred





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

**2. Changes in Accounting Policies (cont'd)**

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 2021. 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.

**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 2020 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 2020.

**6. Changes in estimates**

There were no material changes in estimates that have had a material effect in the financial quarter ended 30 June 2020.

**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 2020.

**8. Dividends paid**

No dividend was paid during the current financial quarter.

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

9. Segmental information by business segment

<u>Quarter ended</u> <u>30 June 2020</u> RM'000	Properties	Hospitality	Investments and others	Elimination	Total
<b>REVENUE</b>					
External sales	68,000	1,673	439	-	70,112
Inter-segment sales	179	-	51	(230)	-
Total revenue	<u>68,179</u>	<u>1,673</u>	<u>490</u>		<u>70,112</u>
<b>RESULTS</b>					
Segment results	38,393	(14,381)	(10,569)	(20)	13,423
Share of results of joint ventures	(711)	-	-	-	(711)
Finance cost					<u>(8,691)</u>
Loss before tax					<u>4,021</u>

<u>Quarter ended</u> <u>30 June 2019</u> RM'000	Properties	Hospitality	Investments and others	Elimination	Total
<b>REVENUE</b>					
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>
<b>RESULTS</b>					
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>

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) Properties - development and investment in residential and commercial properties
- (ii) Hospitality - management and operation of hotel and serviced apartments
- (iii) Investments and others

**Segment performance for the current financial quarter as compared to the previous period's corresponding financial quarter**

**(i) Properties**

The properties segment recorded revenue of RM68.0 million in the financial quarter ended 30 June 2020 as compared to RM119.6 million in the previous financial quarter ended 30 June 2019, representing a decrease of RM51.6 million or 43.1%. The decreased revenue was mainly due to lower revenue recognition from the land reclamation in STP2A and lower sales of completed properties in STP1.

The joint venture ("JV") projects namely, The Mews, Conlay and Avira Garden Terraces, contributed a total revenue of RM10.2 million in the financial quarter ended 30 June 2020 as compared to revenue RM8.3 million achieved in the previous financial quarter ended 30 June 2019.



**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)**

**(i) Properties (cont'd)**

After incorporating revenue recognised from JV projects, the Group's properties segment recorded an adjusted revenue of RM78.2 million in the financial quarter ended 30 June 2020 as compared to an adjusted revenue of RM127.9 million in the financial quarter ended 30 June 2019.

The properties segment recorded operating profit of RM38.4 million for the current financial quarter as compared to RM44.4 million in the financial quarter ended 30 June 2019. This represented a decrease of RM6.0 million or 13.6%.

The nation-wide Movement Control Order ("MCO") imposed from 18 March 2020 to 4 May 2020, followed by the Conditional Movement Control Order ("CMCO") until 9 June 2020 have adversely affected the progress of works at STP2A and take-up rate of property sales in the current financial quarter.

**(ii) Hospitality**

The hospitality segment recorded revenue of RM1.7 million for the financial quarter ended 30 June 2020 as compared to RM13.7 million in the financial quarter ended 30 June 2019. This marked a decrease of RM12.0 million or 87.8% mainly due to the Covid-19 pandemic that severely impacted on the tourism, travel and hospitality industries. Highly restricted travel and quarantine conditions imposed upon entry for international tourists and limitations of adhering to physical distancing standard operating procedures had resulted in low occupancy in E&O Hotel and E&O Residences.

The segment incurred an operating loss of RM14.4 million in the financial quarter ended 30 June 2020 as compared to a loss of RM2.6 million in the financial quarter ended 30 June 2019. The hotel had been temporarily closed during the current quarter due to MCO and CMCO orders. The E&O Hotel only resumed operations in mid May 2020. This resulted in increased operating losses of RM11.8 million in the current financial quarter.

**(iii) Investments and others**

The investments and others segment recorded an operating loss of RM10.6 million for the financial quarter ended 30 June 2020 as compared to RM9.7 million in the financial quarter ended 30 June 2019, an increase of RM0.9 million or 8.8%. The higher operating loss was mainly due to lower revenue generated from management fees due to limitations on business activities during the MCO and CMCO period.



