

**EASTLAND EQUITY BHD ("EASTLND")  
INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**

	As at 31-Mar-2020 RM Unaudited	As at 31-Dec-2019 RM Audited
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	103,863,528	104,828,521
Investment properties	82,592,000	82,592,000
Other investments	1,423,879	1,537,818
<b>Total Non-Current Assets</b>	<b>187,879,407</b>	<b>188,958,339</b>
<b>Current Assets</b>		
Inventories - Property development cost	63,531,924	63,492,535
Inventories - Completed properties and others	11,149,015	11,147,508
Trade and other receivables	1,797,617	1,014,512
Tax recoverable	572,189	572,189
Deposits placed with licensed banks	4,627,629	4,627,629
Cash and bank balances	1,666,924	3,216,652
<b>Total Current Assets</b>	<b>83,345,298</b>	<b>84,071,025</b>
<b>TOTAL ASSETS</b>	<b>271,224,705</b>	<b>273,029,364</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	129,878,659	129,878,659
Reserves	36,859,781	40,482,232
<b>Total Equity</b>	<b>166,738,440</b>	<b>170,360,891</b>
<b>Non-Current Liabilities</b>		
Hire-purchase payables	246,738	210,121
Term loans	26,038,504	25,994,947
Deferred tax liabilities	11,015,824	11,015,824
<b>Total Non-Current Liabilities</b>	<b>37,301,066</b>	<b>37,220,892</b>
<b>Current Liabilities</b>		
Trade and other payables	27,559,181	25,671,404
Contract liabilities	4,588,435	3,979,435
Provisions for liabilities	2,441,836	2,441,836
Hire-purchase payables	130,529	196,171
Term loans	2,469,221	3,388,446
Bank overdraft	29,995,997	29,770,289
<b>Total Current Liabilities</b>	<b>67,185,199</b>	<b>65,447,581</b>
<b>Total Liabilities</b>	<b>104,486,265</b>	<b>102,668,473</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>271,224,705</b>	<b>273,029,364</b>
<b>Net asset per share (sen)</b>	<b>51</b>	<b>62</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**EASTLAND EQUITY BHD ("EASTLND")  
INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>3 months ended 31-Mar-2020 RM</b>	<b>3 months ended 31-Mar-2019 RM</b>	<b>Year-to-date 31-Mar-2020 RM</b>	<b>Year-to-date 31-Mar-2019 RM</b>
<b><u>Continuing Operations</u></b>				
Revenue	2,954,761	5,142,459	2,954,761	5,142,459
Expenses excluding finance cost	(5,416,451)	(6,845,924)	(5,416,451)	(6,845,924)
Other operating income	<u>79,739</u>	<u>228,172</u>	<u>79,739</u>	<u>228,172</u>
Loss from operations	(2,381,951)	(1,475,293)	(2,381,951)	(1,475,293)
Finance cost	(1,126,561)	(1,178,052)	(1,126,561)	(1,178,052)
<b>Loss before taxation</b>	<b>(3,508,512)</b>	<b>(2,653,345)</b>	<b>(3,508,512)</b>	<b>(2,653,345)</b>
Income tax expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net loss for the period</b>	<b>(3,508,512)</b>	<b>(2,653,345)</b>	<b>(3,508,512)</b>	<b>(2,653,345)</b>
<b>Other comprehensive loss, net of tax</b>	<b>(113,939)</b>	<b>-</b>	<b>(113,939)</b>	<b>(12,879)</b>
<b>Total comprehensive loss for the period</b>	<b><u>(3,622,451)</u></b>	<b><u>(2,653,345)</u></b>	<b><u>(3,622,451)</u></b>	<b><u>(2,666,224)</u></b>
Earnings per ordinary share attributable to equity holders of the Company (sen)				
Basic, for loss for the period	<u>(1.08)</u>	<u>(1.08)</u>	<u>(1.08)</u>	<u>(1.08)</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 2019 and the accompanying explanatory notes attached to the interim financial statements.**

