

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 AUGUST 2017**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	Current Year Quarter 31/8/2017 RM'000	Preceding Year Corresponding Quarter 31/8/2016 RM'000	Current Year To-Date 31/8/2017 RM'000	Preceding Year Corresponding Period 31/8/2016 RM'000
<b>Revenue</b>	<b>44,785</b>	17,538	<b>44,785</b>	17,538
Cost of sales	<b>(28,924)</b>	(8,945)	<b>(28,924)</b>	(8,945)
Gross profit	<b>15,861</b>	8,593	<b>15,861</b>	8,593
Other operating income	<b>327</b>	216	<b>327</b>	216
Distribution costs	<b>(4,035)</b>	(226)	<b>(4,035)</b>	(226)
Administration expenses	<b>(4,953)</b>	(3,982)	<b>(4,953)</b>	(3,982)
Other operating expenses	<b>(793)</b>	(695)	<b>(793)</b>	(695)
<b>Profit from operations</b>	<b>6,407</b>	3,906	<b>6,407</b>	3,906
Finance income	<b>63</b>	-	<b>63</b>	-
Finance costs	<b>(1,624)</b>	(1,689)	<b>(1,624)</b>	(1,689)
Net finance costs	<b>(1,561)</b>	(1,689)	<b>(1,561)</b>	(1,689)
<b>Profit before tax</b>	<b>4,846</b>	2,217	<b>4,846</b>	2,217
Income tax expense	<b>(1,259)</b>	(929)	<b>(1,259)</b>	(929)
<b>Net profit for the period</b>	<b>3,587</b>	1,288	<b>3,587</b>	1,288
Attributable to:				
Owners of the Company	<b>3,601</b>	1,329	<b>3,601</b>	1,329
Non-controlling interests	<b>(14)</b>	(41)	<b>(14)</b>	(41)
<b>Net profit for the period</b>	<b>3,587</b>	1,288	<b>3,587</b>	1,288
<b>Other comprehensive income</b>				
Available-for-sale financial assets				
- Gain on fair value changes	<b>2</b>	1	<b>2</b>	1
Exchange differences on translation of financial statements of foreign subsidiaries	<b>-</b>	1	<b>-</b>	1
<b>Total comprehensive income for the period</b>	<b>3,589</b>	1,290	<b>3,589</b>	1,290
<b>Total comprehensive income for the period</b>				
Attributable to:				
Owners of the Company	<b>3,603</b>	1,331	<b>3,603</b>	1,331
Non-controlling interests	<b>(14)</b>	(41)	<b>(14)</b>	(41)
	<b>3,589</b>	1,290	<b>3,589</b>	1,290
Basic earnings per ordinary share (sen)	<b>0.45</b>	0.17	<b>0.45</b>	0.17
Diluted earnings per ordinary share (sen)	<b>0.45</b>	0.17	<b>0.45</b>	0.17

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2017.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 AUGUST 2017**

	(Unaudited) 31/8/2017 RM'000	(Audited) 31/5/2017 RM000
<b>Non current assets</b>		
Plant and equipment	3,099	3,266
Investment properties	280,500	280,500
Other financial assets	1,066	1,063
Deferred tax assets	4,343	3,487
	<u>289,008</u>	<u>288,316</u>
<b>Current assets</b>		
Inventories	2,453	2,454
Property development costs	294,107	265,815
Assets classified as held for sale	101,600	101,600
Trade receivables	28,961	54,722
Other receivables, deposits and prepayments	12,938	15,607
Tax recoverable	63	63
Fixed deposits with licensed banks	563	563
Cash and bank balances	22,316	19,666
	<u>463,001</u>	<u>460,490</u>
<b>TOTAL ASSETS</b>	<u>752,009</u>	<u>748,806</u>
<b>Equity</b>		
Share capital	123,753	123,753
Reserves	135,268	131,665
<b>Equity attributable to owners of the Company</b>	<u>259,021</u>	<u>255,418</u>
<b>Non-controlling interests</b>	14,296	14,310
<b>Total equity</b>	<u>273,317</u>	<u>269,728</u>
<b>Non current liabilities</b>		
Hire purchase liabilities	1,182	1,343
Borrowings	184,845	179,250
Trade payables	10,069	8,345
Other payables	3,278	3,897
Deferred tax liabilities	606	606
	<u>199,980</u>	<u>193,441</u>
<b>Current liabilities</b>		
Trade payables	54,203	53,755
Other payables and accruals	127,015	131,873
Hire purchase liabilities	592	667
Borrowings	63,953	66,679
Tax payable	29,821	29,456
Liabilities classified as held for sale	3,128	3,207
	<u>278,712</u>	<u>285,637</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>752,009</u>	<u>748,806</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.3225	0.3180

