

**EASTLAND EQUITY BHD ("EASTLND")  
INTERIM REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013**

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**

|   | As at<br>31-Dec-2013<br>RM<br><u>Unaudited</u> | As at<br>31-Dec-2012<br>RM<br><u>Audited</u> |
|---|--|--|
| <b>ASSETS</b>   |  |  |
| <b>Non-Current Assets</b>                                   |  |  |
| Property, plant and equipment                               | 136,083,840                                    | 15,520,603                                   |
| Investment properties                                       | 83,607,000                                     | 83,607,000                                   |
| Prepaid land lease payments                                 | 7,004,174                                      | 7,100,020                                    |
| Other investments   | 435,105  | 474,937                                      |
| Land held for development                                   | 2,000,000                                      | 2,000,000                                    |
| <b>Total Non-Current Assets</b>                             | <u>229,130,119</u>                             | <u>108,702,560</u>                           |
| <b>Current Assets</b>                                       |  |  |
| Property development expenditure                            | 42,725,085                                     | 23,574,124                                   |
| Inventories   | 5,690,575                                      | 5,484,163                                    |
| Lease and hire-purchase receivables                         | 3,637,142                                      | 11,769,642                                   |
| Trade and other receivables                                 | 21,406,843                                     | 22,719,764                                   |
| Tax recoverable   | 1,133,483                                      | 984,370                                      |
| Deposits placed with licensed banks                         | 889,561  | 3,096,815                                    |
| Cash and bank balances                                      | 3,850,910                                      | 3,612,751                                    |
| <b>Total Current Assets</b>                                 | <u>79,333,599</u>                              | <u>71,241,629</u>                            |
| Non-current assets held for sale                            | 850,000  | 121,325,206                                  |
|   | <u>80,183,599</u>                              | <u>192,566,835</u>                           |
| <b>TOTAL ASSETS</b>   | <u>309,313,718</u>                             | <u>301,269,395</u>                           |
| <b>EQUITY AND LIABILITIES</b>                               |  |  |
| <b>Equity attributable to equity holders of the Company</b> |  |  |
| Share capital   | 122,833,988                                    | 111,667,288                                  |
| Share premium   | 335,001  | -  |
| Reserves  | 57,458,707                                     | 51,899,806                                   |
| <b>Total Equity</b>   | <u>180,627,696</u>                             | <u>163,567,094</u>                           |
| <b>Non-Current Liabilities</b>                              |  |  |
| Hire-purchase payables                                      | 53,730   | 143,365                                      |
| Term loans  | 2,087,960                                      | 4,404,942                                    |
| Deferred tax liabilities                                    | 14,311,067                                     | 13,791,333                                   |
| <b>Total Non-Current Liabilities</b>                        | <u>16,452,757</u>                              | <u>18,339,640</u>                            |
| <b>Current Liabilities</b>                                  |  |  |
| Trade and other payables                                    | 107,139,625                                    | 81,921,942                                   |
| Provisions for liabilities                                  | 220,438  | 29,673,942                                   |
| Hire-purchase payables                                      | 89,635   | 160,666                                      |
| Term loan instruments                                       | 1,784,200                                      | 3,137,247                                    |
| Term loans  | 2,999,367                                      | 3,948,988                                    |
| Tax payable   | -  | 519,876                                      |
| <b>Total Current Liabilities</b>                            | <u>112,233,265</u>                             | <u>119,362,661</u>                           |
|   | <u>112,233,265</u>                             | <u>119,362,661</u>                           |
| <b>Total Liabilities</b>                                    | <u>128,686,022</u>                             | <u>137,702,301</u>                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                         | <u>309,313,718</u>                             | <u>301,269,395</u>                           |
| <b>Net asset per share (sen)</b>                            | 74   | 73   |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

