TROPICANA
CORPORATION BERHAD
丽阳机构

(Company No. 47908-K)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30 JUNE 2015

PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2014. These 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 year ended 31 December 2014.

A2. Changes in accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2014 except for the adoption of the following new/revised FRSs and Interpretations:

Effective for financial periods beginning on or after 1 July 2014:

Amendments to FRS 2	Share-based Payment
Amendments to FRS 3	Business Combinations
Amendments to FRS 8	Operating Segments
Amendments to FRS 13	Fair Value Measurement
Amendments to FRS 116	Property, plant and equipment *(Annual Improvements to FRSs 2010 – 2013 Cycle)*
Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRS 124	Related Party Disclosures *(Annual Improvements to FRSs 2010-2013 Cycle)*
Amendments to FRS 138	Intangible Assets
Amendments to FRS 140	Investment Property *(Annual Improvements to FRSs 2011-2013 Cycle)*

Adoption of the above standards and interpretations did not have any effect on the financial performance or position and policy of the Group.

The following revised FRSs and Amendments to FRSs applicable to the Group have been issued by the MASB but not yet effective and have not been adopted by the Group:

Effective for financial periods beginning on or after 1 January 2016:

Amendments to FRS 5	Non-current Assets held for sales and Discontinued Operations *(Annual Improvements to FRSs 2012-2014 Cycle)*
Amendments to FRS 7	Financial Instruments: Disclosure *(Annual Improvements to FRSs 2012-2014 Cycle)*
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendment to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
FRS 14	Regulatory Deferral Accounts
Amendments to FRS 101	Disclosure Initiatives
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 119	Employee Benefits *(Annual Improvements to FRSs 2012-2014 Cycle)*
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 134	Annual Improvements to FRSs 2012-2014 Cycle

Effective for financial periods beginning on or after 1 January 2018:

FRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first set of MFRS financial statements, the Group will quantify the financial effects of the differences between the currently applied FRS and MFRS. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

A4. Comments about seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factor.

A5. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that is unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A6. Changes in estimates

There were no material changes in estimates for the financial period ended 30 June 2015.

A7. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review save and except as follows:

1) Issuance of 50,854,290 new ordinary shares of RM1.00 each arising from conversion of RM76,281,435 of 10-year 3% Redeemable Convertible Unsecured Loan Stocks ("RCULS") at conversion price of RM1.50 per share; and
2) Issuance of 343,800 new ordinary shares of RM1.00 each arising from exercise of 343,800 options pursuant the Employee Share Option Scheme of the Company.

A8. Dividends paid

No dividend was paid during the current quarter under review.

Please refer to Note B9 on the details on the final single tier Share Dividend, in respect of financial year ended 31 December 2014.

A9. Segmental information

Segmental information is presented in respect of the Group's principal business segments - property development, property investment and resort operations and investment holding.

The geographically information is not presented as the Group's activities are carried out predominantly in Malaysia.

Business segment analysis for the period:

Individual Period	<------------------Continuing operations	------------------>			Discontinued Operations	
	Property development	Property investment and resort operations	Investment holding and others	Total	Investment holding and others	TOTAL
30 June 2015	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	264,282	33,136	14,918	**312,336**	**52,524**	**364,860**
Results from operations	28,000	18,570	(4,956)	**41,614**	**8,908**	**50,522**
Net finance costs	(2,011)	(9,375)	(6,503)	**(17,889)**	**(173)**	**(18,062)**
Share of results of associates	-	-	-	**-**	**(497)**	**(497)**
Share of results of joint ventures	-	-	2,242	**2,242**	**588**	**2,830**
Profit/(loss) before tax	**25,989**	**9,195**	**(9,217)**	**25,967**	**8,826**	**34,793**
30 June 2014						
Revenue	259,537	32,755	9,191	**301,483**	**54,400**	**355,883**
Results from operations	52,786	68,441	(9,263)	**111,964**	**9,037**	**121,001**
Net finance costs	(2,122)	(5,832)	(5,501)	**(13,455)**	**(69)**	**(13,524)**
Share of results of associates	-	-	-	**-**	**274**	**274**
Share of results of joint ventures	-	-	12,448	**12,448**	**782**	**13,230**
Profit/(loss) before tax	**50,664**	**62,609**	**(2,316)**	**110,957**	**10,024**	**120,981**

PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD ("FRS") 134

Year To Date	<------------------Continuing operations ------------------>				Discontinued Operations	
30 June 2015	Property development RM'000	Property Investment and resort operations RM'000	Investment holding and others RM'000	Total RM'000	Investment holding and others RM'000	TOTAL RM'000
Revenue	601,710	68,906	32,640	**703,256**	**98,990**	**802,246**
Results from operations	76,452	19,738	(3,427)	**92,763**	**14,389**	**107,152**
Net finance cost	(1,605)	(16,691)	(12,408)	**(30,704)**	**(303)**	**(31,007)**
Share of results of associates	-	-	-	**-**	**(17)**	**(17)**
Share of results of joint ventures	-	-	4,976	**4,976**	**1,672**	**6,648**
Profit/ (loss) before tax	**74,847**	**3,047**	**(10,859)**	**67,035**	**15,741**	**82,776**
30 June 2014						
Revenue	468,094	71,960	14,104	**554,158**	**100,849**	**655,007**
Results from operations	71,144	89,506	(14,556)	**146,094**	**16,109**	**162,203**
Net finance cost	(12,308)	(7,045)	(11,319)	**(30,672)**	**(138)**	**(30,810)**
Share of results of associates	-	-	-	**-**	**253**	**253**
Share of results of joint ventures	-	-	12,855	**12,855**	**1,319**	**14,174**
Profit/ (loss) before tax	**58,836**	**82,461**	**(13,020)**	**128,277**	**17,543**	**145,820**

A10. Valuations of property, plant and equipment

Valuations of property, plant and equipment remain unchanged from the audited financial statements for the year ended 31 December 2014.

A11. Material events subsequent to the end of interim period

There were no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements.

A12. Changes in composition of the Group

The changes in the composition of the Group during the current quarter under review are as follows:-

1) Kuasa Cekapmas Sdn. Bhd. ("KCSB"), a wholly-owned subsidiary of the Company had, on 30 June 2015, acquired 100 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up share capital of Antara Tuah Sdn. Bhd. ("ATSB") for a total cash consideration of RM100.00 only ("Acquisition"). Upon the Acquisition of the entire equity interest in ATSB by KCSB, ATSB has become a wholly-owned subsidiary of KCSB, which in turn is a wholly-owned subsidiary of TCB.

A13. Changes in contingent liabilities or contingent assets

Since the last annual audited position at 31 December 2014, the Group's contingent liabilities have changed due to the increase in corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to the subsidiaries of the Group amounting to RM400.2million.

Save as disclosed above, there were no other changes in contingent liabilities of the Group.

A14. Capital commitments

The amount of commitments for capital expenditures as at 30 June 2015 is as follows:

	As at 30/06/15 RM'000	As at 31/12/14 RM'000
Capital expenditure:		
Approved and contracted for	941,200	899,900
Approved but not contracted for	544,000	737,500
Share of joint venture's capital commitment in relation to land held for development	221,500	351,000
	1,706,700	1,988,400

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B1. Performance review

Quarterly Results

For the quarter under review, the Group recorded revenue of RM364.9million or 2.5% higher compared to RM355.9million in the corresponding period in 2014. The higher number was due to higher revenue across key projects and proceeds from land sales.

Notwithstanding the increase in revenue, the Group achieved a lower profit before tax ("PBT") of RM34.8million. The decrease in PBT of 71.2% against the corresponding quarter of the previous year was contributed by gains of RM69.9million arising from the disposals of investment properties and a subsidiary of a joint venture in the second quarter of previous year.

Year-to-date Results

For the period ended 30 June 2015, the Group recorded revenue of RM802.2million, which was 22.5% higher in comparison to the corresponding period of the previous year. Notwithstanding the increase in revenue, the Group PBT drop by 43.2% to RM82.8million against the corresponding period of the previous year. Similarly, the decrease in PBT was contributed mainly by the aforesaid disposals of investment properties and the subsidiary of a joint venture in the corresponding period of the previous year.

B2. Variation of results against preceding quarter

The Group's reported revenue of RM364.9million in the current quarter is 16.6% lower compared to the immediate preceding quarter ended 31 March 2015. During the quarter ended 31 March 2015, revenue was inclusive of the land sale amounted to RM106.8million.