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2017.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 AUGUST 2017**

	Share capital RM'000	Share premium RM'000	Warrant reserve RM'000	Fair value adjustment reserve RM'000	Foreign exchange translation reserve RM'000	Retained profits RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 June 2017	123,753	-	4,199	3	-	127,463	255,418	14,310	269,728
Gain on fair value changes for available-for-sale financial assets	-	-	-	2	-	-	2	-	2
Foreign currency translation	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	2	-	-	2	-	2
Net profit for the period	-	-	-	-	-	3,601	3,601	(14)	3,587
Total comprehensive income for the period	-	-	-	2	-	3,601	3,603	(14)	3,589
Balance as at 31 August 2017	123,753	-	4,199	5	-	131,064	259,021	14,296	273,317
Balance as at 1 June 2016	76,615	38,150	4,199	(4)	(7)	111,345	230,298	13,723	244,021
Issuance of shares	3,500	5,005	-	-	-	-	8,505	-	8,505
Gain on fair value changes for available-for-sale financial assets	-	-	-	1	-	-	1	-	1
Foreign currency translation	-	-	-	-	1	-	1	-	1
Other comprehensive income for the period	-	-	-	1	1	-	2	-	2
Net profit for the period	-	-	-	-	-	1,329	1,329	(41)	1,288
Total comprehensive income for the period	-	-	-	1	1	1,329	1,331	(41)	1,290
Balance as at 31 August 2016	80,115	43,155	4,199	(3)	(6)	112,674	240,134	13,682	253,816

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the financial year ended 31 May 2017.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 AUGUST 2017**

	<b>3 months ended 31/8/2017 RM'000</b>	3 months ended 31/8/2016 RM'000
<b>Cash flows from/(used in) operating activities</b>		
Profit before tax	4,846	2,217
Adjustments for :		
- Non-cash items	216	201
- Non-operating items	1,555	1,655
<b>Operating profit before working capital changes</b>	<b>6,617</b>	4,073
<b>Changes in working capital</b>		
- Inventories	1	2
- Trade and other receivables	28,414	7,475
- Trade and other payables	(3,434)	43,500
- Development costs	(28,292)	(150,589)
<b>Cash generated from/(used in) operations</b>	<b>3,306</b>	(95,539)
- Income tax paid	(1,750)	(1,571)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,556</b>	(97,110)
<b>Cash flows from/(used in) investing activities</b>		
- Increase in fixed deposits pledged	-	(887)
- Decrease in cash deposits pledged	160	-
- Interest received	63	47
- Proceeds from disposal of plant and equipment	47	-
- Payments for plant and equipment	(75)	(129)
<b>Net cash from/(used in) investing activities</b>	<b>195</b>	(969)
<b>Cash flows from/(used in) financing activities</b>		
- Proceeds from issuance of shares	-	8,505
- Proceeds from bridging and term loans	8,599	101,500
- Interest paid	(1,574)	(1,622)
- Net repayments of hire purchase liabilities	(236)	(216)
- Repayments of bridging and term loans	(5,730)	(3,409)
<b>Net cash from financing activities</b>	<b>1,059</b>	104,758
Net increase in cash and cash equivalents	2,810	6,679
Cash and cash equivalents at beginning of period	12,906	6,079
<b>Cash and cash equivalents at end of period</b>	<b>15,716</b>	12,758
<b>Cash and cash equivalents comprise:</b>		
	<b>RM'000</b>	RM'000
Cash and bank balances	22,316	12,758
Fixed deposits with licensed banks	563	2,033
	<b>22,879</b>	14,791
Less : Fixed deposits pledged	(563)	(2,033)
Less : Cash deposits pledged	(6,600)	-
	<b>15,716</b>	12,758

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 May 2017.