EASTLAND EQUITY BHD ("EASTLND")  
INTERIM REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

|   | 3 months ended<br>31-Dec-2013<br>RM | 3 months ended<br>31-Dec-2012<br>RM | Year-to-date<br>31-Dec-2013<br>RM | Year-to-date<br>31-Dec-2012<br>RM |
|---|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| <b><u>Continuing Operations</u></b>   |                                     |                                     |                                   |                                   |
| Revenue   | 8,581,807                           | 6,234,476                           | 39,459,536                        | 36,091,457                        |
| Expenses excluding finance cost   | (10,478,721)                        | (6,885,809)                         | (36,720,231)                      | (32,075,382)                      |
| Other operating income  | <u>3,597</u>                        | <u>20,577</u>                       | <u>4,568,940</u>                  | <u>111,983</u>                    |
| Profit from operations  | (1,893,317)                         | (630,756)                           | 7,308,245                         | 4,128,058                         |
| Finance cost  | (152,775)                           | (55,688)                            | (643,228)                         | (437,245)                         |
| Share of results of associate   | <u>-</u>                            | <u>(45,881)</u>                     | <u>-</u>                          | <u>(228,300)</u>                  |
| <b>Profit before taxation</b>   | <b>(2,046,092)</b>                  | <b>(732,325)</b>                    | <b>6,665,017</b>                  | <b>3,462,513</b>                  |
| Income tax expense  | <u>715,422</u>                      | <u>(28,459)</u>                     | <u>(1,591,078)</u>                | <u>(2,155,661)</u>                |
| <b>Net profit for the period</b>  | <b>(1,330,670)</b>                  | <b>(760,784)</b>                    | <b>5,073,939</b>                  | <b>1,306,852</b>                  |
| <b>Other comprehensive income, net of tax</b>                                   | <b><u>(20,508)</u></b>              | <b><u>(7,453)</u></b>               | <b><u>(39,832)</u></b>            | <b><u>(19,196)</u></b>            |
| <b>Total comprehensive income for the period</b>                                | <b><u>(1,351,178)</u></b>           | <b><u>(768,237)</u></b>             | <b><u>5,034,107</u></b>           | <b><u>1,287,656</u></b>           |
| Earnings per ordinary share attributable to equity holders of the Company (sen) |                                     |                                     |                                   |                                   |
| Basic, for profit for the period  | <u>(0.54)</u>                       | <u>(0.34)</u>                       | <u>2.07</u>                       | <u>0.59</u>                       |
| Diluted   | <u>-</u>                            | <u>-</u>                            | <u>-</u>                          | <u>-</u>                          |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

EASTLAND EQUITY BHD ("EASTLND")  
 INTERIM REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

