

EASTLAND EQUITY BHD ("EASTLND")
 INTERIM REPORT FOR THE PERIOD ENDED 30 JUNE 2016

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

	As at 30-Jun-2016 RM Unaudited	As at 31-Dec-2015 RM Audited
ASSETS		
Non-Current Assets		
Property, plant and equipment	117,883,639	118,923,434
Investment properties	87,450,000	87,450,000
Prepaid land lease payments	2,066,120	2,071,712
Other investments	457,628	477,288
Land held for development	2,000,000	2,000,000
Lease and hire-purchase receivables	-	-
Total Non-Current Assets	<u>209,857,387</u>	<u>210,922,434</u>
Current Assets		
Property development expenditure	57,796,040	54,789,085
Inventories	5,049,645	4,670,820
Trade and other receivables	8,097,222	9,679,131
Tax recoverable	2,004,168	2,122,894
Deposits placed with licensed banks	2,229,655	1,918,428
Cash and bank balances	1,734,311	1,706,581
Total Current Assets	<u>76,911,041</u>	<u>74,886,939</u>
	<u>76,911,041</u>	<u>74,886,939</u>
TOTAL ASSETS	<u>286,768,428</u>	<u>285,809,373</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,833,988	122,833,988
Share premium	335,001	335,001
Reserves	68,943,027	72,926,814
Total Equity	<u>192,112,016</u>	<u>196,095,803</u>
Non-Current Liabilities		
Hire-purchase payables	359,318	105,813
Term loans	29,321,658	25,346,296
Deferred tax liabilities	12,801,756	12,695,417
Total Non-Current Liabilities	<u>42,482,732</u>	<u>38,147,526</u>
Current Liabilities		
Trade and other payables	17,160,740	19,222,536
Provisions for liabilities	5,890,218	5,454,139
Hire-purchase payables	95,634	31,086
Term loans	2,002,914	2,002,914
Bank overdraft	27,024,174	24,855,369
Total Current Liabilities	<u>52,173,680</u>	<u>51,566,044</u>
	<u>52,173,680</u>	<u>51,566,044</u>
Total Liabilities	<u>94,656,412</u>	<u>89,713,570</u>
TOTAL EQUITY AND LIABILITIES	<u>286,768,428</u>	<u>285,809,373</u>
Net asset per share (sen)	78	80

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

EASTLAND EQUITY BHD ("EASTLND")
 INTERIM REPORT FOR THE PERIOD ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended 30-June-2016 RM	3 months ended 30-June-2015 RM	Year-to-date 30-June-2016 RM	Year-to-date 30-June-2015 RM
<u>Continuing Operations</u>				
Revenue	6,035,476	9,301,107	11,412,150	17,105,297
Expenses excluding finance cost	(7,385,502)	(7,785,318)	(14,118,846)	(16,081,845)
Other operating income	<u>32,256</u>	<u>13,513</u>	<u>111,831</u>	<u>18,114</u>
Profit from operations	(1,317,770)	1,529,302	(2,594,865)	1,041,566
Other income	-	21,165	-	30,609,239
Finance cost	(493,635)	(10,516)	(987,689)	(27,742)
Profit before taxation	<u>(1,811,405)</u>	<u>1,539,951</u>	<u>(3,582,554)</u>	<u>31,623,063</u>
Income tax expense	<u>(301,233)</u>	<u>(300,000)</u>	<u>(401,233)</u>	<u>(600,000)</u>
Net profit for the period	<u>(2,112,638)</u>	<u>1,239,951</u>	<u>(3,983,787)</u>	<u>31,023,063</u>
Other comprehensive income, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>(2,112,638)</u></u>	<u><u>1,239,951</u></u>	<u><u>(3,983,787)</u></u>	<u><u>31,023,063</u></u>
Earnings per ordinary share attributable to equity holders of the Company (sen)				
Basic, for profit for the period	<u><u>(0.86)</u></u>	<u><u>0.50</u></u>	<u><u>(1.62)</u></u>	<u><u>12.63</u></u>
Diluted	<u><u>-</u></u>	<u><u>-</u></u>	<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 2015 and the accompanying explanatory notes attached to the interim financial statements.

EASTLAND EQUITY BHD ("EASTLND")
 INTERIM REPORT FOR THE PERIOD ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM	Share Premium RM	Non-distributable		Revaluation Reserve	Distributable	Total RM
			Fair Value Reserve RM	Capital Reserve RM		Retained Profits/ (Accumulated Losses) RM	
At 1 January 2015	122,833,988	335,001	(22,696)	110,238,037	524,794	(46,577,465)	187,331,659
Total comprehensive income	-	-	-	-	-	8,764,144	8,764,144
Transfer			22,696			(22,696)	-
At 31 December 2015	122,833,988	335,001	-	110,238,037	524,794	(37,836,017)	196,095,803
Total comprehensive income	-	-	-	-	-	(3,983,787)	(3,983,787)
At 30 June 2016	122,833,988	335,001	-	110,238,037	524,794	(41,819,804)	192,112,016