**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2017**

**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with requirements of FRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the same accounting policies adopted in 2017 annual financial statements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2017. The explanatory notes attached to the interim financial statements provide an explanation of 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 May 2017.

**2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 May 2017.

**3. Qualification of Audit Report**

The audit report of the financial statements of the Group for the financial year ended 31 May 2017 was not qualified.

**4. Seasonal or Cyclical Factors**

There are no seasonal factors affecting the Group performance.

**5. Material Changes in Estimates**

There were no material changes in estimates that have had a material effect in the financial period to-date results.

**6. Debt and Equity Securities**

There were no cancellation, repurchases, resale and repayments of debts and equity securities during the financial period to-date.

**7. Dividends Paid**

There were no dividends paid during the financial period to-date.

**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**8. Segmental Reporting**

	Gross Operating Revenue RM'000	Profit/(Loss) Before Tax RM'000
Property Investment	6,631	3,188
Property Management	660	182
Property Development	46,033	4,439
Investment and Others	358	(1,339)
	<u>53,682</u>	<u>6,470</u>
Elimination Inter-Group	(8,897)	-
Financing Costs	-	(1,624)
Share of Profit of An Associate	-	-
	<u>44,785</u>	<u>4,846</u>

**9. Valuation of Plant and Equipment**

The valuation of plant and equipment has been brought forward, without amendments from the previous annual report.

**10. Material Subsequent Events**

There were no material events subsequent to the end of the interim period up to 27 October 2017 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) that have not been reflected in the financial statements for the financial period ended 31 August 2017.

**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**11. Recurrent Related Part Transactions**

Details of the relationship between the Group and its related party are as described below :

<b>Name of Related Party</b>	<b>Relationship</b>
Paramount Bounty Sdn Bhd (“PBSB”)	PBSB is a subsidiary of Mercury Industries Berhad (“Mercury”) in which Dato’ Tiong Kwing Hee is the Managing Director and major shareholder of Mercury.

- Shareholders’ mandate has already been obtained at the last Annual General Meeting held on 25 October 2016.

The information on the transaction which have been entered into with PBSB during the period is as follows :

Nature of Transactions	Current Quarter Ended 31/8/2017 RM'000	Cumulative Year To-Date 31/8/2017 RM'000
PBSB Billings for sub-contractor costs	<u>7,741</u>	<u>7,741</u>

**12. Effect of Changes in the Composition of the Group**

Save as disclosed below, there were no changes in the composition of the Group during the current interim financial period :-

- On 28 August 2017, the Company announced that its wholly-owned subsidiary, Hasil Rezeki (M) Sdn Bhd (“HRSB”) had received notice dated 15 August 2017 from the Companies Commission of Malaysia, indicating that HRSB has been struck-off from the register pursuant to the powers conferred under Section 308(4) of the Companies Act, 1965 with effect from 7 February 2017.

**A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

**13. Changes in Contingent Liabilities/Contingent Assets**

The following contingent liabilities have not been provided for in the financial statements, as it is not anticipated that any material liabilities will arise from these contingencies:

31/8/2017  
 RM'000

Bank guarantee issued for :

- utility companies

	563
	563

Inland Revenue Board (“IRB”) had on 3 June 2016, raised a notice of additional income tax assessment of RM30.7 million to Pujian Development Sdn Bhd (“PDSB”), a subsidiary of the Company, for the tax assessment year 2004. PDSB disagreed on the basis of the additional tax assessment and had filed a formal appeal against the assessment by submitting the prescribed Form Q to IRB. We have presented our appeal to the Dispute Resolution Division of IRB and they had forwarded the Form Q to Special Commissioners of Income Tax. The Special Commissioners of Income Tax has fixed 23 July 2019 and 24 July 2019 for hearing.

In the opinion of the directors, after taking appropriate professional advices, PDSB has a reasonable chance of success.



**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF  
THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**1. Review of Performance**

The Group's revenue for the current quarter at RM44.8 million was mainly from the Group's development projects in Ipoh, Perak known as Upper East @ Tiger Lane ("Upper East") and Phase 1 of Ampang Ukay, known as Liberty @ Ampang Ukay ("Liberty") followed by recurring income from the two malls of the Group.

For the current quarter under review, the Group recorded profit before tax of RM4.8 million as compared to preceding year corresponding quarter's results of RM2.2 million which was contributed mainly from the Upper East project mitigated by initial and major marketing costs incurred during the early stages of the development of Liberty project.

