

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPT 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.09.2017 RM'000	Previous year corresponding quarter 30.09.2016 RM'000	9 months ended 30.09.2017 RM'000	9 months ended 30.09.2016 RM'000
Revenue	220,199	16,546	246,354	45,960
Cost of sales	(49,535)	(13,920)	(69,002)	(41,863)
Gross profit	170,664	2,626	177,352	4,097
Other operating income	175	513	1,046	1,548
Operating expenses	(9,144)	(3,439)	(13,918)	(8,045)
Profit/(loss) from operations	161,695	(300)	164,478	(2,400)
Finance costs	(544)	(3,288)	(4,102)	(9,839)
	161,151	(3,588)	160,378	(12,239)
Share option expenses	(17,366)*N2	-	(72,099)*N1	-
Profit/(Loss) before tax (Note 25)	143,785	(3,588)	88,279	(12,239)
Tax expenses (Note 19)	(54,179)	1	(54,981)	39
Profit/(Loss) for the period	89,606	(3,587)	33,298	(12,200)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	89,606	(3,587)	33,298	(12,200)
Profit/(Loss) and total comprehensive income/(loss) attributable to :				
Owners of the Parent	89,606	(3,587)	33,298	(12,200)

*N1 – One-off expense arose from the granting of the Employees' Share Option Scheme ("ESOS") on 9 March 2017 pursuant to FRS 2 fair value accounting.

*N2 – Additional one-off expense arose from fair value adjustment pursuant to FRS 2 fair value accounting.

EARNINGS/(LOSS) PER SHARE (Note 30)

Basic (sen)	10.95	(0.51)	4.07	(1.74)
Diluted (sen)	10.84	(0.51)	4.06	(1.74)

The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPT 2017

	Unaudited as at 30.09.2017 RM'000	Audited as at 31.12.2016 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	3,821	3,839
Available-for-sale investment	90	90
Investment in associates	88,786	55,051
Investment properties	498	498
Land held for future development	238,281	28,974
Deferred tax assets	10,350	10,350
	341,826	98,802
CURRENT ASSETS		
Development properties	1,312,509	983,773
Inventories	182	182
Trade and other receivables	142,557	174,630
Other current assets	16,557	28,238
Tax recoverable	3,134	2,944
Cash and bank balances	56,714	49,498
	1,531,653	1,239,265
TOTAL ASSETS	1,873,479	1,338,607
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	725,022	368,350
Share premium	-	251,775
Share based payment reserve	182,001	-
Reserves	9,568	(23,730)
Shareholders' equity	916,591	596,395
NON-CURRENT LIABILITIES		
Long term borrowings	213,179	14,614
Deferred tax liabilities	97,180	99,454
	310,359	114,068
CURRENT LIABILITIES		
Short term borrowings	29,760	127,773
Trade and other payables	498,211	442,231
Other current liabilities	23,185	16,157
Provisions	4,620	3,640
Tax payable	90,753	37,803
	646,529	627,604
TOTAL LIABILITIES	956,888	741,672
TOTAL EQUITY AND LIABILITIES	1,873,479	1,338,067
Net assets per share (RM)	0.97	0.81

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPT 2017**

	Share capital	Share premium*	Share based payment reserve	Accumulated losses	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2017	368,350	251,775	-	(23,730)	596,395
Total comprehensive profit for the period	-	-	-	33,298	33,298
Issuance of ordinary shares	104,897	-	(6,064)	-	98,833
Grant of equity-settled share options to employees	-	-	72,099	-	72,099
Share-based payment for land acquired	-	-	115,966	-	115,966
Transition to no par value regime*	251,775	(251,775)	-	-	-
Closing balance at 30 Sept 2017	725,022	-	182,001	9,568	916,591
Opening balance at 1 January 2016	334,864	225,821	-	(7,704)	552,981
Total comprehensive loss for the period	-	-	-	(12,200)	(12,200)
Issuance of ordinary shares	33,486	25,954	-	-	59,440
Closing balance at 30 Sept 2016	368,350	251,775	-	(19,904)	600,221

*Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The above condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 SEPT 2017