The Group's current quarter PBT decreased by 27.4% to RM34.8million against RM48.0million in immediate preceding quarter ended 31 March 2015. Lower in revenue and PBT in the current quarter was mainly due to recognition of gains from land sales in the preceding quarter.

B3. Prospects

Prospects in 2015 is expected to remain challenging as the property market remains lacklustre due to the cooling measures by the Governments, as well as the introduction of GST in April 2015. However, the Group believes there will still be demand for landed properties and integrated developments in good locations with great accessibility and attractive pricing.

The Group has achieved a total sale of RM787.4million as at 30 June 2015 in addition to having secured unbilled sales of RM3.0billion which places it in a position to deliver sustainable performance in the near future. The Group's strategy for 2015 will be to vary and adapt launches to suit market demand – incorporating higher component of landed properties. The Group will focus on projects in the Central Region and Northern Region for 2015, where the markets are more resilient.

The Group will continue to unlock value of its landbank in Klang Valley, where potential Gross Development Value ("GDV") is in excess of RM24.5billion, as well as those in the Northern Region with potential GDV of RM9.5billion. The Group possesses a sizeable landbank of close to 1,866 acres across Malaysia with future GDV of over RM50.0billion.

B4. Profit forecast or profit guarantee

No profit forecast or profit guarantee was issued for the financial period.

B5. Taxation

	Individual quarter		Year to date	
	30/06/15 RM'000	30/06/14 RM'000	30/06/15 RM'000	30/06/14 RM'000
Tax expense for the period	11,210	13,659	48,762	25,907
Real property gain tax	-	-	1,528	-
Deferred tax transfers	(7,870)	2,198	(25,937)	(4,884)
Total Group's tax expense	3,340	15,857	24,353	21,023
Represented by:				
- From continuing operations	987	13,591	20,758	18,010
- From discontinued operations	2,353	2,266	3,595	3,013
	3,340	15,857	24,353	21,023

The Group's effective tax rate was slightly higher than the statutory tax rate principally due to recognition of deferred tax assets and liabilities, as well as non-allowable expenses for tax deduction.

B6. Corporate Proposals

Status of corporate proposals

The following corporate proposals announced by the Company have not been completed as at 6 August 2015, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Report:

1) On 25 May 2015, Tropicana Properties Odeon Sdn. Bhd. ("TPO"), a wholly-owned subsidiary of the Company, had entered into a sale and purchase agreement ("SPA") with Glorade Sdn. Bhd. ("Glorade") for the disposal of a parcel of leasehold property held under H.S. (D) 119107, P.T. No. 26584, Mukim of Batu, District of Kuala Lumpur and State of Wilayah Persekutuan KL (formerly held under H.S.(D) 97436, Lot 2450, District of Kuala Lumpur and State of Wilayah Persekutuan KL) measuring approximately 3,399 square metres together with a two and a half storey building erected thereon bearing postal address Lot 2450, Jalan Ambong (Jalan 1), Taman Kepong Baru,

52100 Kuala Lumpur ("Property") for a total cash consideration of RM12,000,000 ("Sales Consideration") ("Disposal").

The Disposal is expected to be completed in the third quarter of 2015.

2) On 15 April 2015, a share sale agreement was entered into by and among Tropicana Tenaga Kimia Sdn. Bhd. (a wholly-owned subsidiary of Sumber Saujana Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company) ("TTK"), Oon Hoe Sing ("OHS"), Austin Powder Asia Pacific Inc. ("APAP" or "Purchaser") and Tenaga Kimia Sdn. Bhd. ("TKSB") for the Proposed Disposal of TTK's and OHS' (collectively referred to as "Sellers") entire shareholding of 73% and 2% respectively in TKSB ("Sale Shares") to APAP for a total cash Sales Consideration of RM200,000,000 ("Sales Consideration") ("SSA").

   The consideration for TTK's 73% shareholdings amounted to RM194,666,667 ("TTK Sales Consideration").

   The Proposed Disposal which was initially expected to be completed on or before 7 May 2015, was extended to 14 May 2015, 30 June 2015 and subsequently to 7 July 2015 to fulfil the condition precedents ("Extension").

