

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 17777-V)
(Incorporated in Malaysia)

Interim Financial Report
31 July 2015

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(Incorporated in Malaysia)

Interim Financial Report - 31 July 2015

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2015
(The figures have not been audited)

	CURRENT QUARTER	CUMULATIVE QUARTER
	3 MONTHS ENDED	9 MONTHS ENDED
	31/07/2015	31/07/2015
	RM'000	RM'000
Revenue	454,277	1,030,126
Cost of sales	(353,229)	(786,908)
Gross profit	101,048	243,218
Other items of income	5,866	15,277
Selling and marketing expenses	(34,389)	(89,217)
Administrative expenses	(51,890)	(112,053)
Finance costs	(4,902)	(18,184)
Share of results of a joint venture	-	(1)
Profit before tax	15,733	39,040
Income taxation expense	(6,340)	(14,877)
Profit net of tax	9,393	24,163
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translation of foreign operations	(255)	(373)
Total comprehensive income for the period	9,138	23,790
Profit net of tax attributable to:		
Owners of the Company	9,393	24,259
Non-controlling interests	-	(96)
	9,393	24,163
Total comprehensive income attributable to:		
Owners of the Company	9,138	23,886
Non-controlling interests	-	(96)
	9,138	23,790
Earnings per share attributable to owners of the Company:		
Basic earnings per share (sen)	0.41	1.70
Diluted earnings per share (sen)	- *	- *

* *Anti-dilutive*

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the 13 months ended 31 October 2014 and the accompanying explanatory notes.)

Note:

In 2014, the Company changed its financial year end from 30 September to 31 October and made up its financial statements for the 13-month period ended 31 October 2014.

Consequently, the 2014 quarterly financial reporting periods do not correspond with the 2015 quarterly financial reporting periods, and the 2014 quarterly results do not form an entirely proper basis for comparison with the 2015 quarterly results. The 2014 quarterly results have therefore not been included in this interim financial report as comparative figures.

ECO WORLD DEVELOPMENT GROUP BERHAD

(Company No: 17777-V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2015

(The figures have not been audited)

	As At 31/07/2015 RM'000	As At 31/10/2014 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	164,457	4,195
Investment properties	22,556	-
Land held for property development	3,668,474	303,052
Deferred tax assets	20,417	147
	<u>3,875,904</u>	<u>307,394</u>
Current assets		
Property development costs	1,437,984	40,250
Gross amount due from customer	785	3,962
Inventories	39,755	49,562
Trade and other receivables	505,332	231,971
Current tax assets	15,253	10,295
Deposits	383,877	5,543
Cash and bank balances	235,730	37,880
	<u>2,618,716</u>	<u>379,463</u>
TOTAL ASSETS	<u>6,494,620</u>	<u>686,857</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	1,182,132	253,317
Share premium	1,662,972	22
Warrants reserve	194,395	-
Foreign currency translation reserve	(379)	(6)
Retained earnings	96,691	72,531
	<u>3,135,811</u>	<u>325,864</u>
Non-controlling interests	-	(3)
Total equity	<u>3,135,811</u>	<u>325,861</u>
Non-current liabilities		
Other payables	669,989	16,659
Long term borrowings	1,186,434	141,354
Deferred tax liabilities	51,606	54,718
	<u>1,908,029</u>	<u>212,731</u>
Current liabilities		
Trade and other payables	1,054,753	48,944
Short term borrowings	364,818	99,321
Current tax liabilities	31,209	-
	<u>1,450,780</u>	<u>148,265</u>
Total liabilities	<u>3,358,809</u>	<u>360,996</u>
TOTAL EQUITY AND LIABILITIES	<u>6,494,620</u>	<u>686,857</u>
Net assets at RM1.00 per share (RM)	<u>N/A</u>	<u>1.29</u>
Net assets at RM0.50 per share (RM)	<u>1.33</u>	<u>0.64</u> *

* Restated for the effects of subdivision of 1 ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each pursuant to the share split exercise which was completed on 23 January 2015.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the 13 months ended 31 October 2014 and the accompanying explanatory notes.)