	9 months ended 30.09.2017 RM'000	9 months ended 30.09.2016 RM'000
Operating activities		
Profit/(loss) before tax	88,279	(12,239)
Adjustment for :		
Depreciation	468	505
Gain on disposal of property, plant and equipment	(62)	107
Grant of equity-settled share options to employees	72,099	-
Interest income	(330)	(737)
Interest expenses	4,101	9,839
Operating profit/(loss) before changes in working capital	164,555	(2,525)
Change in trade and other receivables	43,751	(2,114)
Change in trade and other payables	66,053	2,134
Change in property development cost	(172,800)	(36,206)
Cash flows from/(used in) operating activities	101,559	(38,711)
Interest paid	(4,101)	(9,839)
Taxes refund/(paid) (net)	(6,557)	(449)
Net cash from/(used in) operating activities	90,901	(48,999)
Investing activities		
Additions to land held	(249,278)	-
Purchase of property, plant and equipment	(124)	(28)
Proceeds from disposal of property, plant and equipment	62	-
Investment in associates	(33,736)	(3,012)
Interest received	330	737
Net cash (used in)/from investing activities	(282,746)	(2,303)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 SEPT 2017

	9 months ended 30.09.2017 RM'000	9 months ended 30.09.2016 RM'000
Financing activities		
Drawdown of borrowings	110,000	12,572
Repayment of borrowings	(9,523)	(80,000)
Repayment of obligations under finance leases	(479)	(474)
Proceeds from issuance of shares	98,834	60,275
Share issuance expenses	-	(835)
Net cash from/(used in) financing activities	198,832	(8,462)
Net increase/(decrease) in cash and cash equivalents	6,987	(59,764)
Cash and cash equivalents at beginning of period	5,879	73,813
Cash and cash equivalents at the end of period	12,866	14,049
Cash and cash equivalents comprise:		
Cash and bank balances	7,212	14,843
Deposit with licensed banks	49,502	43,047
	56,714	57,890
Less: Deposit with licensed banks pledged for banking facilities	(28,477)	(28,477)
Less : Bank overdraft	(15,371)	(15,364)
	12,866	14,049

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPT 2017

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements (“Condensed Report”) are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This condensed report has also been prepared on a historical basis.

This condensed report should be read in conjunction with the audited financial statements for the year ended 31 December 2016. These explanatory notes attached to this condensed report 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 2016.

2. CHANGES IN ACCOUNTING POLICIES

2.1 Adoption of Standards, Amendments and IC interpretations

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016 except for the adoption of Amendments to Standards and Issue Committee (“IC”) interpretations effective as of 1 January 2016.

Amendments to FRS 107 : Disclosure Initiatives

Amendments to FRS 112 : Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to FRS 12 : Disclosure of Interests in Other Entities

2.2 Standards and interpretations issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group :

Annual Improvements to FRSs 2014-2016 Cycle

Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between and
Investor and its Associate or Joint Venture

Amendments to FRS 2 : Classification and Measurement of Share-based Payment
Transactions

Amendments to FRS 4: Applying FRS 9 Financial Instruments with FRS 4 Insurance
Contracts

Amendments to FRS 140 : Transfers of Investment Property

FRS 9 Financial Instruments

FRS 16 Leases

IC Interpretation 22 : Foreign Currency Transactions and Advance Consideration

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPT 2017

2.2 Standards and interpretations issued but not yet effective (cont'd)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application, except as described below:

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. This Standard will come into effect on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently the impact of the adoption of this Standard in relation to the new requirements for classification and measurement and impairment, but the requirements for hedge accounting is not relevant to the Group.

2.3 Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer the adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards (FRS) as its financial reporting framework for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will present its first set of MFRS financial statements when the MFRS Framework is mandated by the MASB. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.



NOTES TO THE 3rd QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPT 2017

2.3 Malaysian Financial Reporting Standards (cont'd)

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ending 31 December 2017 could be different if prepared under the MFRS Framework.

2.4 Significant accounting judgement and estimates

(a) Property development

The Group recognises property development revenue and expenses in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Construction contract

The Group recognises revenue from construction activities in the statements of profit or loss and other comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs.

Significant judgment is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contract. In making the judgement, the Group evaluates based on past experience, internal budgeting and by relying on the work of specialists.

Where the outcome of a construction contract cannot be reliably measured, revenue is recognised to the extent of costs incurred that it is probable will be recovered.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPT 2017

2.4 Significant accounting judgement and estimates (cont'd)

(c) Provision for liquidated ascertained damages ("LAD")

The Group has 2 on-going construction projects that have not been completed by the contractual deadline.