   Pursuant to the supplemental agreement to the SSA dated 30 June 2015, TTK and OHS will pay APAP up to an aggregate of RM25,000,000 to cover costs of TKSB's relocation from its current manufacturing site in the event the Lease Agreement dated 1 March 2013 between SME Ordnance Sdn. Bhd. ("SMEO") as Lessor and TKSB as Lessee is terminated by SMEO prior to 1 March 2023.

   The Proposed Disposal was completed on 2 July 2015. Accordingly, TKSB is no longer a subsidiary of TTK.

3) On 26 January 2015, Tropicana City Sdn. Bhd. ("TCSB"), a wholly-owned subsidiary of Bakat Rampai Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement with AmTrustee Berhad ("AMT"), acting as trustee for CapitaMalls Malaysia Trust, a Real Estate Investment Trust ("REIT") ("CMMT"), for the disposal of a 4-storey shopping mall and 12-storey office building ("Property") for a total disposal consideration of RM540.0million ("Disposal Consideration"), which will be fully satisfied in cash ("SPA") ("Proposed Disposal").

   The Proposed Disposal has become unconditional on 24 June 2015 and then subsequently was completed on 10 July 2015.

4) On 8 May 2014, Supreme Converge Sdn. Bhd. ("SCSB"), a wholly-owned subsidiary of the Company, entered into a Subscription and Shareholders' Agreement with Agile Real Estate Development (M) Sdn. Bhd. (formerly known as Vista Oasis Sdn. Bhd.) ("Agile"), a wholly-owned subsidiary of Agile Property Holdings Limited ("APH") ("SSA"). SCSB and Agile have pursuant to the SSA subscribed shares in a new company known as Agile Tropicana Development Sdn. Bhd.

(formerly known as Offshore Triangle Sdn. Bhd.) ("JV Co") where SCSB's and Agile's equity interest in the JV Co is 30% and 70% respectively.

The JV Co had on 8 May 2014 entered into a conditional sale and purchase agreement with Tropicana Bukit Bintang Development Sdn. Bhd. ("TBBD") ("TBBD SPA"), a wholly-owned subsidiary of the Company, whereby TBBD has agreed to sell and JV Co has agreed to purchase 8 parcels of freehold land, all in Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, measuring in aggregate approximately 3.138 acres (equivalent to approximately 136,719.48 square feet) in area ("TBBD Land"), for a total cash consideration of RM448,439,901.

The TBBD SPA has become unconditional on 7 May 2015. The TBBD SPA is expected to be completed in the third quarter of 2015.

5) On 12 February 2014, the Company entered into the following :

i) Shareholders Agreement with Lasallian Asia Partnership for International Schools Pte Ltd (Company. No. 201315250G) ("LAPIS") and Tropicana SJII Education Management Sdn. Bhd. ("TSEM"), a subsidiary of the Company ("TSEM Shareholders Agreement"); and

ii) Shareholders Agreement with LAPIS, Warisan Istimewa Sdn. Bhd. ("WISB") and Tropicana Education Management Sdn. Bhd. ("TEM"), a subsidiary of the Company ("TEM Shareholders Agreement").

(collectively referred to as "Shareholders Agreements")

The Shareholders Agreements are for the purpose of establishing and operating an international school to be known as "St. Joseph's Institution International School Malaysia (Tropicana PJ Campus)" or such other name as may be mutually agreed upon and approved by the relevant authorities ("International School") in collaboration with LAPIS encompassing the following:

i) the construction of the International School by TEM on the land held under the title H.S.(D) 296471, No. PT 12687, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor ("TEM Land"). TEM is the registered proprietor and beneficial owner of the TEM Land and had on 7 August 2014 entered into an Agreement to Lease with TSEM whereupon TEM has agreed to grant and TSEM has agreed to take a lease of the TEM Land together with the International School constructed thereon for three (3) fixed terms of ten (10) years each commencing from 1 September 2016 or such other date as TEM and TSEM shall mutually agree to in writing in accordance with and subject to the terms and conditions of the Agreement to Lease; and

ii) the operation of the International School by TSEM and managed by LAPIS whereupon TSEM had on 7 August 2014 entered into a Management Agreement with LAPIS pursuant to which LAPIS is to manage the day-to-day running of the School in accordance with and subject to the terms and conditions of the Management Agreement.