**EASTLAND EQUITY BHD ("EASTLND")**

**INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<u>Non-distributable</u>			Fair Value Reserve of Financial Assets at FVOCI	<u>Distributable</u> Retained Profits/ (Accumulated Losses)	Total
	Share Capital RM	Capital Reserve RM	Revaluation Reserve RM	RM	RM	RM
<b>At 31 December 2018</b>	<b>123,168,989</b>	<b>110,238,037</b>	<b>524,794</b>	<b>1,104,492</b>	<b>(59,057,589)</b>	<b>175,978,723</b>
Total comprehensive loss	-	-	-	-	(12,789,732)	<b>(12,789,732)</b>
Issue of ordinary shares	6,709,670	-	-	-	-	<b>6,709,670</b>
Loss on revaluation	-	-	488,814	-	-	<b>488,814</b>
Other comprehensive loss	-	-	-	(26,584)	-	<b>(26,584)</b>
<b>At 31 December 2019</b>	<b>129,878,659</b>	<b>110,238,037</b>	<b>1,013,608</b>	<b>1,077,908</b>	<b>(71,847,321)</b>	<b>170,360,891</b>
Total comprehensive loss	-	-	-	-	(3,508,512)	<b>(3,508,512)</b>
Other comprehensive loss	-	-	-	(113,939)	-	<b>(113,939)</b>
<b>At 31 March 2020</b>	<b>129,878,659</b>	<b>110,238,037</b>	<b>1,013,608</b>	<b>963,969</b>	<b>(75,355,833)</b>	<b>166,738,440</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**EASTLAND EQUITY BHD ("EASTLND")**  
**INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 months ended 31-March-2020 RM</b>	<b>3 months ended 31-March-2019 RM</b>
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Loss before income tax expense for the period	(3,508,512)	(2,653,345)
Adjustments for:		
Gain on disposal of :		
- Property, plant and equipment	(846)	-
Finance income	(35,003)	8,030
Finance cost	1,126,561	1,178,052
Waiver of debts	-	(212,077)
Depreciation of property, plant and equipment	977,496	1,063,144
Operating Loss Before Working Capital Changes	(1,440,304)	(616,196)
(Increase)/Decrease in:		
Contract Liabilities	609,000	-
Inventories - Property development cost	(39,391)	(64,073)
Inventories	(1,506)	778,234
Trade and other receivables	(787,007)	710,550
Increase/(Decrease) in:		
Trade and other payables	1,697,778	(1,005,135)
	38,570	(196,620)
Income tax (paid)/refunded, net	-	370,000
Net Cash Flows From/(Used In) Operating Activities	38,570	173,380
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(8,601)	(16,623)
Proceed from disposal of property, plant & equipment	846	-
Interest received	35,003	(8,030)
Net Cash Flows Generated From/(Used In) Investing Activities	27,248	(24,653)
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Repayment of term loans	(875,668)	(582,054)
Finance cost paid	(936,561)	(1,178,052)
Payment of hire-purchase payables	(29,025)	(26,665)
Net Cash Flows Generated From/(Used In) Financing Activities	(1,841,254)	(1,786,771)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,775,436)	(1,638,044)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	(26,553,637)	(25,017,473)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	(28,329,073)	(26,655,517)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISE THE FOLLOWING:</b>		
Cash and bank balances	1,420,988	1,450,041
Housing Development Account	245,936	240,489
Deposits placed with licensed banks	4,627,629	3,812,818
Bank overdrafts	(29,995,997)	(28,346,047)
	(23,701,444)	(22,842,699)
Less : Deposits pledged with licensed bank	(4,627,629)	(3,812,818)
	(28,329,073)	(26,655,517)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

**EASTLAND EQUITY BHD (“EASTLND”)  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020**

**EXPLANATORY NOTES**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 31 December 2019, which have been prepared in accordance with the MFRS and the Companies Act 2016.