ECO WORLD DEVELOPMENT GROUP BERHAD
(Company No: 17777-V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2015

(The figures have not been audited)

	←————— Attributable to Equity Holders of the Company —————→							Non-controlling interests	Total Equity
	←————— Non-Distributable			—————→ Distributable					
	Share capital	Share premium	Warrants reserve	Foreign currency translation reserve	Retained earnings	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
9 months ended 31 July 2015									
At 1 November 2014	253,317	22	-	(6)	72,531	325,864	(3)	325,861	
Profit for the period	-	-	-	-	24,259	24,259	(96)	24,163	
Other comprehensive income	-	-	-	(373)	-	(373)	-	(373)	
Transactions with owners:									
Acquisition of additional share in subsidiary company	-	-	-	-	(99)	(99)	99	-	
Issuance of ordinary shares:									
- Share subscription	403,423	968,217	-	-	-	1,371,640	-	1,371,640	
- Rights issue with warrants	328,370	265,323	194,395	-	-	788,088	-	788,088	
- Placement	197,022	441,329	-	-	-	638,351	-	638,351	
Share issue expenses	-	(11,919)	-	-	-	(11,919)	-	(11,919)	
At 31 July 2015	1,182,132	1,662,972	194,395	(379)	96,691	3,135,811	-	3,135,811	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the 13 months ended 31 October 2014 and the accompanying explanatory notes.)

Note:

In 2014, the Company changed its financial year end from 30 September to 31 October and made up its financial statements for the 13-month period ended 31 October 2014.

Consequently, the 2014 quarterly financial reporting periods do not correspond with the 2015 quarterly financial reporting periods, and the 2014 quarterly results do not form an entirely proper basis for comparison with the 2015 quarterly results. The 2014 quarterly results have therefore not been included in this interim financial report as comparative figures.

(Company No: 17777-V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2015*(The figures have not been audited)*CUMULATIVE
QUARTER9 MONTHS ENDED
31/07/2015
RM'000

Operating activities	
Profit before tax	39,040
Adjustments for :	
Non-cash items	8,877
Non-operating items	8,351
Operating cash flows before changes in working capital	56,268
Changes in property development expenditure	62,779
Changes in gross amount due from customers	3,176
Changes in inventories	9,768
Changes in receivables	(126,845)
Changes in payables	201,684
Cash flows generated from operations	206,830
Interest received	3,539
Interest paid	(95,368)
Rental paid	134
Net income taxes paid	(12,416)
Net cash flows from operating activities	102,719
Investing activities	
Additions to land held for property development	(868,970)
Purchase of property, plant and equipment	(53,313)
Purchase of investment properties	(10,789)
Proceeds from disposal of property, plant and equipment	2,215
Development expenditure paid	(4,370)
Acquisition of subsidiary companies, net of cash acquired	(164,322)
Acquisition of Development Rights	(1,818,963)
Deposits paid for acquisition of land	(165,809)
Other investments	(23,348)
Net cash flows used in investing activities	(3,107,669)
Financing activities	
Proceeds from issue of shares by the Company	2,798,079
Payment of share issue expenses	(11,919)
Drawdown of bank borrowings	1,568,869
Repayment of bank borrowings	(803,376)
Net cash flows from financing activities	3,551,653
Net increase in cash and cash equivalents	546,703
Effect of exchange rate changes	31
Cash and cash equivalents at 1 November 2014	43,423
Cash and cash equivalents at 31 July 2015	590,157
Cash and cash equivalents comprise the following:	
Deposits	383,877
Cash and bank balances	235,730
	619,607
Less: Sinking Fund, Debt Service Reserve and Escrow Accounts	(29,450)
	590,157

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the 13 months ended 31 October 2014 and the accompanying explanatory notes.)

Note:

In 2014, the Company changed its financial year end from 30 September to 31 October and made up its financial statements for the 13-month period ended 31 October 2014.

Consequently, the 2014 quarterly financial reporting periods do not correspond with the 2015 quarterly financial reporting periods, and the 2014 quarterly results do not form an entirely proper basis for comparison with the 2015 quarterly results. The 2014 quarterly results have therefore not been included in this interim financial report as comparative figures.

