

**EASTLAND EQUITY BHD ("EASTLND")  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016**

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**

	As at 31-Mar-2016 RM <u>Unaudited</u>	As at 31-Dec-2015 RM <u>Audited</u>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	118,272,783	118,923,434
Investment properties	87,450,000	87,450,000
Prepaid land lease payments	2,071,712	2,071,712
Other investments	461,023	477,288
Land held for development	2,000,000	2,000,000
<b>Total Non-Current Assets</b>	<u>210,255,518</u>	<u>210,922,434</u>
<b>Current Assets</b>		
Property development expenditure	56,716,526	54,789,085
Inventories	4,849,270	4,670,820
Trade and other receivables	10,170,158	9,679,131
Tax recoverable	1,982,396	2,122,894
Deposits placed with licensed banks	2,030,428	1,918,428
Cash and bank balances	1,208,325	1,706,581
<b>Total Current Assets</b>	<u>76,957,103</u>	<u>74,886,939</u>
	<u>76,957,103</u>	<u>74,886,939</u>
<b>TOTAL ASSETS</b>	<u>287,212,621</u>	<u>285,809,373</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	122,833,988	122,833,988
Share premium	335,001	335,001
Reserves	71,055,665	72,926,814
<b>Total Equity</b>	<u>194,224,654</u>	<u>196,095,803</u>
<b>Non-Current Liabilities</b>		
Hire-purchase payables	306,992	105,813
Term loans	24,846,715	25,346,296
Deferred tax liabilities	12,795,417	12,695,417
<b>Total Non-Current Liabilities</b>	<u>37,949,124</u>	<u>38,147,526</u>
<b>Current Liabilities</b>		
Trade and other payables	18,416,608	19,222,536
Provisions for liabilities	5,455,836	5,454,139
Hire-purchase payables	78,485	31,086
Term loans	2,002,914	2,002,914
Bank overdraft	29,085,000	24,855,369
<b>Total Current Liabilities</b>	<u>55,038,843</u>	<u>51,566,044</u>
	<u>55,038,843</u>	<u>51,566,044</u>
<b>Total Liabilities</b>	<u>92,987,967</u>	<u>89,713,570</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>287,212,621</u>	<u>285,809,373</u>
<b>Net asset per share (sen)</b>	<b>79</b>	<b>80</b>

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 FIRST QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	3 months ended 31-Mar-2016 RM	3 months ended 31-Mar-2015 RM	Year-to-date 31-Mar-2016 RM	Year-to-date 31-Mar-2015 RM
<b><u>Continuing Operations</u></b>				
Revenue	5,376,674	7,804,190	5,376,674	7,804,190
Expenses excluding finance cost	(6,733,344)	(8,296,527)	(6,733,344)	(8,296,527)
Other operating income	79,575	4,601	79,575	4,601
Profit from operations	(1,277,095)	(487,736)	(1,277,095)	30,100,338
Other income	-	30,588,074	-	30,588,074
Finance cost	(494,054)	(17,226)	(494,054)	(17,226)
<b>Profit before taxation</b>	<b>(1,771,149)</b>	<b>30,083,112</b>	<b>(1,771,149)</b>	<b>30,083,112</b>
Income tax expense	(100,000)	(300,000)	(100,000)	(300,000)
<b>Net profit for the period</b>	<b>(1,871,149)</b>	<b>29,783,112</b>	<b>(1,871,149)</b>	<b>29,783,112</b>
<b>Total comprehensive income for the period</b>	<b>(1,871,149)</b>	<b>29,783,112</b>	<b>(1,871,149)</b>	<b>29,783,112</b>
Earnings per ordinary share attributable to equity holders of the Company (sen)				
Basic, for profit for the period	(0.76)	12.12	(0.76)	12.12
Diluted	-	-	-	-