|  | <u>Non-distributable</u> |                        |                             |                          | <u>Distributable</u>   |   | Total<br>RM |
|--|--------------------------|------------------------|-----------------------------|--------------------------|------------------------|---|-------------|
|  | Share<br>Capital<br>RM   | Share<br>Premium<br>RM | Fair Value<br>Reserve<br>RM | Capital<br>Reserve<br>RM | Revaluation<br>Reserve | Retained Profits/<br>(Accumulated Losses)<br>RM |             |
| At 1 January 2012                            | 111,667,288              | -                      | 36,332                      | 110,238,037              | -                      | (59,662,219)                                    | 162,279,438 |
| Total comprehensive income                   | -                        | -                      | (19,196)                    | -                        | -                      | 1,306,852                                       | 1,287,656   |
| At 31 December 2012                          | 111,667,288              | -                      | 17,136                      | 110,238,037              | -                      | (58,355,367)                                    | 163,567,094 |
| Total comprehensive income                   | -                        | -                      | (39,832)                    | -                        | -                      | 5,073,939                                       | 5,034,107   |
| Revaluation on Property, Plant and Equipment | -                        | -                      | -                           | -                        | 524,794                | -   | 524,794     |
| Issue of ordinary shares                     | 11,166,700               | 335,001                | -                           | -                        | -                      | -   | 11,501,701  |
| At 31 December 2013                          | 122,833,988              | 335,001                | (22,696)                    | 110,238,037              | 524,794                | (53,281,428)                                    | 180,627,696 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**EASTLAND EQUITY BHD ("EASTLND")**  
**INTERIM REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|   | 12 months ended<br>31-December-2013<br>RM | 12 months ended<br>31-December-2012<br>RM |
|---|---|---|
| <b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>                     |   |   |
| Profit before income tax expense for the period                           | 6,665,017                                 | 3,462,513                                 |
| Adjustments for:  |   |   |
| Share of results of associate   | -   | 228,300                                   |
| Interest income   | (59,309)                                  | (103,916)                                 |
| Interest expense  | 643,228                                   | 437,245                                   |
| Allowance for doubtful debts no longer required                           | (671,388)                                 | -   |
| Allowance for doubtful debts  | 24,877                                    | 1,564,858                                 |
| Depreciation of property, plant and equipment                             | 493,951                                   | 619,021                                   |
| Amortisation of prepaid lease payments                                    | 95,844                                    | 95,844                                    |
| Operating Profit/(Loss) Before Working Capital Changes                    | 7,192,220                                 | 6,303,865                                 |
| (Increase)/Decrease in:   |   |   |
| Property development expenditure  | (19,150,961)                              | 1,532,548                                 |
| Inventories   | (206,412)                                 | 4,614                                     |
| Lease and hire-purchase receivables                                       | 8,803,888                                 | (245,393)                                 |
| Trade and other receivables   | 1,288,047                                 | (8,172,659)                               |
| Increase/(Decrease) in:   |   |   |
| Trade and other payables  | 25,217,681                                | 545,442                                   |
| Provision for liabilities   | (29,453,504)                              | (713,620)                                 |
| Income tax (paid)/refunded, net   | (6,309,041)                               | (745,203)                                 |
|   | (1,740,333)                               | (1,281,379)                               |
| Net Operating Cash Flow   | (8,049,374)                               | (2,026,582)                               |
| <b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>                     |   |   |
| Additions to property, plant and equipment                                | (57,187)                                  | (96,332)                                  |
| Interest received   | 59,309                                    | 103,916                                   |
| Deposit held as security value  | (27,166)                                  | (27,264)                                  |
| Net Investing Cash Flow   | (25,044)                                  | (19,680)                                  |
| <b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>                     |   |   |
| Proceeds from issuance of ordinary shares                                 | 11,501,701                                | -   |
| Drawdown/(Repayment) of term loans, net                                   | (3,266,603)                               | 4,395,944                                 |
| Interest paid   | (643,228)                                 | (437,245)                                 |
| Payment of hire-purchase payables   | (160,666)                                 | (227,687)                                 |
| Repayment of term loans   | -   | (2,797,961)                               |
| Repayment of term loans instruments                                       | (1,353,047)                               | (28,558)                                  |
| Net Financing Cash Flow   | 6,078,157                                 | 904,493                                   |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>               | (1,996,261)                               | (1,141,769)                               |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>                   | 5,847,171                                 | 6,988,940                                 |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                         | 3,850,910                                 | 5,847,171                                 |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISE THE FOLLOWING:</b> |   |   |
| Cash and bank balances  | 3,636,402                                 | 3,400,335                                 |
| Housing Development Account   | 214,508                                   | 212,416                                   |
| Deposits placed with licensed banks                                       | 889,561                                   | 3,096,815                                 |
|   | 4,740,471                                 | 6,709,566                                 |
| Less : Deposits pledged with licensed bank                                | (889,561)                                 | (862,395)                                 |
|   | 3,850,910                                 | 5,847,171                                 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

**EASTLAND EQUITY BHD (“EASTLND”)  
INTERIM REPORT FOR THE PERIOD ENDED 31 DECEMBER 2013**

**EXPLANATORY NOTES**

**A1 Basis of preparation**

This interim report is unaudited and has been prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012. 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 December 2012.

The significant accounting policies, methods of computation and basis of consolidation applied in the interim financial statements are consistent with those adopted in the Group’s audited financial statements for the financial year ended 31 December 2012.

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1st January 2012, the MASB had on 19th November 2011 issue a new MASB approved accounting standards, MFRSs (“MFRSs Framework”) for application in the annual periods beginning on or after 1st January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework to financial year beginning on 1 January 2015. The Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for the financial year ending 31 December 2015.

**A2 Audit qualifications**

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2012 was not subject to any qualification.

**A3 Seasonality or cyclicity of operation**

For the financial period under review, the operations of the Group are not subject to material seasonal or cyclical fluctuations except for the Hospitality segment.

**A4 Changes in the composition of the Group**

For the financial period under review, there were no material changes in the composition of the Group.

**A5 Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cashflows because of their nature, size or incidence during the financial period under review.

**A6 Changes in estimates**

There were no material changes in estimates in the current quarter results.

**A7 Debt and equity securities**

Except as disclosed below, there were no issuance and repayment of debts and equity securities for the financial period under review.