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report has been prepared in accordance with Financial Reporting Standard 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for the 13 months ended 31 October 2014.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the 13 months ended 31 October 2014 except for the adoption of the following new/revised Amendments to FRS and Annual Improvements:-

- Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
- Annual Improvements to FRSs 2010-2012 Cycle
- Annual Improvements to FRSs 2011-2013 Cycle

The adoption of the above new FRSs and Amendment to FRSs do not have any material impact on the Interim Financial Statements of the Group.

Malaysia Financial Reporting Standards (“MFRS”)

The Malaysian Accounting Standards Board (MASB) had on 8 September 2015 announced that the effective date of MFRS 15 Revenue from Contracts with Customers will be deferred to annual periods beginning on or after 1 January 2018. As a result, the effective date for Transitioning Entities to apply the MFRS will also be deferred to annual periods beginning on or after 1 January 2018.

2. Seasonal or Cyclical Factors

The business operations of the Group during the 9 months ended 31 July 2015 under review have not been materially affected by any seasonal or cyclical factors.

3. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items for the 9 months ended 31 July 2015.

4. Changes in Estimates

There were no material changes in estimates for the 9 months ended 31 July 2015.

5. Debts and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the 9 months ended 31 July 2015 except for the following:

- (a) Subdivision of existing 253,317,000 ordinary shares of RM1.00 each into 506,634,000 ordinary shares of RM0.50 each (“Subdivided Shares”), as announced on 22 January 2015. The Subdivided Shares were listed on Main Market of Bursa Malaysia on 23 January 2015;
- (b) Issuance of 806,846,852 new ordinary shares of RM0.50 each pursuant to the Share Subscription Eco World Development Holdings Sdn Bhd and Sinarmas Harta Sdn Bhd at an issue price of RM1.70 per ordinary share on 6 February 2015. The total cash consideration arising from the Share Subscription amounted to RM1,371,639,648;

5. Debts and Equity Securities (continued)

- (c) Issuance of 656,740,426 new ordinary shares of RM0.50 each pursuant to the Renounceable Rights Issue (“Rights Issue Shares”) at an issue price of RM1.20 per ordinary share together with 525,392,340 free detachable warrants (“Warrants”) (“the Rights Issue Shares with Warrants”). The total cash proceeds arising from the Rights Issue Shares amounted to RM788,088,511. The Rights Issue Shares and Warrants were listed on Main Market of Bursa Malaysia on 31 March 2015; and
- (d) Issuance of 394,044,000 new ordinary shares of RM0.50 each pursuant to the Placement at an issue price of RM1.62 per ordinary share. The total cash proceeds arising from the Placement amounted to RM638,351,280. The Placement Shares were listed on Main Market of Bursa Malaysia on 19 May 2015.

6. Dividends Paid

There were no payment of dividend during the 9 months ended 31 July 2015.

7. Segmental Reporting

No segmental reporting is presented as the Group is primarily engaged in the business of property development in Malaysia.

8. Events after the End of the Interim Financial Period

There were no significant events after 31 July 2015 till 10 September 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report) except as disclosed below in Note 6(a) (iii) on page 10.

9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the 9 months ended 31 July 2015 except as follows:

- (i) Acquisition of 2 ordinary shares of RM1.00 each in Matlamat Bakat Sdn Bhd and Meridian Insight Sdn Bhd respectively on 4 November 2014, resulting in these two companies becoming wholly-owned subsidiaries of the Company;
- (ii) Acquisition of 2 ordinary shares of RM1.00 each in Jasa Hektar Sdn Bhd, Melia Spring Sdn Bhd and Paragon Pinnacle Sdn Bhd respectively on 22 January 2015, resulting in these three companies becoming wholly-owned subsidiaries of the Company;
- (iii) Subscription of 12 ordinary shares of RM1.00 each in BBCC Development Sdn Bhd (“**BBCC**”) on 28 January 2015, resulting in BBCC becoming a 40% joint venture of the Company;
- (iv) Acquisition of Eco Macalister Development Sdn Bhd (“**EMDSB**”), on 6 February 2015 for a cash consideration of RM2.00, resulting in EMDSB becoming a wholly-owned subsidiary of the Company;
- (v) Acquisition of Eco World Project Management Sdn Bhd (“**EWPMBSB**”), on 6 February 2015 for a cash consideration of RM2.00, resulting in EWPMBSB becoming a wholly-owned subsidiary of the Company; and
- (vi) Acquisition of 18 ordinary shares of RM1.00 each in Natural Esplanade Sdn Bhd (“**NESB**”) on 27 March 2015, resulting in NESB becoming a wholly-owned subsidiary of the Company.