On 6 May 2015, the parties to TEM Shareholders Agreement have mutually agreed to terminate the TEM Shareholders Agreement ("Termination") as LAPIS has decided not to have equity participation in TEM. Subsequent to the Termination, the shareholders of TEM have been the Company and WISB.

The Termination does not affect the Company's collaboration with LAPIS in relation to the construction and operation of the International School.

The TSEM Shareholders' Agreement became unconditional on 1 July 2015.

6) On 23 December 2013, Tropicana Danga Senibong Holding Sdn. Bhd. (formerly known as Golddust United Sdn. Bhd.) ("TDSHSB"), a wholly-owned subsidiary of the Company, entered into a Shareholders Agreement with Tebrau Bay Sdn. Bhd. ("TBSB" or the "Vendor"), a wholly-owned subsidiary of Iskandar Waterfront City Berhad (formerly known as Tebrau Teguh Berhad) ("IWCB"), ("Shareholders Agreement"), to regulate their relationship as shareholders of Tropicana Danga Senibong Sdn. Bhd. (formerly known as Renown Dynamic Sdn. Bhd.) ("TDSSB" or "the Purchaser"), a special purpose vehicle used to acquire the Property (as defined below) and to develop the Property into a mixed development comprising commercial and residential components ("Proposed Joint Venture"). Pursuant to the Shareholders Agreement, TDSHSB and TBSB will hold equity interest in TDSSB in proportion of 70% and 30% respectively.

   On 23 December 2013, TDSSB entered into a conditional Sale and Purchase Agreement with TBSB whereby the Vendor agreed to sell and the Purchaser agreed to purchase a parcel of land measuring approximately 60 acres which is presently a portion of a piece of leasehold land measuring 84.614 acres held under HS(D) 437846 PTD 194795 in the District of Johor Bahru, Mukim Plentong, State of Johor ("the Property") for a total cash consideration of RM444,312,000 ("Proposed Land Acquisition").

   As at the date of this report, the Proposed Land Acquisition is pending fulfilment of the conditions precedent in accordance with the terms of the sale and purchase agreement.

7) On 15 April 2013, Sapphire Index Sdn. Bhd. ("SISB"), a wholly-owned subsidiary of the Company, entered into a sale and purchase cum development agreement with Menteri Besar Selangor (Pemerbadanan) ("MBI") and Permodalan Negeri Selangor Berhad ("PNSB") for the proposed acquisition cum development of 11 parcels of leasehold land, all in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor, measuring approximately 4,743,986.21 square metres (51,063,794 square feet) for a total cash consideration of RM1,297,259,264 ("Proposed Acquisition").

   MBI, PNSB and SISB had entered into a supplementary agreement in respect of the Proposed Acquisition on 7 August 2014 and 12 March 2015 respectively. As at the date of this report, SISB has completed 1 parcel and the remaining parcels are pending completion.

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B7. Interest-bearing loans and borrowings

	As at 30/06/15 RM'000	As at 31/12/14 RM'000
Secured short term borrowings	772,121	765,071
Secured long term borrowings	1,692,597	1,658,291
Unsecured long term borrowings	-	14,606
	2,464,718	2,437,968
Represented by:		
- Continuing operations	2,454,307	2,437,968
- Discontinued operations	10,411	-
	2,464,718	2,437,968

Included in the Group's loans and borrowings in the current quarter under review is raised by a subsidiary and denominated in foreign currency.

	As at 30/06/2015	
	Foreign Currency '000	RM'000
United States Dollars ("USD")	8,000	30,184

The USD borrowing is hedged until its maturity on 31 October 2015.

B8. Material litigation

On 26 August 2013, the Company received an order from the Arbitral Tribunal to add the Company as a party to the arbitration proceedings between Dijaya-Malind JV (Mauritius) Limited ("DMML"), Dijaya-Malind Properties (India) Private Limited ("DMPPL") and Starlite Global Enterprise (India) Limited ("SGEIL") ("Order").

The arbitration proceedings were previously instituted by DMML and DMPPL against SGEIL to seek the return of the deposit sum and damages arising from termination of the Deed of Novation cum Joint Development Agreement.

The Company appealed to the City Civil Court of Hyderabad against the Order which was dismissed on 2 June 2014. As our legal counsel is in the opinion that the Order is erroneous and wrong in law, the Company has filed a further appeal to the High Court of Judicature of Andhra Pradesh.