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

EASTLAND EQUITY BHD ("EASTLND")
 INTERIM REPORT FOR THE PERIOD ENDED 30 JUNE 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30-June-2016 RM	6 months ended 30-June-2015 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before income tax expense for the period	(3,582,554)	31,623,063
Adjustments for:		
Gain on disposal of :		
- property, plant and equipment	(78,000)	-
Interest income	(33,651)	(2,819)
Interest expense	987,689	27,742
Unrealised forex gain	19,660	(7,503)
Waiver of debts	-	(30,164,579)
Allowance for doubtful debts	(10,123)	(4,332)
Depreciation of property, plant and equipment	2,011,018	1,784,856
Amortisation of prepaid lease payments	5,592	53,514
Operating Profit/(Loss) Before Working Capital Changes	(680,369)	3,309,942
(Increase)/Decrease in:		
Property development expenditure	(3,006,955)	(7,027,177)
Inventories	(378,825)	542,991
Trade and other receivables	1,592,034	1,006,280
Increase/(Decrease) in:		
Trade and other payables	(2,061,798)	(3,331,364)
Provision for liabilities	436,079	(832,015)
Income tax (paid)/refunded, net	(4,099,834)	(6,331,343)
	(176,168)	(800,004)
Net Operating Cash Flow	(4,276,002)	(7,131,347)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Additions to property, plant and equipment	(621,223)	(404,853)
Proceed from disposal of property, plant & equipment	78,000	-
Interest received	33,651	2,819
Deposit held as security value	(311,227)	-
Net Investing Cash Flow	(820,799)	(402,034)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Repayment of term loans	3,975,362	(4,016,554)
Interest paid	(987,689)	27,742
Payment of hire-purchase payables	(31,947)	105,388
Repayment of term loans instruments	-	(786,482)
Net Financing Cash Flow	2,955,726	(4,669,906)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,141,075)	(12,203,287)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(23,148,788)	(7,924,890)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(25,289,863)	(20,128,177)
CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISE THE FOLLOWING:		
Cash and bank balances	1,507,243	2,990,405
Housing Development Account	227,068	223,437
Deposits placed with licensed banks	2,229,655	1,093,582
Bank overdrafts	(27,024,174)	(23,342,019)
	(23,060,208)	(19,034,595)
Less : Deposits pledged with licensed bank	(2,229,655)	(1,093,582)
	(25,289,863)	(20,128,177)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**EASTLAND EQUITY BHD (“EASTLND”)
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2016**

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 2015. 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 2015.

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 2015.

The Group has adopted the following amendments/improvements to FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016 :

- FRS 7 - Financial Instruments: Disclosures
- FRS 10 - Consolidated Financial Statements
- FRS 101 - Presentation to Financial Statements
- FRS 116 - Property, Plant and Equipment
- FRS 119 - Employee Benefits
- FRS 127 - Separate Financial Statements

The adoption of these amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group.

A2 Audit qualifications

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2015 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

There were no issuance, repurchase and repayment of debt and equity securities for the financial period under review.

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 properties RM'000	Leasing & financing RM'000	Hospitality RM'000	Investment holding RM'000	Property development RM'000	Others RM'000	Total RM'000
Revenue	2,938	-	8,474	-	-	-	11,412
Results							
Segment profit/(loss)	75	(13)	(771)	(1,345)	(539)	(36)	(2,629)
Interest income	32	-	-	-	2	-	34
Finance cost	(162)	-	-	(826)	-	-	(988)
Profit before taxation							(3,583)
Income tax expense							(401)
Profit for the period							<u>(3,984)</u>

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 2015 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

Save for disclosures that were made in the audited financial statements for the year ended 31 December 2015, there were no material changes in the contingent liabilities and contingent assets of the Group.

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 a lower revenue of RM6.04 million for the current quarter, compared to the revenue of RM9.30 million recorded in previous year corresponding quarter.

In the Investment Properties segment, the Group recorded revenue of RM1.46 million and RM1.50 million in the current quarter and previous year corresponding quarter respectively.

In the Hospitality segment, the Group registered a revenue of RM4.57 million in the current quarter as compared to previous year corresponding quarter revenue of RM4.59 million amidst of general soft market sentiment, stiff competition and weak demand from the Oil & Gas exploration sector following the low global oil prices.

In the Property Development segment, this quarter saw the handing over of properties of Phase 1 of the Bandar Tasek Raja project to the respective buyers upon obtaining clearance from the authorities. The previous year corresponding quarter's revenue of RM3.21 million was mainly attributed to the disposal of its inventory of properties in Danau Kota, Kuala Lumpur.

B2 Material changes in the profit before taxation

The Group recorded a loss before tax of RM1.81 million for the current quarter as compared to previous quarter loss before tax of RM1.77 million. Hotel's profit increased by RM0.42 million from higher sales as compared to last quarter. However, this is offset by additional provision for Liquidated and Ascertained Damages ("LAD") of RM0.40 million due to the delay of Phase 1 of the Bandar Tasek Raja Project in Pasir Mas, Kelantan which was handover in the quarter.