10. Contingent Liabilities

There were no contingent liabilities that has arisen since the date of the latest audited balance sheet.

11. Capital Commitments

	As at 31/07/2015 RM'000
(i) Approved and contracted for:-	
Commitment to invest in BBCC Development Sdn Bhd ("BBCC Development") – see note 6 (iii), page 10	422,422 *
Commitment to purchase development land	202,798
Commitment to acquire plant and equipment	14,008
	<u>639,228</u>
* Contractual commitment for share subscription in BBCC Development	2,000
Contractual commitment to provide initial advances to BBCC Development	15,000
	<u>17,000</u>
Group's share of BBCC Development's commitment to acquire development rights	405,422
	<u>422,422</u>
(ii) On 21 April 2015, the Company accepted a Letter of Award from the Penang Development Corporation ("PDC") for the proposed development of 449.64 acres of land situated at Bandar Cassia, Batu Kawan, Seberang Perai Selatan, Penang for a total consideration of RM796.3 million of which an initial deposit of RM159.3 million has been paid.	

12. Significant Related Party Transactions

	01/11/2014 to 31/07/2015 RM'000
(i) Related party transactions forming part of the corporate proposals announced on 25 April 2014 which was completed during the period	
- Acquisition of development rights	1,789,424*
- Acquisition of Eco Macalister Development Sdn Bhd	**
- Acquisition of EWPMMSB	**
- Total reimbursable sum payable	222,816
- Purchase of plant and equipment	10,493
- Interest paid	1,447
(ii) Other related party transactions	
- Sales of development properties to companies in which certain directors of the Company have interest	30,749
- Sales of development properties to directors of the Company	6,232
- Sales of development properties to immediate family members of directors of the Company	8,057
- Sales of development property to director of a subsidiary company	1,468
- Rental paid to a company in which a director has interest	210
* After deducting the Group's obligation to repay existing land loans and unpaid land costs totalling RM1,907.6 million.	
** Represents RM2.00	

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Review of Group Performance

The Group's revenue and gross profit continued to grow at a steady rate since its acquisition of the development rights to 8 projects pursuant to the corporate exercise announced on 25 April 2014 became unconditional on 8 January 2015. This has enabled the Group to record revenue of RM1,030.1 million and gross profit of RM243.2 million with gross margins averaging 24% for the current period-to-date.

Ongoing projects which contributed to the revenue and gross profit achieved include *Eco Majestic*, *Eco Sky* and *Saujana Glenmarie* in the Klang Valley and *Eco Botanic*, *Eco Spring*, *Eco Summer* and *Eco Business Park I* and *Eco Tropics* in Iskandar Malaysia.

The Group recorded Profit before tax ("PBT") of RM39.0 million in the current period-to-date. PBT grew at a slower rate largely due to the selling, marketing and administrative expenses incurred in relation to the 4 project mega-launch on 13 June 2015 and the establishment of new sales galleries in the Klang Valley (*Eco Sanctuary*), Penang (*Eco Terraces*), Iskandar Malaysia (*Eco Tropics & Eco Business Park III*) and Singapore. Details of the sales achieved and the Group's prospects following the mega-launch are discussed below.

2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

There were no material changes for the Group's revenue and PBT in the current quarter compared to the preceding quarter.

3. Prospects for the Current Financial Year

The Board is pleased to announce that the Group achieved RM1,018 million sales in the third quarter of FY2015. RM673 million came from projects in the Klang Valley and RM311 million was contributed by projects in Iskandar Malaysia.

As at 31 August 2015, year-to-date Group sales amounted to RM2,372 million, with RM1,357 million contributed by projects in the Klang Valley and RM964 million coming from Iskandar Malaysia. Sales grew by RM1,185 million in the 3-month period of June-August 2015 following intensive Group branding campaigns which have succeeded in pushing the EcoWorld brand to the forefront of consumer awareness coupled with focused and targeted marketing activities undertaken at individual project levels.