- (a) Issuance of 22,333,400 new ordinary shares of RM0.50 each pursuant to a fund raising exercise through the private placement of 22,333,400 new ordinary shares to independent third party investors at issue price of RM0.515 per share.

**A8 Dividends paid**

There was no dividend paid for the financial period under review.

**A9 Segmental reporting**

The Group's segmental report for the financial period to date is as follows:

|                              | Investment<br>properties<br>RM'000 | Leasing &<br>financing<br>RM'000 | Hospitality<br>RM'000 | Investment<br>holding<br>RM'000 | Property<br>development<br>RM'000 | Others<br>RM'000 | Total<br>RM'000 |
|------------------------------|------------------------------------|----------------------------------|-----------------------|---------------------------------|-----------------------------------|------------------|-----------------|
| <b>Revenue</b>               | 5,802                              | -                                | 23,627                | -                               | 10,031                            | -                | 39,460          |
| <b>Results</b>               |                                    |                                  |                       |                                 |                                   |                  |                 |
| Segment profit/(loss)        | 833                                | 557                              | 6,556                 | (2,782)                         | (1,505)                           | 3,590            | 7,249           |
| Interest income              | 27                                 | -                                | -                     | 21                              | 11                                | -                | 59              |
| Finance cost                 | (481)                              | -                                | -                     | (15)                            | (147)                             | -                | (643)           |
| Share of result of associate |                                    |                                  |                       |                                 |                                   |                  | -               |
| Profit before taxation       |                                    |                                  |                       |                                 |                                   |                  | 6,665           |
| Income tax expense           |                                    |                                  |                       |                                 |                                   |                  | (1,591)         |
| Profit for the period        |                                    |                                  |                       |                                 |                                   |                  | 5,074           |

**A10 Carrying amount of revalued assets**

The carrying value of land and building is based on the valuation incorporated in the annual financial statements for the year ended 31 December 2012 and valuation performed as of date of this report.

**A11 Subsequent material event**

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period.

**A12 Changes in contingent liabilities and contingent assets**

The Group's contingent liabilities as disclosed in the audited financial statements for the year ended 31 December 2012 no longer applies as of 31 December 2013 based on the directors' opinion formed on legal advice which drew reference from the relevant law and facts. The Group has no material contingent assets as of 31 December 2013.

**A13 Capital Commitments**

During the financial period under review, there were no material capital commitments that the Group had contracted for and approved.

**ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BHD'S LISTING REQUIREMENTS**

**B1 Review of performance**

The Group recorded revenue of RM8.58 million for the current quarter, compared to the revenue of RM6.23 million recorded in previous year's corresponding quarter.

In the Investment Properties segment, the Group recorded revenue of RM1 million compared to RM1.54 million in previous year's corresponding quarter. The drop in revenue was due to cancellation of sale of previous year of two condo units amounting to RM473,000 due to breach of contract by purchasers.

In the Leasing and Financing segment, as there were no active or new customers in the current quarter, no revenue recorded in the current quarter compared to RM150 in previous year's corresponding quarter.

In the Hospitality segment, there was reduction in the revenue of RM5.56 million of Renaissance Kota Bharu Hotel in the current quarter compared to previous year's corresponding quarter of RM6.56 million. The difference was attributed to a general reduction in revenue from rooms, restaurants, lounges, and banquets.

In the current quarter, the Group recorded a revenue of RM2.02 million for Property Development segment. Revenue for previous year's corresponding quarter was attributed to write back of RM 1.87 million. Increase in sales and construction work done in current quarter contributed to the increase in revenue.

**B2 Material changes in the profit before taxation**

The Group recorded loss before tax for the current quarter of RM2.05 million compared to previous quarter profit before tax of RM5.31 million. The loss was mainly due to the provision for an estimated RM1.8 million in Liquidated and Ascertained Damages ("LAD") related to the delay of the Bandar Tasek Raja Commercial Centre Project in Pasir Mas, Kelantan. The higher profit in previous quarter was mainly due to waiver of debt of RM3.65 million and write back of provision for doubtful debts of RM671,000.

**B3 Group prospects**

For the financial year 2014, the Group is expected to focus its attention on the current businesses in Investment Property segment, Hospitality segment and Project Development segment. The management will also explore for other business opportunity.