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

**10. Valuation of investment properties**

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

During the current financial quarter, there was no changes on the fair value of the investment properties (as compared to a fair value loss of RM0.2 million in the previous corresponding financial quarter) which was recognised in the statement of comprehensive income.

**11. Material subsequent events**

As at 20 August 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 quarter ended 30 June 2020.

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

On 9 April 2020, E&O Management Services Sdn. Bhd., an indirect wholly-owned subsidiary of Eastern & Oriental Berhad, was dissolved after expiration of three months from the date of lodgement of the Return by Liquidator relating to the Final Meeting with the Companies Commission of Malaysia.

**13. Contingent Liabilities**

There were no contingent liabilities as at 20 August 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:

	<b>RM'000</b>
Corporate guarantees issued by the Company for banking facilities granted to subsidiaries	<u>968,089</u>

**14. Capital Commitments**

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

	<b>As at 30.06.2020 RM'000</b>	<b>As at 31.03.2020 RM'000</b>
<b>Capital expenditure</b>		
Approved and contracted for		
Land reclamation	109,500	368,449
Investment property	10,804	13,700
Property, plant and equipment	-	2,871
	<u>120,304</u>	<u>384,020</u>
Approved but not contracted for		
Property, plant and equipment	<u>2,123</u>	<u>2,119</u>

**15. Significant Related Party Transactions**

Recurrent related party transactions conducted during the current financial quarter ended 30 June 2020 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 revenue of RM70.1 million for the financial quarter ended 30 June 2020 as compared to RM134.6 million recorded in the financial quarter ended 30 June 2019. This represented a decrease of RM64.5 million or 47.9%. The decrease in revenue was mainly attributed to the properties segment which registered a decrease of RM51.6 million and the hospitality segment also registered lower revenue with a decrease of RM12.0 million. The decrease in revenue was mainly attributed to the imposition of the MCO from 18 March 2020 to 9 June 2020 which restricted business activities during these periods.

The Group posted profit before tax of RM4.0 million for the financial quarter ended 30 June 2020 as compared to RM12.4 million in the financial quarter ended 30 June 2019. This represented a decrease in profit before tax of RM8.4 million or 67.7%. The decrease in the current financial quarter is line with the decrease in revenue.

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

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

	<b>Current quarter ended 30.06.2020 RM'000</b>	<b>Immediate preceding quarter ended 31.03.2020 RM'000</b>	<b>Variance RM'000</b>
Revenue	70,112	96,236	(26,124)
Gross profit	38,109	53,936	(15,827)
Operating profit/(loss)	13,423	(178,084)	191,507
Profit/(loss) before tax	4,021	(189,412)	193,433

The Group recorded revenue of RM70.1 million and profit before tax of RM4.0 million for the current financial quarter ended 30 June 2020 as compared to revenue of RM96.2 million and loss before tax of RM189.4 million in the previous quarter. Lower revenue was mainly due to the MCO period which had imposed restrictions on business activities in the current quarter. Loss before tax in the previous quarter was mainly due to an impairment loss of RM209.6 million recognised on certain assets and properties.

**3. Group's prospects**

Businesses are slowly returning to a new subdued norm with the gradual lifting of the MCO in Malaysia. We have received increased interest from potential buyers in our development properties. Similarly, the E&O Hotel is also enjoying higher occupancy rates coupled with improving banqueting activities.

We expect revenue in our property development and hospitality divisions to perform better with gradual easing of the country's borders and movement controls.

**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 2020.

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

**5. Taxation**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2020	Comparative quarter ended 30.06.2019	Current three months ended 30.06.2020	Comparative three months ended 30.06.2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax - current	9,164	9,689	9,164	9,689
Deferred tax	(1,648)	(485)	(1,648)	(485)
	<u>7,516</u>	<u>9,204</u>	<u>7,516</u>	<u>9,204</u>

The effective tax rate of the Group for the current financial quarter ended 30 June 2020 under review is higher than the statutory rate of 24% mainly due to certain expenses of the Group that are not deductible for tax purposes.