**2. Variation of Results against Preceding Quarter**

The Group's revenue for the current quarter at RM44.8 million was 32% lower than the preceding quarter at RM65.5 million primarily due to the higher percentage of sales and construction recognised in the preceding quarter from Liberty project.

The Group's profit before tax for the current quarter at RM4.8 million was lower as compared to profit before tax in the preceding quarter of RM6.2 million primarily due to accretion in fair value of investment properties of RM7.1 million in the preceding quarter.

**3. Current Year's Prospects**

With Upper East project in Ipoh, Perak which had delivered its vacant possession in the current quarter, contribution is expected to be moderate in the ensuing period as billings continues from the sales of remaining units to be sold.

Liberty project is expected to contribute positively to the Group's performance in the financial year ending 31 May 2018 as construction works progress accordingly and sales of the property increase.

The disposal of the retail mall in Segamat was completed on 18 September 2017 (which is described in more detail in Note B7(ii) below. Accordingly, rental income from Property Investment Division for the ensuing period shall continue from the operations of the retail mall in South City Plaza, Seri Kembangan.

**4. Variance of Profit Forecast / Profit Guarantee**

Not applicable.

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**5. Notes to the Consolidated Statement of Comprehensive Income**

	Current Quarter Ended 31/8/2017 RM'000	Comparative Quarter Ended 31/8/2016 RM'000	3 months cumulative 31/8/2017 RM'000	3 months cumulative 31/8/2016 RM'000
Profit before tax is arrived at after (crediting)/charging :				
Interest income	(63)	(47)	(63)	(47)
Finance costs				
- Interest expense	1,574	1,622	1,574	1,622
- Amortisation of financial liabilities carried at amortised cost	50	67	50	67
Bad debts written off	15	8	15	8
Depreciation of plant and equipment	216	201	216	201
Tax penalty interest	19	117	19	117
Foreign exchange gain	-	1	-	1

**6. Income Tax Expense**

	Current Quarter Ended 31/8/2017 RM'000	Cumulative Year To-Date 31/8/2017 RM'000
Current income tax :		
- Malaysian tax	2,115	2,115
Deferred tax		
- Malaysian tax	(856)	(856)
Income tax expense	<u>1,259</u>	<u>1,259</u>

**7. Status of Corporate Proposals Announced**

Corporate Proposals

Save for the following, there are no other corporate proposals announced by the Company but not completed as at 27 October 2017 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF  
THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**7. Status of Corporate Proposals Announced (Cont'd)**

Corporate Proposal (Cont'd)

(i) The following proposal was approved at the EGM held on 3 September 2015 :-

Proposed acquisition by EcoFirst Development Sdn Bhd (“EDSB”), a wholly-owned subsidiary of the Company from Harta Villa Sdn Bhd (“HVSB”), a wholly-owned subsidiary of Tan & Tan Developments Berhad, which in turn is a wholly-owned subsidiary of IGB Corporation Berhad of a piece of freehold land held under Geran Hakmilik No. 44323 for Lot 378 Mukim Ulu Kelang, Daerah Gombak, State of Selangor measuring in area approximately 101,550.6422 square metres (or approximately 25.09 acres) at the purchase price of RM62,800,000.00 (“Land”) of which the option agreement was entered into on 20 April 2015 (“Option Agreement”).

On 18 September 2015, EDSB entered into a supplemental option agreement with HVSB to revise the size of the Land from 1,093,087.50 square feet to approximately 1,076,747.89 square feet and the purchase price was amended from RM62,800,000.00 to RM61,859,166.28.

On 6 October 2015, upon obtaining shareholders’ approval at the EGM on 3 September 2015, EDSB entered into the sale and purchase agreement with HVSB to purchase the Land pursuant to the exercise of the Option Agreement. EDSB has 30 months from the date of the Option Agreement to complete the acquisition which would be by 19 October 2017 at the latest. On 17 October 2017, EDSB and HVSB had mutually agreed to extend the completion date from 19 October 2017 to 27 October 2017. The proposed acquisition has been completed on 26 October 2017.