B3 Group prospects

For the financial year 2016, the Group is expected to continue to focus its attention on the current businesses in Investment Property segment, Hospitality segment and Property Development segment. The management will also explore other business opportunity.

B4 Variance of profit forecast and profit guarantee

Not applicable.

B5 Taxation

	3 months ended 30-Jun-16 RM'000	3 months ended 30-Jun-15 RM'000	Year-to-date 30-Jun-16 RM'000	Year-to-date 30-Jun-15 RM'000
Tax (expense)/income				
Income tax				
-current year	(195)	-	(295)	-
Deferred tax				
-current year	<u>(106)</u>	<u>(300)</u>	<u>(106)</u>	<u>(600)</u>
	<u><u>(301)</u></u>	<u><u>(300)</u></u>	<u><u>(401)</u></u>	<u><u>(600)</u></u>

The provision for taxation for the Group is mainly due to the chargeable income from the hospitality segment.

B6 Group borrowings and debts securities

The Group borrowings, all denominated in Ringgit Malaysia, as at 30 June 2016 are as follows: -

	Secured RM'000	Total RM'000
Current:		
Term loans	2,003	2,003
Hire-purchase payables	96	96
Bank overdraft	27,024	27,024
	<u>29,123</u>	<u>29,123</u>
Non-current:		
Term loans	29,322	29,322
Hire-purchase payables	359	359
	<u>29,681</u>	<u>29,681</u>
Total	<u>58,804</u>	<u>58,804</u>

B7 Changes in material litigation

There were no material litigations for the financial period under review other than a suit by FBO Land (Setapak) Sdn Bhd ("FBOL") as described below:

FBOL, a wholly owned subsidiary of the Company had on 3 March 2006 filed a suit against the previous management and nine other parties ("the defendants") for the return of 9 units of shoplots belonging to FBOL. On 30 April 2012, the High Court ruled in favour of FBOL claim with costs. The defendants had filed an appeal to the Court of Appeal against the High Court ruling. On 1 April 2015, the Court of Appeal held hearing and heard submissions from FBOL and the defendants. On 15 May 2015, The Court of Appeal allowed the defendants' appeal. FBOL have filed for Motion for Leave from the Federal Court to appeal against the Court of Appeal's decision. The Federal Court has fixed for case management on 24 May 2016 pending the release of Grounds of Judgment from the Court of Appeal. In addition to the above suit for the return of 9 units of shoplots, FBOL had also filed for Assessment of Damages to claim from the defendants for the recovery of rental income generated from the 9 units of shoplots from the time the shoplots were transferred from FBOL. The Federal Court has fixed for case management on 21 September 2016 pending the release of Grounds of Judgment from the Court of Appeal.

B8 Dividend

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

B9 Earnings per shares

	3 months ended 30-Jun-16 RM'000	3 months ended 30-Jun-15 RM'000	Year-to-date 30-Jun-16 RM'000	Year-to-date 30-Jun-15 RM'000
Net profit/(loss) attributable to equity holders of the Company				
- from continuing operation	<u>(2,113)</u>	<u>1,240</u>	<u>(3,984)</u>	<u>31,023</u>
	<u>(2,113)</u>	<u>1,240</u>	<u>(3,984)</u>	<u>31,023</u>
Number of ordinary share in issue ('000)	245,668	245,668	245,668	245,668
Earnings/(Loss) per share (sen)				
Basic, for profit/(loss) from				
- continuing operations	<u>(0.86)</u>	<u>0.50</u>	<u>(1.62)</u>	<u>12.63</u>
Basic, for profit/(loss) for the period	<u>(0.86)</u>	<u>0.50</u>	<u>(1.62)</u>	<u>12.63</u>
Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

B10 Disclosure of realised and unrealised profits/losses

The breakdown of accumulated losses of the Group as at 30 June 2016, into realised and unrealised profits is as follows:

	12 months ended 31-Dec-15 RM'000	6 months ended 30-Jun-16 RM'000
Total retained profits of the Group:		
- Realised	39,510	36,158
- Unrealised	<u>38,496</u>	<u>37,892</u>
	78,006	74,050
Total share of accumulated losses from associate:		
- Realised	(400)	(400)
- Unrealised	<u>-</u>	<u>-</u>
	77,606	73,650
Consolidation adjustments	<u>(115,442)</u>	<u>(115,470)</u>
Total Group accumulated losses	<u>(37,836)</u>	<u>(41,820)</u>

B11 Profit for the period

	Current Quarter RM'000	Year-to-date RM'000
This is arrived at after (charging)/crediting:		
Interest income	33	34
Depreciation and amortization	(1,020)	(2,017)
Foreign exchange loss	<u>(31)</u>	<u>(45)</u>

Other disclosure items pursuant to Appendix 9B, Part A(16) of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable for the current quarter and current period ended 30 June 2016.