These explanatory notes provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019.

**A2 Audit qualifications**

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2019 was not subject to any qualification.

Key Audit Matters (“KAM”) highlighted by the auditors were funding requirements and ability to meet short term obligations; investment properties and property, plant and equipment; and revenue and corresponding costs recognition for property development activities. Details of the KAM are provided in the audited financial statements for the financial year ended 31 December 2019.

**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
<b>Revenue</b>	859	-	2,095	-	-	-	2,954
<b>Results</b>							
Segment profit/(loss)	134	(3)	(1,427)	(761)	(358)	(3)	(2,418)
Interest income	35	-	-	-	-	-	35
Finance cost	-	-	(1)	(391)	(734)	-	(1,126)
Loss before taxation							(3,509)
Income tax expense							-
Loss for the period							(3,509)
Other comprehensive loss, net of tax							-
Total comprehensive loss for the period							(3,509)

**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 2019 and valuation performed by CH Williams Talhar & Wong Sdn Bhd on 22 January 2020.

**A11 Subsequent material event**

Except for the uncertainty of the Covid-19 global pandemic and the government stimulus response, which are still fluid for which the financial impact cannot be ascertained at this juncture, 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**

There were no known material contingent liabilities and contingent assets of the Group since the 2019 annual report.

**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**

Financial review for current quarter and financial year to date

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-Date	Preceding Year Corresponding Period	
	31 Mar 2020 (RM '000)	31 Mar 2019 (RM '000)		31 Mar 2020 (RM '000)	31 Mar 2019 (RM '000)	
Revenue	2,955	5,142	(43)	2,955	5,142	(43)
Operating Loss	(2,383)	(1,475)	62	(2,383)	(1,475)	62
Loss Before Interest and Tax	(2,383)	(1,475)	62	(2,383)	(1,475)	62
Loss Before Tax	(3,509)	(2,653)	32	(3,509)	(2,653)	32
Loss After Tax	(3,509)	(2,653)	32	(3,509)	(2,653)	32
Other comprehensive loss, net of tax	(114)	(13)	-	(114)	(13)	-
Loss Attributable to Ordinary Equity Holders of the Parent	(3,650)	(2,666)	37	(3,650)	(2,666)	37

The Group recorded a revenue of RM2.95 million for the current quarter as compared to RM5.14 million in previous year's corresponding quarter. This is mainly attributed to :

- i. hotel recorded lower room and food & beverage revenue by RM0.98 million in March 2020 as compared to March 2019, due to the Covid19 pandemic; and
- ii. there was no revenue recorded in the current quarter from the Property Development segment, as compared to the sale of two units of shop lots in Phase 1 of Bandar Tasek Raja for RM1.06 million in the preceding year's corresponding quarter.

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

Financial review for the current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31 Mar 2020 (RM '000)	31 Dec 2019 (RM '000)	
Revenue	2,955	4,627	(36)
Operating Loss	(2,383)	(3,803)	(37)
Loss Before Interest and Tax	(2,383)	(3,803)	(37)
Loss Before Tax	(3,509)	(4,834)	(27)
Loss After Tax	(3,509)	(4,291)	(18)
Other comprehensive loss, net of tax	(114)	3	(3,900)
Loss Attributable to Ordinary Equity Holders of the Parent	(3,650)	(4,287)	(15)

The Group recorded loss before tax of RM3.51 million and RM4.83 million for the current and previous quarters respectively. The main reason for the higher loss in the previous quarter was due to a write back of

accounts payable of RM1.12 million and impairment in investment properties and property, plant & equipment (hotel building) from the required revaluation amounted to RM2.52 million and RM1.14 million respectively, which in total resulted to RM2.54 million loss. However, this was offset by a drop in hotel profit by RM0.82 million in the current quarter due to the Covid19 pandemic.