**B4 Variance of profit forecast and profit guarantee**

Not applicable.

**B5 Taxation**

|                      | 3 months ended<br>31-Dec-13<br>RM'000 | 3 months ended<br>31-Dec-12<br>RM'000 | Year-to-date<br>31-Dec-13<br>RM'000 | Year-to-date<br>31-Dec-12<br>RM'000 |
|----------------------|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| Tax (expense)/income |                                       |                                       |                                     |                                     |
| Income tax           |                                       |                                       |                                     |                                     |
| -current year        | (174)                                 | (330)                                 | (1,581)                             | (1,064)                             |
| -prior year          | 509                                   | 18                                    | 509                                 | (25)                                |
| Deferred tax         |                                       |                                       |                                     |                                     |
| -current year        | 393                                   | 368                                   | (507)                               | (982)                               |
| -prior year          | (12)                                  | (84)                                  | (12)                                | (84)                                |
|                      | <u>716</u>                            | <u>(28)</u>                           | <u>(1,591)</u>                      | <u>(2,155)</u>                      |

The effective income tax rate of the Group for the current quarter and financial year-to-date is lower than the statutory tax rate mainly due to utilisation of capital allowance.

**B6 Status of corporate proposal**

- (i) On 12 September 2013, the Company announced a proposed private placement of up to 22,333,400 new ordinary share of RM0.50 each in EEB, representing approximately 10% of the issued and paid up Share Capital, to independent third party investors.

The proposal was submitted to Bursa Malaysia Securities Berhad and obtained its approval on 24 September 2013. The private placement was completed on 11 October 2013 following the listing of and quotation for 22,333,400 placement shares on the Main Market of Bursa Malaysia Securities Berhad.

A total of RM 11,501,701 was raised. The fund was fully utilised as of 20 January 2014, the breakdown of the utilisation is as follow:

| Purpose   | <u>Proposed</u>    | <u>Actual</u>      | <u>Utilisation</u> | <u>Deviation</u> |          |
|---|--------------------|--------------------|--------------------|------------------|----------|
|   | <u>Utilisation</u> | <u>Utilisation</u> | <u>Timeframe</u>   | <u>Amount</u>    | <u>%</u> |
|   | RM'000             | RM'000             |                    | RM'000           |          |
| Payment to contractor                               | 9,867              | 10,306             | within 12 months   | 439              | 4.45     |
| Working capital                                     | 1,000              | 1,000              | within 6 months    | -                | -        |
| Expenses relating to the Proposed Private Placement | 300                | 196                | within 1 month     | (104)            | (34.67)  |
|   | <u>11,167</u>      | <u>11,502</u>      |                    | <u>335</u>       |          |

Note:

The actual fund raised is RM11,501,701 which is in excess of RM334,701 compared to indicated sum. The excess was used for payment to contractor.

There are also excess of fund allocated for expenses relating to the private placement exercise amounting to RM104,437. The excess fund has been used for payment to contractor.

- (ii) On 20 September 2013, 24 September 2013 and 25 September 2013, the Company made an announcement on the Debt Restructuring Agreement entered into between Eastern Biscuit Factory Sdn Bhd, Fazwin Construction Sdn Bhd, FBO Land (Setapak) Sdn Bhd and Explicit Vantage Sdn Bhd. The debt restructuring exercise is pending approval from the Ruler-in-Council for the land transfer and release of charge from the Bank for the condominium units.



## B7 Group borrowings and debts securities

The Group borrowings, all denominated in Ringgit Malaysia, as at 31 December 2013 are as follows: -

|                        | Secured<br>RM'000 | Total<br>RM'000 |
|------------------------|-------------------|-----------------|
| <b>Current:</b>        |                   |                 |
| Term loans             | 4,784             | 4,784           |
| Hire-purchase payables | 89                | 89              |
|                        | <u>4,873</u>      | <u>4,873</u>    |
| <b>Non-current:</b>    |                   |                 |
| Term loans             | 2,088             | 2,088           |
| Hire-purchase payables | 54                | 54              |
|                        | <u>2,142</u>      | <u>2,142</u>    |
| <b>Total</b>           | <u>7,015</u>      | <u>7,015</u>    |

## B8 Changes in material litigation

There were no material litigations for the financial period under review other than the following:

- (i) Eastern Biscuit Factory Sdn Bhd (“EBF”), a wholly owned subsidiary of the Company had on 6 September 2011 been served with a Writ of Summon and Statement of Claim (Dalam Mahkamah Tinggi Malaya di Kota Bharu Guaman No.: 22-133-07/2011) in regard to a suit commenced by Maimun Binti Mohd Hussain (“Plaintiff”) against EBF, Mohd Nazwady Bin Mat Nasir and Abdull Ghani Bin Yusof (“Defendants”).