For the first project ("Project 1"), the management has assessed that the delay was due to factors not within the Group's scope of work or responsibility. This was concurred upon by the third party consultant appointed by the customer. Accordingly, no LAD has been recognised for Project 1. For the second project ("Project 2"), the management has estimated LAD of RM5.48 million based on the revised project schedule and the terms of the contract. The Group has arrived at this estimation based on its prior experience with similar contracts.

The management considers that these amounts will not be significantly affected by a reasonably possible change in the assumptions applied in deriving the estimated LAD.

3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2016

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2016 was not subject to any qualification.

4. SEASONAL OR CYCLICAL FACTORS

The Group's business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

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

6. CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current quarter results.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPT 2017

7. DEBT AND EQUITY SECURITIES

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period to-date under review except for:

- (i) issuance of 87,000,000 new ordinary shares at the issue price of RM0.90 to settle the purchase price of the lands acquisition;
- (ii) granting of 123,550,000 shares options to its eligible directors and employees pursuant to Employees' Share Options Scheme ("ESOS"); and
- (iii) issuance of 12,689,000 new ordinary shares pursuant to the exercise of ESOS at the exercise price of RM1.50 per share.

8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain the optimal capital structure, the Group may, from time to time, adjust dividend payments to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group.

The gearing ratios as at 30 Sept 2017 and 31 December 2016, which are within the Group's objectives for capital management, are as follows:-

	30.09.2017	31.12.2016
	RM'000	RM'000
Borrowings	242,939	142,387
Trade and other payables	498,211	442,231
Less: Cash and bank balances	<u>(56,714)</u>	<u>(49,498)</u>
Net debt	<u>684,436</u>	<u>535,120</u>
Equity	<u>916,591</u>	<u>596,395</u>
Total capital	<u>916,591</u>	<u>596,395</u>
Capital and net debt	1,601,027	1,131,515
Gearing ratio	42.75%	47.29%

The decrease in gearing ratio of 42.75% for the quarter ended 30 Sept 2017 as compared to previous year of 47.29% due to increase in share capital.

**NOTES TO THE 3rd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 SEPT 2017**

8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT (cont'd)

The details of the drawdown and the repayment of bank borrowings in the current quarter are as follows:

	Current year quarter 30.09.2017 RM'000	9 months cumulative to date 30.09.2017 RM'000
a) Drawdown on new bank borrowings	-	110,000
b) Repayment of bank borrowings	1,820	9,523

9. DIVIDENDS

No dividends were recommended, declared or paid during the financial period ended 30 Sept 2017.

10. VALUATION OF INVESTMENT PROPERTIES

An independent valuation for investment properties was carried out by Raine & Horne during the financial year ended 31 December 2016 and no fair value gain/loss arising from the valuation was recognised in the statement of profit or loss for the prior financial year.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

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

12. GROUP COMPOSITION

There were no material changes in the composition of the Group during the financial quarter under review.

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

The Group has no contingent liabilities except for the following :

	30.09.2017 RM'000	30.09.2016 RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries	284,791	171,541
- Current exposure	141,105	24,953
Performance bond issued by subsidiaries involved in construction activities	51,266	51,266

**NOTES TO THE 3rd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 SEPT 2017**

14. OPERATING SEGMENTS

The following tables provide an analysis of the Group's revenue, results, assets and liabilities by business segments:-

As at 30 Sept 2017 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	235,570	10,785	-	-	246,355
Other income	780	266	-	-	1,046
Unallocated other income	-	-	-	-	10
	235,994	11,051	-	-	247,055
RESULT					
Segment results	222,216	(2,207)	-	(54,356)	165,653
Unallocated corporate expenses					(73,272)
Finance costs					(4,102)
Profit before tax					88,279

As at 30 Sept 2016 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	12,288	33,672	-	-	45,960
Other income	1,028	458	-	-	1,486
Unallocated other income	-	-	-	-	62
	13,316	34,131	-	-	47,508
RESULT					
Segment results	590	(1,564)	-	(295)	(1,269)
Unallocated corporate expenses					(1,131)
Finance costs					(9,839)
Loss before tax					(12,239)

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 SEPT 2017

14. OPERATING SEGMENTS (cont'd)

ASSETS AND LIABILITIES

As at 30 Sept 2017 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment assets	1,605,418	334,915	-	(581,234)	1,359,099
Investment in associates					88,786
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					425,006
Consolidated total assets					1,873,479
LIABILITIES					
Segment liabilities	(674,188)	(713,158)	-	533,773	(853,613)
Unallocated corporate liabilities					(103,275)
Consolidated total liabilities					(956,888)