### B3 Group prospects

The outlook for the rest of financial year 2020 is expected to be challenging for the Group. The Covid-19 pandemic has adversely affected the global and domestic economy and posed financial liquidity risk and uncertainties to most businesses. The Group's businesses, being primarily in the hospitality and investment property, have been affected by the movement control order ("MCO"). Although the MCO was relaxed in June 2020, the responses by the Government and businesses are still precautionary. Accordingly, while we expect that the performance of the Group will be affected, the financial impact on the Group for financial year 2020 and beyond could not be quantified at this stage.

Notwithstanding, the Group has continued to pursue with the efforts put in the preceding year to explore into affordable housing in strategic and more vibrant areas. The Group recognises that society and businesses will have to adjust to a new norm, which is still unfolding following the Covid-19 pandemic. While the Group will remain focus on its core business, the management will continue to monitor the economic development post Covid-19 and remain cautious when looking out for business opportunities in the face of new challenges.

### B4 Variance of profit forecast and profit guarantee

Not applicable.

### B5 Corporate proposal

On 6 November 2019, the company successfully completed a private placement of 29,480,000 new ordinary shares at issue price of RM0.0841 per share which raised RM2,479,268. The utilisation of the proceeds raised is as follows:

Purpose	Proposed utilisation of proceeds	Utilised		Actual utilisation as at 16.06.2020	Balance to be utilised	Utilisation Timeframe
		06.11.2019 to 16.06.2020	from to			
	RM'000	RM'000	RM'000	RM'000	RM'000	
Repayment of bank borrowings	772	772	772	-		
Working capital	327	327	327	-		
Property development activities	1,280	461	461	819	Within 12 months	
Expenses related to Proposed Share Issuance	100	100	100	-		
	<b>2,479</b>	<b>1,660</b>	<b>1,660</b>	<b>819</b>		



**B6 Taxation**

	3 months ended 31-Mar-20 RM'000	3 months ended 31-Mar-19 RM'000	Year-to-date 31-Mar-20 RM'000	Year-to-date 31-Mar-19 RM'000
Tax (expense)/income				
Income tax				
-current year	-	-	-	-
-prior year	-	-	-	-
Deferred tax				
-current year	-	-	-	-
-prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**B7 Group borrowings and debts securities**

The Group borrowings, all denominated in Ringgit Malaysia, as at 31 March 2020 are as follows: -

	31/3/2020		31/12/2019	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
<b>Secured</b>				
Hire-purchase payables	131	94	196	210
Term Loan	2,469	26,275	3,388	25,995
Bank overdraft	29,996	-	29,770	-
	<u>32,596</u>	<u>26,369</u>	<u>33,354</u>	<u>26,205</u>

**B8 Changes in material litigation**

There were no material litigations for the financial period under review.

**B9 Dividend**

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

**B10 Earnings per shares**

	3 months ended 31-Mar-20 RM'000	3 months ended 31-Mar-19 RM'000	Year-to-date 31-Mar-20 RM'000	Year-to-date 31-Mar-19 RM'000
Net loss attributable to equity holders of the Company				
- from continuing operation	<u>(3,509)</u>	<u>(2,653)</u>	<u>(3,509)</u>	<u>(2,653)</u>
	<u>(3,509)</u>	<u>(2,653)</u>	<u>(3,509)</u>	<u>(2,653)</u>
Number of ordinary share in issue ('000)	324,282	245,668	324,282	245,668
Loss per share (sen)				
Basic, loss from				
- continuing operations	<u>(1.08)</u>	<u>(1.08)</u>	<u>(1.08)</u>	<u>(1.08)</u>
Basic, loss for the period	<u>(1.08)</u>	<u>(1.08)</u>	<u>(1.08)</u>	<u>(1.08)</u>
Diluted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**B11 Loss for the period**

	Current Quarter RM'000	Year-to-date RM'000
This is arrived at after (charging)/crediting:		
Interest income	35	35
Interest expense	(1,127)	(1,127)
Depreciation and amortization	<u>(977)</u>	<u>(977)</u>

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