In the Klang Valley, *Eco Sanctuary*, the Group's first luxury township featuring landed terraced villas, semi-dees and bungalows, succeeded in achieving RM581 million sales following its launch on 13 June 2015. The strong reception from the upgrader market in this matured corridor is testament to the project's well-thought through development concepts and attention to detail in the design of each precinct and individual home which seeks to offer residents the very best in modern eco-living.

Eco Majestic's new release of terrace homes were also well taken up and the launch of its 2-storey shop-offices in the 2nd quarter has achieved 100% sales conversion. This bodes well for the future commercial vibrancy of the Group's flagship in Semenyih which received a boost with the opening of Exit 2102 of the LEKAS Highway in August 2015, located less than 5 minutes away from the Red Carpet Bridge entrance on its northern boundary. The township's connectivity is set to improve further when the Eco Majestic Interchange, which offers direct access to the LEKAS Highway via its south-western flank, is completed at the end of 2016.

3. Prospects for the Current Financial Year (continued)

Down south in Iskandar Malaysia the Group recorded RM400 million sales in the months of June – August 2015. RM245 million was contributed by the concurrent launch of *EcoTropics* and *Eco Business Park III* in the Pasir Gudang corridor on 13 June 2015. The Group's existing projects of *EcoBotanic*, *EcoSpring*, *EcoSummer* and *Eco Business Park I* in the Nusajaya and Tebrau corridors brought in combined sales of RM155 million over the last 3 months. This strong result amidst current soft market conditions validates the Group's decision from the very outset to focus on townships and green business parks which remain the most resilient segments of the property market. It also demonstrates continued buyer confidence in the Group's products particularly with Malaysians working in Singapore, homeowners looking to buy landed residential properties and SMEs / MNCs seeking to relocate or expand their operations in Iskandar Malaysia.

Eco Terraces, the Group's maiden project in Penang was also well received following its mid-June 2015 launch. The unique concept with only 333 exclusive low-density apartments nestled within beautifully landscaped parks and waterways with a naturally occurring waterfall offers an exciting new lifestyle proposition for Penangites. Management is confident that response will continue to improve as construction progresses and the project's inherent appeal becomes more apparent to the discerning homeowner.

The remaining months of FY2015 will be challenging. Nevertheless, the Board is confident of achieving its sales target of RM3 billion for the current financial year as there will still be demand for good quality products in the right location. To achieve this, the Group will continue to invest in innovative campaigns to further raise EcoWorld's brand profile and actively promote its 10 ongoing projects. Plans are also being finalized for the launch of several other upcoming projects which includes *EcoMeadows* on the Penang mainland and *BBCC* at the heart of Bukit Bintang in Kuala Lumpur to establish a solid foundation for future growth.

4. Variance of Actual Profit from Forecast Profit

There were no profit forecast published as at 31 July 2015.

5. Income Tax

Income Tax comprises:-

	3 MONTHS ENDED 31/07/2015 RM'000	9 MONTHS ENDED 31/07/2015 RM'000
Current tax		
- for current quarter/cumulative quarters	16,667	35,408
- in respect of prior years	3,285	3,293
Deferred tax		
- for current quarter/cumulative quarters	(11,292)	(21,464)
- in respect of prior years	(2,320)	(2,360)
	<u>6,340</u>	<u>14,877</u>

The Group's effective tax rate for the current quarter and financial period-to-date is higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

6. Status of Corporate Proposals

(a) The following are the corporate proposals that have been announced by the Company which had been completed since the preceding quarter report and those which are not completed as at 10 September 2015, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report:-

- (i) On 19 May 2015, the Company announced the completion of the Placement following the listing of 394,044,000 Placement Shares on the Main Market of Bursa Securities. Gross proceeds raised under the Placement amounted to RM638,351,280.
- (ii) On 2 July 2014, Majestic Blossom Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (“SPA”) with Univas (Far East) Sdn Bhd, for the proposed acquisition of freehold land measuring approximately 492.66 acres in Mukim Beranang, Daerah Ulu Langat, Negeri Selangor for a purchase consideration of RM225,331,550 (“Proposed Semenyih Land Acquisition”).