**6. Additional disclosures**

Included in the condensed consolidated statements of comprehensive income for the year are the following:

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2020	Comparative quarter ended 30.06.2019	Current three months ended 30.06.2020	Comparative three months ended 30.06.2019
	RM'000	RM'000	RM'000	RM'000
Interest income	1,461	8,088	1,461	8,088
Net of allowance for expected credit losses on receivables	(166)	(205)	(166)	(205)
Interest expense	(8,451)	(17,674)	(8,451)	(17,674)
Depreciation and amortisation	(5,620)	(5,491)	(5,620)	(5,491)
Property, plant and equipment written off	(7)	(1)	(7)	(1)
Unrealised loss on foreign exchange	(5,856)	(6,952)	(5,856)	(6,952)
Net loss on disposal of property, plant and equipment	-	(3)	-	(3)
Loss from fair value adjustment of investment properties	-	(159)	-	(159)
Unwinding of discounts - net	488	(213)	488	(213)
Fair value gain/(loss) on other investments	<u>1,200</u>	<u>(146)</u>	<u>1,200</u>	<u>(146)</u>

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

**7. Status of Corporate Proposals**

- a) There were no corporate proposal announced but not completed as at 20 August 2020.
- b) Utilisation of proceeds from the First Tranche of RM1.3 billion Sukuk Murabahah as at 20 August 2020.

On 10 March 2020, the Sukuk Murabahah was successfully issued. The cash proceeds from the Sukuk Murabahah was partially utilised as follows:

	<b>Proposed utilisation RM'000</b>	<b>Utilised to date RM'000</b>	<b>Balance to utilised RM'000</b>	<b>Estimated Timeframe for utilisation</b>
Loan repayment, development cost, infrastructure costs on STP2A, working capital	750,000	309,100	440,900	Within 42 months
Reclamation cost of STP 2B & 2C, working capital	200,000	-	200,000	Within 42 months
Repayment of intercompany amount	170,000	170,000	-	Within 12 months
Payment of land premium	180,000	-	180,000	Within 12 months
	<u>1,300,000</u>	<u>479,100</u>	<u>820,900</u>	

**8. Group Borrowings**

- a) The Group borrowings were as follows:-

	<b>As at 30.06.2020 RM'000</b>	<b>As at 30.06.2019 RM'000</b>
Short Term - Secured		
- Bank overdraft	28,096	20,552
- Revolving credit	29,969	164,595
- Term loan	9,016	148,118
- Obligations under finance leases	478	514
	<u>67,559</u>	<u>333,779</u>
Short Term - Unsecured - RCMTNs	-	341,450
	<u>67,559</u>	<u>675,229</u>
Long Term - Secured		
- Revolving credit	139,772	204,024
- Term loan	409,320	507,162
- Obligations under finance leases	787	734
- Sukuk Murabahah	468,207	-
	<u>1,018,086</u>	<u>711,920</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)	1,111
Long Term Term Loan - Secured Denominated in Pound Sterling (£'000)	18,889
	<u>20,000</u>



**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 2020.

**10. Dividend**

On 29 June 2020, the Board of Directors had approved a first and final single-tier dividend of 1.0 sen per share in respect of the financial year ended 31 March 2020 to shareholders whose names appeared in the record of the depositors at book closure date on 8 September 2020. The dividend will be paid on 28 September 2020.

**11. (Loss)/earnings Per Share**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2020	Comparative quarter ended 30.06.2019	Current three months ended 30.06.2020	Comparative three months ended 30.06.2019
<b>Basic (loss)/earnings per share</b> (Loss)/profit attributable to owners of the parent (RM'000)	(3,328)	1,700	(3,328)	1,700
Weighted average number of ordinary shares in issue (unit '000)	1,432,149	1,432,544	1,432,448	1,432,544
Basic (loss)/earnings per share for the year (sen)	(0.23)	0.12	(0.23)	0.12

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.

BY ORDER OF THE BOARD

Wong Yah Yee  
Company Secretary

Kuala Lumpur  
27 August 2020