The Plaintiff alleged that she had on 11 January 2011 used the valet parking services at Hotel Renaissance Kota Bharu (“the Hotel”) which operate at the premise of EBF. The Plaintiff handed her motor vehicle model BMW X6 3.0(A) with the registration number PCT 15 (“said Vehicle”) to the staff/authorised agent of the Hotel. The said Vehicle was alleged to be stolen on the same day while under the care of the Hotel.

The Plaintiff’s claims against the Defendants as follows (“Statement of Claims”):

- Compensation on price of motor vehicle BMW X6 3.0(A) – RM625,000;
- Compensation on loss of used of vehicle BMW X6 3.0(A) for RM1,500 daily until settlement on (a) as above;
- Compensation on lost of used vehicle registration plat no. PCT 15 – RM200,000;
- Compensation on emotional – RM2,000,000;
- Compensation on Moral – RM1,000,000;
- 8% interest per annum on compensations approved until full settlement;
- Cost; and
- Any other approved by court.

The Company does not anticipate any financial and operational impact from the Writ of Summon and Statement of Claims on the Group or expect any losses arising from the Writ of Summon and Statement of Claims.

The claims by the Plaintiff is insured under International Liability Insurance Program for Marriott International, Inc. and the insurance coverage is sufficient for the claims should the judgment be in favour of the Plaintiff.

The matter has been fixed for case management on 1 April 2012 and 8 May 2012. The Case Management on 8 May 2012 was for the Plaintiff to make amendments to their Statement of Claims. The amendments were:-

- To correct the typographical error of the name “Renaissance”; and
- To revise upwards the claim sum for loss of use of the vehicle.

The Plaintiff and Defendants have reached an out of Court settlement for amount of RM840,000 as costs for damages and RM85,000 as legal costs. The Court has recorded the settlement on 8 December 2013 and the monies have been paid out to the Plaintiff by the Insurer.

- (ii) FBO Land (Setapak) Sdn Bhd (“Plaintiff”), a wholly owned subsidiary of the Company had filed a suit against two previous Directors & 13 others for the return of 9 units of shoplots belonging to the Plaintiff on 3 March 2006.

The defendants were 1<sup>st</sup> Tow Kong Liang, 2<sup>nd</sup> Aubrey George Menezes, 3<sup>rd</sup> Chow Lye Khoon, 4<sup>th</sup> Tow Lye Good, 5<sup>th</sup> Chow Kong Han, 6<sup>th</sup> Arulananda K. Manickam, 7<sup>th</sup> Pristine Park Sdn. Bhd. 8<sup>th</sup> Potowin Sdn. Bhd., 9<sup>th</sup> Sapphire Dynamics Sdn. Bhd., 10<sup>th</sup> Eminent Pacific Sdn. Bhd., 11<sup>th</sup> Bay Trading Sdn. Bhd., 12<sup>th</sup> Pendaftar Hakmilik Tanah Kuala Lumpur, 13<sup>th</sup> Malayan Banking Berhad, 14<sup>th</sup> Standard Chartered Bank Malaysia Berhad and 15<sup>th</sup> EON Bank Berhad.

The High Court conducted the trials on 18-20 January 2012, 29 February 2012, 5-6<sup>th</sup> March 2012 and 23<sup>rd</sup> March 2012.

On 30 April 2012, the High Court ruled in favour of the Plaintiff allowing their claim against the 1<sup>st</sup> to 10<sup>th</sup> Defendants with costs. However, the High Court at the same time dismissed the Plaintiff’s claim against the 11<sup>th</sup> Defendant with costs.

The Plaintiff had withdrawn the suits against the 13<sup>th</sup> to 15<sup>th</sup> Defendants upon the three defendants entering into a Consent Order before a Judge to deposit any surplus from the proceeds of auction on properties charged to them into their Solicitors’ firm account as stakeholder pending the disposal of the suit.

