

**MEGA SUN CITY HOLDINGS BERHAD (640850-U)**  
**(Formerly known as Ideal Sun City Holdings Berhad)**  
**(Incorporated in Malaysia)**

**Unaudited Interim Financial Report**  
**For The Financial Quarter Ended 30 June 2017**

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING**

**A1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. This interim financial report does not include all the information required for a full set of annual audited financial statements, and should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2016, which have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards.

The Group has adopted all applicable accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) except for those which are not yet effective. The initial adoption of the accounting standards, amendments and interpretations that are effective in the current financial period does not have any significant impact on the Group’s financial statements.

**A2. Auditors’ report on preceding annual financial statements**

The auditors’ report on the preceding annual financial statements of the Group for the financial year ended 31 December 2016 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

The business operations of the Group for the current financial quarter were not significantly affected by seasonal or cyclical factors.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter.

**A5. Changes in estimates**

There were no changes in estimates of the amounts reported that have a material effect on the current financial quarter’s results.

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**A6. Issuances, cancellations, repurchases, resale and repayment of debt and equity securities**

There were no issuances, cancellations, repurchases, resale or repayment of debt and/or equity securities during the financial year-to-date under review save as follows:

- (a) conversion of 1,153,750 warrants into 1,153,750 new ordinary shares of RM0.10 each in the Company at the exercise price of RM0.10 each.
- (b) private placement of 27,147,500 new ordinary shares of RM0.10 each in the Company at the issue price of RM0.315 each.

Subsequent to 30 June 2017, an additional 1,129,300 warrants were converted into 1,129,300 new ordinary shares of RM0.10 each in the Company at the exercise price of RM0.10 each.

**A7. Dividends paid**

No dividends have been paid during the current financial quarter.

**A8. Segmental information**

Segmental information is presented in respect of the Group's business segments. The Group's business for the current financial period comprises the following main segments:

- (a) Project management services; and
- (b) Property investment holding including letting of properties and provision of supports services.

	Project management services		Property investment holding		Total	
	30.06.17 RM'000	30.06.16 RM'000	30.06.17 RM'000	30.06.16 RM'000	30.06.17 RM'000	30.06.16 RM'000
Revenue	3,800	4,268	544	394	4,344	4,662
Profit before tax	2,397	2,088	156	154	2,553	2,242

**A9. Valuation of property, plant and equipment and investment properties**

The property, plant and equipment and investment properties of the Group have not been revalued during the current financial quarter.

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**A10. Material events subsequent to the balance sheet date**

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

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial quarter and financial year-to-date under review.

**A12. Changes in contingent assets or contingent liabilities**

There were no contingent assets or contingent liabilities as at the end of the current financial quarter.

**A13. Capital commitments**

There were no material capital commitments as at the end of the current financial quarter.

**B. ADDITIONAL INFORMATION PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS**

**B1. Review of the Group's results for the current financial quarter ended 30 June 2017**

For the current financial quarter ended 30 June 2017, the Group achieved unaudited revenue of RM1.87million which is lower than the revenue of RM2.12million recorded in the previous year corresponding quarter. The decrease in revenue is mainly due to the lower income generated from the property management services.

The profit after tax of the Group for the current financial quarter was approximately RM0.77million which was slightly lower than RM0.83million recorded in the previous year corresponding quarter. The decrease in profit after tax was mainly attributed to the additional tax expense in the current financial quarter.

**B2. Material changes in profit after tax for the current financial quarter compared to the immediate preceding quarter**

The profit after tax of the Group for the current financial quarter RM0.77million was lower than that of the immediate preceding quarter RM1.0million principally attributed to the lower income generated from the project management services during the current financial quarter.

**B3. Current year prospect**

Barring unforeseen circumstances, the Board of Directors anticipates that the financial performance of the Group will remain satisfactory for the financial year ending 31 December 2017.

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**B4. Profit forecast / Profit guarantee**

There was no profit forecast or profit guarantee in respect of the current financial year.

**B5. Profit before tax**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.17 RM'000	Preceding Year Quarter 30.06.16 RM'000	Current Year To Date 30.06.17 RM'000	Preceding Year To Date 30.06.16 RM'000
Profit before tax is arrived at after charging/(crediting):				
Depreciation charge	184	161	372	281
Interest income	-	-	-	(9)

**B6. Income tax expense**

	Individual Quarter Current Year Quarter 30.06.17 RM'000	Cumulative Quarter Current Year To Date 30.06.17 RM'000
Current tax expense	320	776

The effective tax rate of the Group is higher than the statutory tax rate principally attributed to the losses incurred by certain companies in the Group.

**B7. Status of corporate proposals announced**

There were no corporate proposals outstanding at the date of this report.

**B8. Bank borrowings**

The Group's borrowings as at 30 June 2017 was as follows:

	Secured RM'000
Hire purchase payable	522

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**B9. Dividends**

No dividends have been declared by the Company during the current financial quarter.

**B10. Earnings per share (“EPS”)**

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.17	30.06.16	30.06.17	30.06.16
<b>Basic earnings per share</b>				
Profit attributable to equity holders of the Company for the period (RM'000)	769	832	1,777	1,674
Weighted average number of ordinary shares in issue ('000)	217,406	188,935	205,122	187,815
Basic earnings per share (sen)	0.35	0.44	0.87	0.89
Diluted earnings per share (sen)	*	0.36	*	0.73

\* The diluted earnings per share for the period ended 30 June 2017 is the same as the basic earnings per share as the effect of anti-dilutive potential shares is ignored in calculating diluted earnings per ordinary share in accordance with MFRS 133, Earnings Per Share.

**B11. Disclosure of realised and unrealised profits/(losses)**

The breakdown of retained profits of the Group as at the reporting date into realised and unrealised profits/(losses) is as follows:

	30.06.17 RM'000	31.12.16 RM'000
Total retained profits of the Group:		
- realised	17,631	15,854
- unrealised	(41)	(41)
Total	17,590	15,813

The determination of realised and unrealised profits/(losses) is based on the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits/(losses) above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

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**B12. Authorisation for issue**

This interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 August 2017.

BY ORDER OF THE BOARD

GUNN CHIT GEOK  
MAICSA 0673097  
CHEW SIEW CHENG  
MAICSA 7019191  
Company Secretaries  
Penang

Date: 30 August 2017