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 ("EASTLAND")  
 INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Non-distributable				Distributable		Total RM
	Share Capital RM	Share Premium RM	Fair Value Reserve RM	Capital Reserve RM	Revaluation 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)	-
<b>At 31 December 2015</b>	<b>122,833,988</b>	<b>335,001</b>	<b>-</b>	<b>110,238,037</b>	<b>524,794</b>	<b>(37,836,017)</b>	<b>196,095,803</b>
Total comprehensive income	-	-	-	-	-	(1,871,149)	(1,871,149)
<b>At 31 March 2016</b>	<b>122,833,988</b>	<b>335,001</b>	<b>-</b>	<b>110,238,037</b>	<b>524,794</b>	<b>(39,707,166)</b>	<b>194,224,654</b>

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 FIRST QUARTER ENDED 31 MARCH 2016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31-March-2016 RM	3 months ended 31-March-2015 RM
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Profit before income tax expense for the period	(1,771,149)	30,083,112
Adjustments for:		
Gain on disposal of:		
- property, plant and equipment	(78,000)	-
- Prepaid lease payment	-	(134,303)
Interest income	(1,210)	(1,260)
Interest expense	494,054	17,226
Unrealised forex gain	16,265	(1,606)
Allowance for doubtful debts	(5,360)	(348)
Depreciation of property, plant and equipment	996,478	906,040
Amortisation of prepaid lease payments	-	21,168
Operating Profit/(Loss) Before Working Capital Changes	(348,922)	30,890,029
(Increase)/Decrease in:		
Property development expenditure	(1,927,441)	(3,026,921)
Inventories	(178,450)	510,783
Trade and other receivables	(485,665)	14,182,688
Increase/(Decrease) in:		
Trade and other payables	(805,930)	(57,047,906)
Provision for liabilities	1,697	(1,324,578)
Income tax (paid)/refunded, net	(3,744,711) 140,498	(15,815,905) (765,999)
Net Operating Cash Flow	<u>(3,604,213)</u>	<u>(16,581,904)</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(85,827)	(402,142)
Proceed from disposal of property, plant & equipment	78,000	13,181,428
Interest received	1,210	1,260
Deposit held as security value	(112,000)	(120,000)
Net Investing Cash Flow	<u>(118,617)</u>	<u>12,660,546</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Repayment of term loans	(499,581)	(3,141,254)
Interest paid	(494,054)	(151,702)
Payment of hire-purchase payables	(11,422)	137,654
Repayment of term loans instruments	-	(276,134)
Net Financing Cash Flow	<u>(1,005,057)</u>	<u>(3,431,436)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(4,727,887)</u>	<u>(7,352,794)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>(23,148,788)</u>	<u>(7,924,890)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>(27,876,675)</u>	<u>(15,277,684)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISE THE FOLLOWING:</b>		
Cash and bank balances	981,257	2,300,945
Housing Development Account	227,068	222,243
Deposits placed with licensed banks	2,030,428	1,213,582
Bank overdrafts	(29,085,000)	(17,800,872)
	(25,846,247)	(14,064,102)
Less : Deposits pledged with licensed bank	(2,030,428)	(1,213,582)
	<u>(27,876,675)</u>	<u>(15,277,684)</u>

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 31 MARCH 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	1,476	-	3,901	-	-	-	5,377
<b>Results</b>							
Segment profit/(loss)	(9)	(1)	(596)	(597)	(73)	(2)	(1,278)
Interest income	-	-	-	-	1	-	1
Finance cost	(81)	-	-	(413)	-	-	(494)
Profit before taxation							(1,771)
Income tax expense							(100)
Profit for the period							<u>(1,871)</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 RM5.38 million for the current quarter, compared to the revenue of RM7.80 million recorded in previous year corresponding quarter.

In the Investment Properties segment, the Group recorded revenue of RM1.48 million in current quarter compared to RM1.93 million in previous year corresponding quarter. The higher revenue last year was due to the gain on disposal of three condominiums as per the debts restructuring scheme.