The 12<sup>th</sup> Defendant had through the Public Prosecutor’s office informed the High Court that they will abide to whatever Order issued by the Court in respect of the properties involved in the case.

The Plaintiff had on 28 May 2012 received notice of appeal by defendants 1<sup>st</sup> to 10<sup>th</sup>. The Court of Appeal has fixed on 4 March 2014 for the hearing of the appeal.

Defendants 1<sup>st</sup> to 10<sup>th</sup> had also on 25 February 2013 filed for Stay of Execution of the Court Judgment. Subsequently, the Plaintiff filed an objection to the Defendants application for the Stay of Execution and Assessment of Damages claims both on 11 November 2013. The Court has fixed on 21 February 2014 to hear the application for Stay of Execution by the defendants.

At the hearing on 21 February 2014, the High Court made an Order that neither the Plaintiff nor the Defendants are allowed to transfer the properties. As for the rentals being collection from the tenants of the properties, the Defendants are to deposit all rentals collected by them since April 2012 (the date of the High Court Judgment) to the Defendants solicitors to hold as stakeholder pending the Court of Appeal’s decision on the defendants’ appeal against the High Court’s ruling in favour of The Plaintiff. The Court of Appeal has fixed for hearing on 17 June 2014.

- (iii) FBO Land (Setapak) Sdn Bhd (“Defendant”), a wholly owned subsidiary of the Company had on 29 June 2011 received a sealed copy of Writ of Summon and Statement of Claim (Dalam Mahkamah Sesyen di Kuala Lumpur, Guaman No.:S-52-22153-2011) in regard to a suit commenced by Koh Tip Pee (“Plaintiff”).

The Plaintiff alleged that he had entered a Sale and Purchase Agreement (“SPA”) on 5 January 2001 with the Defendant to purchase a low cost flat at a price of RM25,000. A new SPA was subsequently entered by both parties on 5 December 2007. The Plaintiff claims that the new SPA does not comply with Jadual H Peraturan-Peraturan Kemajuan Perumahan (Kawalan dan Perlesenana) 1966 and also does not provide for period of delivery of vacant possession and defect liability period.

The Plaintiff claims from the Defendant

- (a) A declaration that the Sale and Purchase Agreement signed on has 5 December 2007 has to comply to Jadual H Peraturan-Peraturan Kemajuan Perumahan (Kawalan dan Perlesenan) 1966;
- (b) A declaration that the Defendant to pay to the Plaintiff specific claims of RM13,008.56;
- (c) A declaration that the Defendant to pay interest of 10% per annum on RM13,008.56 which amounts to RM1,318.68 from 13.12.2007 till 17.12.2008 until full settlement;
- (d) A declaration that the Defendant to pay compensation of RM11,850.00;

- (e) A declaration that the Defendant to pay interest on RM11,850.00 from 13.12.2007 till 17.12.2008 amounting to RM879.82 until full settlement;
- (f) A declaration that the Defendant to pay compensation of RM23,000; and
- (g) Any other relief costs deem fit by the Court.

The Board wishes to inform that the Company had never signed any SPA in 2001 as alleged by the Plaintiff. As for the SPA dated 5 December 2007, the Company had delivered vacant possession of the property to the Plaintiff in accordance of the SPA dated 5 December 2007. The Plaintiff had fully settled the purchase price and the property were delivered to the Plaintiff on 13 December 2007. Hence there was no breach of contract.

The Session Court has no jurisdiction to hear the case and hence struck out the Plaintiff's suit on 22 December 2011.

On 13 April 2012, the Plaintiff re-filed a fresh Summons and Statement of Claims at the Kuala Lumpur Sessions Court.

The Company had filed application to strike out the Plaintiff's claim on the ground that the subordinate Court does not have jurisdiction to grant any declaratory orders. However, the Court had struck off the application.

The Court had fixed for trial on 6 February 2013. The Court on 29 March 2013 dismissed the Plaintiff's claim with costs.

The Plaintiff has on 8 April 2013 filed an appeal. The Court has fixed for hearing on 21 February 2014, which was postponed to 25 March 2014.