The completion of the Proposed Semenyih Land Acquisition is subject to, among others, the fulfillment of conditions precedent and the performance by the parties of their respective obligations including the removal of caveat and/or the disposal of litigation (as the case maybe) as set out in the SPA.

In the event the removal of caveat and/or the disposal of litigation are not achieved on or before the unconditional date, the completion of the Proposed Semenyih Land Acquisition may be extended in the manner set out in the SPA.

The Proposed Semenyih Land Acquisition was approved by shareholders at the EGM held on 12 December 2014 and as announced on 31 March 2015, the period for fulfillment of the conditions precedent in the SPA has been extended to 2 April 2016.

- (iii) On 4 February 2015, the Company entered into a subscription and shareholders’ agreement (“Shareholders’ Agreement”) with UDA Holdings Berhad (“UDA”), the Employees Provident Fund Board (“EPF”) and BBCC Development, whereby the Company, UDA and EPF agree to invest and fund BBCC Development as the vehicle to undertake a joint development of a piece of land into a mixed residential and commercial development comprising, amongst others, a retail mall, an entertainment block, strata offices, office towers, a hotel and serviced residences, to be known as “Bukit Bintang City Centre”.

The proposed joint venture between the company, UDA and EPF was approved by shareholders at the EGM held on 19 August 2015; and

- (iv) On 21 April 2015, the Company accepted the letter of award from the Penang Development Corporation for the proposed development of 449.64 acres of land situated at Bandar Cassia, Batu Kawan, Seberang Perai Selatan, Penang (“Proposed Eco Marina Development”).

The Proposed Eco Marina Development comprises the following:

- the purchase of 299.64 acres of 99-year leasehold land (“Development Parcel”) for an estimated purchase consideration of RM730.93 million, and
- the lease of approximately 150 acres of land (“Lease Parcel”) for a 30-year period with an option for renewal for a further 30-year period for the development of an international standard golf course with a minimum of 18 holes and a club house (“Golf Course Development”) for an estimated lease consideration of RM65.34 million.

The Company has sought an extension of time of up till 31 October 2015 to issue its circular to its shareholders in relation to the Proposed Eco Marina Development, which has been approved by Bursa Malaysia Securities Berhad.

6. Status of Corporate Proposals (continued)

(b) Utilisation of proceeds raised from corporate proposals as at 31 July 2015 are as follows:

- (i) Proceeds totaling RM1,371.6 million were raised under the Share Subscription exercise which was completed on 6 February 2015. The proceeds were fully utilised as part payment of the purchase consideration of the Development Rights Acquisition;
- (ii) Proceeds totaling RM788.0 million were raised under the Rights Issue Shares with Warrants exercise which was completed on 31 March 2015. The status of the utilisation of these proceeds is as set out below:-

Purpose	Revised proposed utilisation RM'mil	Actual utilisation RM'mil	Balance unutilised RM'mil	Intended timeframe for utilisation from completion date
Repayment of bank borrowings to part finance the Development Rights Acquisition	188.8	188.8	-	Fully utilised within 3 months
To part finance the Development Rights Acquisition	317.8	317.8	-	Fully utilised within 3 months
Repayment of short-term borrowings drawn down to finance the EMDSB Repayment Amount and EWPMBSB Repayment Amount	182.1	182.1	-	Fully utilised within 3 months
To part finance the proposed Eco Marina Development *	92.8	92.8	-	Fully utilised within 3 months
Estimated expenses for the Proposals	6.5	6.5	-	Fully utilised within 3 months
Total	788.0	788.0	-	

* The RM92.8 million was initially proposed to part finance the Total Reimbursable Sum pursuant to the Development Rights Acquisition. On 21 April 2015, the Company announced the revised proposed utilisation as above

6. Status of Corporate Proposals (continued)

(b) Utilisation of proceeds raised from corporate proposals as at 31 July 2015 are as follows: (continued)

(iii) Proceeds totaling RM638.3 million were raised under the Placement exercise which was completed on 19 May 2015. The status of the utilisation of these proceeds is as set out below:-