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B9. Dividend payable

At the 36th Annual General Meeting, the shareholders have approved a final single tier Share Dividend via a distribution of Treasury Shares on the basis of 1.3 Treasury Shares for every 100 existing ordinary shares of RM1.00 each held in the Company, in respect of the financial year ended 31 December 2014. Any fractions arising from the distribution of Share Dividend will be disregarded.

The entitlement date of the Share Dividend was on 25 June 2015, the treasury shares distributed under the Share Dividend was credited into the entitled depositors' securities accounts maintained with Bursa Depository on 15 July 2015.

Other than the above Share Dividend, there was no dividend proposed for the quarter under review.

B10. Earnings per share

a) Basic earnings per ordinary share

Basic earnings per share were calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	30/06/15	**30/06/14**	**30/06/15**	**30/06/14**
Profit attributable to ordinary equity holders of the Company (RM'000):				
- From continuing operation	20,449	84,594	35,231	88,248
- From discontinued operation	2,716	4,862	7,210	9,033
Total	23,165	89,456	42,441	97,281
Weighted average number of ordinary shares in issue ('000)	1,447,453	1,391,180	1,427,976	1,293,549
Basic earnings per share (sen)				
- For continuing operations	1.41	6.08	2.47	6.82
- For discontinued operations	0.19	0.35	0.50	0.70
Total	**1.60**	**6.43**	**2.97**	**7.52**

(b) Diluted earnings per ordinary share

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares from the exercise of share options under the ESOS, the Warrants and the RCULS.

	Individual quarter		Year to date	
	30/06/15	**30/06/14**	**30/06/15**	**30/06/14**
Profit attributable to ordinary equity holders of the Company (RM'000)				
- From continuing operations	20,449	84,594	35,231	88,248
- From discontinued operations	2,716	4,862	7,210	9,033
Add: Interest on RCULS (RM'000)				
- From continuing operations	-	912	-	2,260
Profit attributable to ordinary equity holders of the Company including assumed conversion (RM'000)	23,165	90,368	42,441	99,541
Weighted average number of ordinary shares in issue ('000) for the purpose of basic earnings per share	1,447,453	1,391,180	1,427,976	1,293,549
Add: Effects of dilution :				
- ESOS ('000)	635	14,559	1,106	13,326
- Warrants ('000)	16,279	52,090	18,111	52,090
- RCULS ('000)	- ^	58,678	- ^	58,678
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	1,464,367	1,516,507	1,447,193	1,417,643
Diluted earnings per share (sen)				
- For continuing operations	1.40	5.64	2.43	6.38
- For discontinued operations	0.18	0.32	0.50	0.64
Total	**1.58**	**5.96**	**2.93**	**7.02**

^ *RCULS has been fully converted during the period under review. Accordingly, RCULS is excluded from the computation of diluted earnings per share in the current quarter under review.*

B11. Realised/Unrealised Retained Profits

	Current quarter RM'000	Immediate preceding quarter RM'000
Total retained profits of the Group:		
- Realised	967,540	731,083
- Unrealised	179,851	406,217
	1,147,391	1,137,300
Total share of retained earnings from joint ventures		
- Realised	102,681	100,955
Total share of retained earnings from associates		
- Realised	2,234	2,731
Consolidation Adjustment	(348,431)	(343,813)
Total retained profits carried forward	**903,875**	**897,173**

B12. Notes to the Statement of Comprehensive Income

Profit for the period is arrived at after crediting/(charging):-	Individual Quarter 30/06/15 RM'000	Year to date 30/06/15 RM'000
Interest income	6,336	8,246
Other income including investment income	2,492	6,867
Interest expense	(24,225)	(38,950)
Depreciation of property, plant and equipment	(6,730)	(12,773)
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of quoted or unquoted investment	-	-
Gain/(loss) on disposal of investment properties	5,131	(4,957)
Gain/(loss) on disposal of assets held for sale	-	-
Foreign exchange gain/(loss)	(94)	173
Gain/(Loss) on derivatives	-	-
Exceptional items	-	-

B13. Authorisation for issue

The interim financial statements were authorised for issuance by the Board of Directors in accordance with the Directors' resolution dated 13 August 2015.