- (iv) Rimaflex Sdn Bhd ("Plaintiff"), a wholly owned subsidiary of the Company had on 19 September 2013 filed at Kuala Lumpur High Court, the Writ of Summons and Statement of Claims against Chong Sze San, Len Yoong Chan and Lim Beng Koon ("Defendant"). Defendant 2 and 3 are guarantors for Defendant 1. The outstanding claims amounted to RM17,654,977.31 with 8% interest commencing from 17 September 2013 until date of full settlement due under MoneyLending Agreement signed by the Defendant with the Plaintiff on 19 January 2009 and 24 May 2010.

The defendants had on 15 November 2013 applied for Order 33 r.2 Rules of Court 2012 for the Court to determine the preliminary issues regarding the legality of the MoneyLending Agreement. This has been fixed for case management on 13 December 2013.

During the hearing held on 14 February 2014, the Court allowed Rimaflex Sdn. Bhd.'s application for Summary Judgment (Order 14) filed against the defendant(s) and at the same time the defendant(s) withdrew their application for Order 33 r.2 of Court 2012 filed against Rimaflex Sdn. Bhd..

## **B9 Dividend**

There was no dividend paid for the financial period under review.

**B10 Earnings per shares**

|   | 3 months ended<br>31-Dec-13<br>RM'000 | 3 months ended<br>31-Dec-12<br>RM'000 | Year-to-date<br>31-Dec-13<br>RM'000 | Year-to-date<br>31-Dec-12<br>RM'000 |
|---|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| Net profit/(loss) attributable to equity holders of the Company |                                       |                                       |                                     |                                     |
| - from continuing operation                                     | <u>(1,331)</u>                        | <u>(761)</u>                          | <u>5,074</u>                        | <u>1,307</u>                        |
|   | <u>(1,331)</u>                        | <u>(761)</u>                          | <u>5,074</u>                        | <u>1,307</u>                        |
| Number of ordinary share in issue ('000)                        | 245,668                               | 223,335                               | 245,668                             | 223,335                             |
| Earnings/(Loss) per share (sen)                                 |                                       |                                       |                                     |                                     |
| Basic, for profit/(loss) from                                   |                                       |                                       |                                     |                                     |
| - continuing operations   | <u>(0.54)</u>                         | <u>(0.34)</u>                         | <u>2.07</u>                         | <u>0.59</u>                         |
| Basic, for profit/(loss) for the period                         | <u>(0.54)</u>                         | <u>(0.34)</u>                         | <u>2.07</u>                         | <u>0.59</u>                         |
| Diluted   | <u>-</u>                              | <u>-</u>                              | <u>-</u>                            | <u>-</u>                            |

**B11 Disclosure of realised and unrealised profits/losses**

The breakdown of accumulated losses of the Group as at 31 December 2013, into realised and unrealised profits is as follows:

|  | 12 months ended<br>31-Dec-12<br>RM'000 | 12 months ended<br>31-Dec-13<br>RM'000 |
|--|--|--|
| Total retained profits/(accumulated losses) of the Group:            |  |  |
| - Realised   | 41,584                                 | 48,686                                 |
| - Unrealised   | <u>37,981</u>                          | <u>38,229</u>                          |
|  | <u>79,565</u>                          | <u>86,915</u>                          |
| Total share of retained profits/(accumulated losses) from associate: |  |  |
| - Realised   | (400)                                  | (400)                                  |
| - Unrealised   | <u>-</u>                               | <u>-</u>                               |
|  | <u>79,165</u>                          | <u>86,515</u>                          |
| Consolidation adjustments  | <u>(137,520)</u>                       | <u>(139,797)</u>                       |
| Total Group accumulated losses                                       | <u>(58,355)</u>                        | <u>(53,282)</u>                        |

**B12 Profit for the period**

| Current<br>Quarter<br>RM'000 | Year-to-date<br>RM'000 |
|------------------------------|------------------------|
|------------------------------|------------------------|

This is arrived at after (charging)/crediting:

|  |         |         |
|--|---------|---------|
| Interest income                            | 1       | 59      |
| Depreciation and amortization              | (153)   | (590)   |
| Provision for and write off of receivables | (22)    | (25)    |
| Provision for late penalty interest, LAD   | (1,783) | (1,783) |
| Foreign exchange loss                      | (11)    | (63)    |

Other disclosure items pursuant to Appendix 9B, Part A(16) of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.