Purpose	Proposed utilisation RM'mil	Actual utilisation RM'mil	Reallocation RM'mil	Balance unutilised RM'mil	Intended timeframe for utilisation from completion date
To part finance or repayment of any short-term bank borrowings to be drawn down to part finance the Total Reimbursable Sum	250.0	(223.5)	(26.5)	-	Fully utilised within 3 months
Future land acquisitions and investments and/or general working capital	381.6	(119.6)	26.5	288.5	Within 12 months
Estimated expenses for the Placement	6.7	(6.7)	-	-	Fully utilised within 3 months
Total	<u>638.3</u>	<u>(349.8)</u>	<u>-</u>	<u>288.5</u>	

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 July 2015 were as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
Short Term Bank Borrowings	104,818	260,000	364,818
Long Term Bank Borrowings	1,186,434	-	1,186,434
	<u>1,291,252</u>	<u>260,000</u>	<u>1,551,252</u>

There were no bank borrowings denominated in foreign currencies as at the reporting date.

8. Material Litigation

The Group was not engaged in any material litigation as at 10 September 2015 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report).

9. Dividends Declared

No interim dividend has been declared or paid in respect of the 9 months ended 31 July 2015.

10. Earnings Per Share Attributable To Owners of The Company

Earnings per share has been calculated by dividing the Group's profit for the current quarter and financial period to-date attributable to owners of the Company by the number of shares in issue as follows:-

	3 MONTHS 31/07/2015 '000	9 MONTHS 31/07/2015 '000
Profit for the period attributable to equity holders of the Company (RM)	<u>9,393</u>	<u>24,259</u>
Number of ordinary shares at beginning of the period *	1,970,221	506,634
Effect of shares issued pursuant to:		
- Share subscription	-	520,165
- Rights issue	-	295,894
- Placement	<u>316,948</u>	<u>106,810</u>
Weighted average number of ordinary shares	<u>2,287,169</u>	<u>1,429,503</u>
Basic Earnings Per Share (sen)	<u>0.41</u>	<u>1.70</u>

* *Adjusted to take into account the effects of subdivision of 1 ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each pursuant to the share split exercise which was completed on 23 January 2015.*

The diluted earnings per share has been calculated by dividing the Group's profit for the current quarter and financial period to-date attributable to equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the Warrants, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	3 MONTHS 31/07/2015 '000	9 MONTHS 31/07/2015 '000
Profit for the period attributable to equity holders of the Company (RM)	<u>9,393</u>	<u>24,259</u>
Weighted average number of ordinary shares as per basic Earnings Per Share	2,287,169	1,429,503
Effect of potential exercise of Warrants	-*	-*
Weighted average number of ordinary shares	<u>N/A</u>	<u>N/A</u>
Diluted Earnings Per Share (sen)	<u>-*</u>	<u>-*</u>

* *Anti-dilutive*

11. Realised and Unrealised Profits

The breakdown of the Group's retained profits as at 31 July 2015 into realised and unrealised profits pursuant to Bursa Malaysia's directive, is as follows:-

	31/07/2015	31/10/2014
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	112,084	61,345
- Unrealised	14,057	2,876
	<u>126,141</u>	<u>64,221</u>
Total share of retained profits from a joint venture:		
- Realised	(1)	-
- Unrealised	-	-
	<u>(1)</u>	<u>-</u>
Consolidation adjustments	(29,449)	8,310
Total Group retained profits as per consolidated accounts	<u>96,691</u>	<u>72,531</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in Bursa Malaysia's directive and should not be applied for any other purposes.

12. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the 13-month period ended 31 October 2014 were unqualified.

13. Notes to the Statement of Comprehensive Income

Comprehensive Income has been arrived at after crediting/(charging):-

	3 MONTHS ENDED 31/07/2015 RM'000	9 MONTHS ENDED 31/07/2015 RM'000
Interest income	4,560	9,639
Other income including investment income	1,306	5,638
Interest expense	(4,902)	(18,184)
Depreciation and amortisation	(4,138)	(8,819)
Provision for write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A
Impairment of assets	N/A	N/A
Foreign exchange gain or loss	(88)	(151)
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

By order of the Board

Chua Siew Chuan
Company Secretary