As at 30 Sept 2016 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment assets	1,045,032	250,151	3,800	(254,448)	1,044,535
Investment in associates					50,624
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					213,472
Consolidated total assets					1,309,219
LIABILITIES					
Segment liabilities	(204,896)	(599,774)	(7,358)	206,986	(605,042)
Unallocated corporate liabilities					(103,956)
Consolidated total liabilities					(708,998)

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPT 2017

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		9 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Purchase of raw materials from a subsidiary of a company of which directors of the Company have interest	51	-	51	1,097
Construction related services to a subsidiary of a company of which directors of the Company have interest	859	9,074	1,636	13,884
Construction related services to an associate company of which directors of the Company have interest	20,976	10,879	59,951	22,609
Project management services from a subsidiary of a company of which directors of the Company have interest	-	-	-	255
Rental and maintenance related services from a subsidiary of a company of which directors of the Company have interest	35	26	53	65

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**NOTES TO THE 3rd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 SEPT 2017**

16. REVIEW OF PERFORMANCE

(i) Financial review for current quarter and financial period to-date

	3 months Quarter ended		Changes		9 months cumulative to-date		Changes	
	30.09.2017 (RM'000)	30.9.2016 (RM'000)	Amount (RM'000)	%	30.09.2017 (RM'000)	30.9.2016 (RM'000)	Amount (RM'000)	%
Revenue								
Property development	217,728	6,825	210,903	3,090	235,569	12,288	223,281	1,817
Constructions	2,471	9,721	(7,250)	(75)	10,785	33,672	(22,887)	(68)
	220,199	16,546	203,653	1,231	246,354	45,960	200,394	436

Profit/(loss) before tax								
Property development	163,311	593	162,718	27,440	168,260	532	167,728	31,528
Constructions	(1,587)	(778)	(809)	(103)	(3,434)	(2,490)	(944)	(38)
Others	(573)	(3,402)	2,829	83	(4,448)	(10,281)	5,833	57
Share option expenses	(17,366)	-	(17,366)	-	(72,099)	-	(72,099)	-
	143,785	(3,587)	147,372	4,109	88,279	(12,239)	100,518	(821)

a) Performance review for financial period to-date (9M FY 2017 vs 9M FY 2016)

For the current period to-date, the Group registered a significant increase in profit before tax of RM88.3 million upon the fulfilment of all conditions precedent for the disposal of first tranche of land ("Lot 1A") to Greenland Tebrau Sdn Bhd ("GTSB"). The Group's profit had improved to RM88.3 million as compared to the loss before tax for preceding period to-date of RM12.2 million.

The contribution from each business segment is set out below:

Property Development

Revenue from property sector for 9M 2017 has improved significantly by 1,817% to RM235.6 million from RM12.2 million in 9M 2016. The increase in revenue from the recognition of land sale to GTSB also significantly improved the sector's position by turning its loss of RM12.2 in 9M 2016 to profit before tax of RM88.3 million for 9M 2017.

Construction

Construction sector had registered a lower revenue of RM10.8 million in 9M 2017 as compared to RM33.6 million in 9M 2016. Increase in the construction sector has also registered a loss before tax of RM3.4 million as compared to loss of RM2.4 million for 9M 2016 due to lower work done for its construction projects.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
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b) Performance review for current quarter (Q3 2017 vs Q3 2016)

For the current quarter under review, the Group achieved a significant higher profit before tax of RM143.8 million as compared to a loss of RM3.6 million in the previous quarter.

Property Development

Revenue for current quarter of RM217.7 million has improved by RM210.9 million from RM6.8 million achieved in the previous quarter ended 2016. This had led to a profit before tax of RM143.8 million as against a loss of RM3.5 million in the previous quarter ended 2016. The increase in revenue and profit is substantially attributable by the fulfilment of conditions precedent for the sale of Lot 1A land to GTSB.

Construction

Revenue for construction sector is lower by 83%, mainly due to lower work done for certain construction projects as they had reached the completion stage. Consequently, the sector has registered a higher loss before tax of RM1.6 million as compared to the previous quarter loss of RM778,000.