(ii) On 10 June 2016, the Board of Directors of the Company announced that Tashima Development Sdn Bhd (“TDSB”), a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement with Mtrustee Berhad (formerly known as AmTrustee Berhad) (“Mtrustee”), being the trustee of Hektar Real Estate Investment Trust which is listed on the Main Market of Bursa Malaysia Securities Berhad for the proposed disposal of the following for a cash consideration of RM104,000,000 (“SPA”) (“Proposed Disposal”) :

(a) 1Segamat Property, a land measuring approximately 174,534.21 square feet (“sqf”) / 16,214.76 square metres (“sqm”) on which a three (3)-storey retail mall building and one (1) basement car park together with a total of four hundred and twelve (412) car park bays (located at the basement, roof top and outdoor parking areas) known as “1Segamat Shopping Centre”) (including all on-site fittings, machinery, equipment, fixtures and moveable chattels or any kind which are material to TDSB’s current ownership, maintenance, use, leasing, service or operation of the 1Segamat Shopping Centre is erected thereon which forms part of

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF  
THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**7. Status of Corporate Proposals Announced (Cont'd)**

Corporate Proposal (Cont'd)

two (2) pieces of leasehold land held under master title H.S(D) 37321 No. PTD 1468 in Mukim Gemereh, Daerah Segamat, Negeri Johor and master title H.S(D) 37323 No. PTB 1283 in Bandar and Daerah Segamat, Negeri Johor.

(b) Car Park Rights :

- (i) Such part of land held under Lot 236, in Bandar and Daerah Segamat, Negeri Johor measuring approximately 65,340.00 sqf / 6,070.28 sqm ("Car Park Lease Area") pursuant to the lease agreement dated 6 January 2016 between TDSB and Kelab Sukan Kebajikan Majlis Daerah Segamat in relation to the lease of the Car Park Lease Area ; and
- (ii) Such part of the land comprising in the master titles having a total of seventy two (72) car park bays (subject to changes on the car park bays pursuant to the terms and conditions set out in the SPA) ("External Road Reserve") pursuant to the lease agreement to be entered into between TDSB and the relevant authority in relation to the lease of the External Road Reserve.

On 9 January 2017, the Board of Directors of the Company announced that pursuant to the terms and conditions of the SPA, TDSB is entitled to an automatic extension of six (6) months from the expiry of the Conditional Period (as defined in the SPA) or such other extended period as the parties may mutually agree and accordingly the Conditional Period has been extended from 10 January 2017 up to 9 July 2017 ("First Extended Conditional Period").

On 7 July 2017, TDSB has yet to fulfil certain of the conditions precedent of the SPA. In this regard, TDSB and Hektar Asset Management Sdn Bhd, the Manager of Hektar-REIT, had by way of an exchange of letters dated 7 July 2017, mutually agreed to extend the First Extended Conditional Period for a period of up to one (1) month to 9 August 2017. On 9 August 2017, TDSB has yet to secure the lease from the relevant state authorities in relation to the External Road Reserve upon the terms acceptable by Mtrustee, which is one of the conditions precedent of the SPA to be fulfilled by TDSB. In view of this, a Supplemental SPA had been entered on 11 August 2017, whereby the Condition Precedent – External Road Reserve Lease is amended as a condition subsequent to the SPA which is to be obtained by TDSB within four months from the date of the Supplemental SPA or such other extended period as may be mutually agreed.

The Proposed Disposal had been completed on 18 September 2017 followed by the payment of the Balance Purchase Consideration by Mtrustee ("Disposal").

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**7 Status of Corporate Proposals Announced (Cont'd)**

Corporate Proposal (Cont'd)

Utilisation of Proceeds

The status of utilisation of the gross proceeds from the Disposal as at 27 October 2017 is as follows :

Description	Expected time frame for utilisation upon receipt of proceeds	Revised Proposed Utilisation	Actual Utilisation	Balance
		RM'000	RM'000	RM'000
Repayment of bank borrowings	Within 12 months	47,000	47,000	-
Group taxes	Within 15 months	8,000	-	8,000
Business expansion	Within 24 months	42,000	10,875	31,125
Working capital	Within 12 months	5,000	3,754	1,246
Estimated expenses relating to the Disposal	Within 6 months	2,000	-	2,000
<b>Total</b>		<b>104,000</b>	<b>61,629</b>	<b>42,371</b>