In the Hospitality segment, all major components registered lower revenue of RM3.90 million in the current quarter as compared to previous year corresponding quarter revenue of RM5.14 million. The decline in sales was mainly due to stiff competition and continued weak demand from the Oil & Gas exploration sector following the low global oil prices and generally soft market sentiment.

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

The Group recorded a lower loss before tax for the current quarter of RM1.77 million compared to previous quarter loss before tax of RM20.42 million. The RM20.42 million loss in last quarter was mainly attributed to recognition of the projected loss of Bandar Tasek Raja Project in the quarter due to projected cost increase and selling price revision, following a rationalization exercise on the entire project considering current economic and market situations.

The other income amounting to RM30,588,074 refers to the gain arising from the Debt Restructuring settlement between Eastern Biscuit Factory Sdn Bhd, Fazwin Construction Sdn Bhd, FBO Land (Setapak) Sdn Bhd and Explicit Vantage Sdn Bhd which was announced to the Bursa Malaysia on 20 September 2013, 24 September 2013 and 25 September 2013 respectively. The Debt Restructuring Agreement is completed as of 1<sup>st</sup> quarter 2015 when the Ruler-in-Council had approved the land transfer and the Bank had released its charge on the condominium units.

**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 31-Mar-16 RM'000	3 months ended 31-Mar-15 RM'000	Year-to-date 31-Mar-16 RM'000	Year-to-date 31-Mar-15 RM'000
Tax (expense)/income				
Income tax				
-current year	(100)	-	(100)	-
Deferred tax				
-current year	-	(300)	-	(300)
	<u>(100)</u>	<u>(300)</u>	<u>(100)</u>	<u>(300)</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 31 March 2016 are as follows: -

	Secured RM'000	Total RM'000
<b>Current:</b>		
Term loans	2,003	2,003
Hire-purchase payables	78	78
Bank overdraft	29,085	29,085
	<u>31,166</u>	<u>31,166</u>
<b>Non-current:</b>		
Term loans	24,847	24,847
Hire-purchase payables	307	307
	<u>25,154</u>	<u>25,154</u>
<b>Total</b>	<u>56,320</u>	<u>56,320</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 illustrated 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 allowing its 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.

**B8 Dividend**

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



**B9 Earnings per shares**

	3 months ended 31-Mar-16 RM'000	3 months ended 31-Mar-15 RM'000	Year-to-date 31-Mar-16 RM'000	Year-to-date 31-Mar-15 RM'000
Net profit/(loss) attributable to equity holders of the Company				
- from continuing operation	<u>(1,871)</u>	<u>29,783</u>	<u>(1,871)</u>	<u>29,783</u>
	<u>(1,871)</u>	<u>29,783</u>	<u>(1,871)</u>	<u>29,783</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>(0.76)</u>	<u>12.12</u>	<u>(0.76)</u>	<u>12.12</u>
Basic, for profit/(loss) for the period	<u>(0.76)</u>	<u>12.12</u>	<u>(0.76)</u>	<u>12.12</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 31 March 2016, into realised and unrealised profits is as follows:

	12 months ended 31-Dec-15 RM'000	3 months ended 31-Mar-16 RM'000
Total retained profits of the Group:		
- Realised	39,510	37,799
- Unrealised	<u>38,496</u>	<u>38,336</u>
	<u>78,006</u>	<u>76,135</u>
Total share of accumulated losses from associate:		
- Realised	(400)	(400)
- Unrealised	<u>-</u>	<u>-</u>
	<u>77,606</u>	<u>75,735</u>
Consolidation adjustments	<u>(115,442)</u>	<u>(115,442)</u>
Total Group accumulated losses	<u>(37,836)</u>	<u>(39,707)</u>

**B11 Profit for the period**

	Current Quarter RM'000	Year-to-date RM'000
This is arrived at after (charging)/crediting:		
Interest income	1	1
Depreciation and amortization	(996)	(996)
Foreign exchange loss	<u>(15)</u>	<u>(15)</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 31 March 2016.