**8. Group Borrowings and Debt Securities**

Total Group borrowings as at 31 August 2017 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Long-Term Borrowings</b>			
Amount repayable after twelve months	184,845	-	184,845
	<b>184,845</b>	<b>-</b>	<b>184,845</b>
<b>Short-Term Borrowings</b>			
Current portion of long term borrowings	62,953	-	62,953
Non-Convertible Redeemable Preference Shares	-	1,000	1,000
	<b>62,953</b>	<b>1,000</b>	<b>63,953</b>
<b>Total Group Borrowings</b>	<b>247,798</b>	<b>1,000</b>	<b>248,798</b>

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF  
THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**9. Changes in Material Litigation**

Further to the disclosure in the previous quarter's report on material litigation, the changes in material litigation as at 27 October 2017 (being the last practicable date which is not earlier than 7 days from the date of issue of this quarterly report) are as follows:

In respect of the litigation cases stated in (i) and (ii) below, for accounting purposes, all the amounts owed have been provided for in the financial statements.

*(i) 24 purchasers of South City Plaza v PDSB*

The Shah Alam High Court has allowed the Plaintiffs' claims to rescind the sale and purchase agreements and PDSB has filed an appeal to the Court of Appeal. The Court of Appeal dismissed PDSB's appeal with cost on 3 October 2011. Plaintiffs filed application for assessment of damages at the Shah Alam High Court. The Shah Alam High Court has directed this matter to be settled by way of mediation. On 5 September 2016, the mediator has directed the matter to the Shah Alam High Court to continue the proceedings for assessment of damages. The Shah Alam High Court has fixed 5 December 2017, 12 December 2017 and 14 December 2017 for trial.

*(ii) IRB v Sawitani Sdn Bhd ("Sawitani")*

IRB filed a suit against Sawitani for real property gains tax outstanding for assessment year 2000. IRB filed an application for summary judgement which was allowed on 27 September 2011. Sawitani's appeal to the Court of Appeal was dismissed on 15 May 2012.

*(iii) IRB v PDSB*

IRB filed a suit against PDSB claim against the additional tax assessment of RM30,713,484.26 and tax penalties amounting to RM4,760,590.05. PDSB had filed an application to stay the proceeding in view that PDSB have presented the said matter to the Dispute Resolution Division of IRB and the IRB had forwarded the Form Q to Special Commissioners of Income Tax pending the hearing at the Special Commissioners of Income Tax on 23 July 2019 and 24 July 2019.

Upon consulting its solicitors, the board is of the view that there are reasonable grounds to stay the proceeding.

**10. Dividend**

No dividend has been declared for the current financial period to-date.

**B. ADDITIONAL DISCLOSURE PURSUANT TO CHAPTER 9, PART K OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD**

**11. Earnings Per Share**

The earnings per share have been calculated based on the consolidated net earnings attributable to ordinary shareholders for the period and the weighted average number of ordinary shares in issue during the period.

<i>Earnings per share</i>	Current Quarter Ended	Comparative Quarter Ended	Current Year To-Date	Comparative Year To-Date
	31/8/2017	31/8/2016	31/8/2017	31/8/2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Earnings</b>				
Net earnings attributable to ordinary shareholders	3,601	1,329	3,601	1,329
	('000)	('000)	('000)	('000)
<b>Weighted average number of ordinary shares (Basic)</b>	803,162	801,148	803,162	801,148
	(sen)	(sen)	(sen)	(sen)
<b>Basic earnings per ordinary share</b>	0.45	0.17	0.45	0.17
	('000)	('000)	('000)	('000)
<b>Weighted average number of ordinary shares (Diluted)</b>	803,162	801,148	803,162	801,148
	(sen)	(sen)	(sen)	(sen)
<b>Diluted earnings per ordinary share</b>	0.45	0.17	0.45	0.17

**12. Realised and Unrealised Profit/(Losses)**

	Group	
	31/8/2017 RM'000	31/8/2016 RM'000
Total retained profit/(accumulated losses) of the Company and its subsidiaries		
- Realised	(13,754)	(36,486)
- Unrealised	42,325	25,228
Add : Consolidation adjustments	102,493	123,932
Total Group retained profits as per consolidated financial statements	<u>131,064</u>	<u>112,674</u>