(ii) Financial review for current quarter compared with immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
	30.09.2017 (RM'000)	30.06.2017 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	217,728	6,854	210,874	3,076
Constructions	2,471	5,655	(3,184)	(56)
	220,199	12,509	207,690	1,660
Profit/(loss) before tax				
Property development	163,311	1,512	161,799	10,701
Constructions	(1,587)	(41)	(1,546)	(3,770)
Others	(573)	(1,193)	620	52
Share option expenses	(17,366)	-	(17,366)	-
	143,785	278	143,507	51,621

The Group's revenue increased by 1,660% to RM220.2 million in the current quarter as compared to RM12.5 million in the preceding quarter due to land sales recognition for development sector during this quarter.

The Group has registered a profit before tax of RM143.8 million as compared to RM278,000 in the immediate preceding quarter mainly due to land sales recognition as mentioned in note16(a).

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPT 2017

17. PROSPECTS

With the fulfilment of all conditions precedent for the disposal of Lot 1A, the Group has recognised a revenue of RM246 million for this financial period.

The Group expects to continue with the performance supported by the recent improved sales volume and higher completion progress of its development project; Botanika. In addition, the Group will launch its gated and guarded landed properties with the Gross Development Value of approximately RM600 million upon receiving the authorities' approval that is expected by first half of 2018.

Although the economic outlook especially the property sector remains challenging, the Group has and will continue to address those challenges by reviewing and consolidating the group's products in response to the shift in the market.

18. PROFIT FORECAST

The Group has not provided any profit forecast in a public document.

19. TAXATION

	Quarter ended		9 months cumulative to date	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Income tax	56,251	19	57,254	37
Deferred tax	(2,072)	(20)	(2,273)	(76)
	<u>54,179</u>	<u>(1)</u>	<u>54,981</u>	<u>(39)</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

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FOR THE QUARTER ENDED 30 SEPT 2017

19. TAXATION (cont'd)

	Current quarter 30.09.2017 RM'000	9 months cumulative to date 30.09.2017 RM'000
Major components of tax expenses:		
Profit/(Loss) before tax	143,785	88,279
Taxation at the Malaysian statutory tax rate of 24%	34,508	21,287
Adjustments:		
- Income not subject to tax	(127)	(331)
- Under provision in prior period	223	223
- Non - deductible expenses	19,575	33,802
Tax expenses	54,179	54,981
Effective tax rate	37.68%	62.28%

20. UNQUOTED INVESTMENTS AND PROPERTIES

There were no purchases or sales of unquoted investments and properties for the current quarter and financial period-to-date.

21. QUOTED INVESTMENTS

There were no purchases or sales of quoted securities for the current quarter and financial period-to-date.

There were no investments in quoted securities as at the end of the current quarter.

22. STATUS OF CORPORATE PROPOSALS

There were no other corporate proposals announced but not completed as of the reporting date except for :

- (a) Remaining tranches on the Proposed Disposal of 128 acres of land to GTSB; and
- (b) Proposed Land Exchange.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPT 2017

23. BORROWINGS AND DEBT EQUITIES

Details of the Group's borrowings (all denominated in Malaysian currency) as at 30 Sept 2017 are as follows:

	Current	Non current	Total
	RM'000	RM'000	RM'000
Secured			
Term loan and bridging loans – Note 1	13,780	111,954	125,734
Revolving credit – Note 2	-	100,000	100,000
Obligations under finance lease	608	1,226	1,834
Bank overdraft	15,371	-	15,371
Total	<u>29,759</u>	<u>213,180</u>	<u>242,939</u>

Note 1 : Term loan and bridging loan from Affin Bank Berhad are for our development properties and land acquisition. RM138.13 million had been utilised to acquire our land and finance the project. RM9.5 million had been paid as this facilities are repay through the redemption from sale of development properties and also internal funds.

Note 2 : Revolving credit ("RC") from Amlslamic Bank Berhad - Murabahah Tawwarruq RC facility is for our working capital. The facility will be repay through internal funds.

24. REALISED AND UNREALISED PROFITS/(LOSSES)

The Group's realised and unrealised accumulated profit/(losses) disclosure is as follows:

	As at 30.09.2017	As at 30.06.2017
RM'000		
Total accumulated profit/(losses) of the Company and subsidiaries:		
- Realised	197,774	38,987
- Unrealised	(60,463)	(42,714)
	<u>137,311</u>	<u>(3,727)</u>
Less: Consolidation adjustments	(127,742)	(76,311)
Total Group accumulated profit/(losses)	<u>9,569</u>	<u>(80,038)</u>

**NOTES TO THE 3rd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 SEPT 2017**

25. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax:

	Quarter ended		9 months cumulative to date	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Depreciation	159	166	467	505
(Gain) /loss on disposal of property, plant and equipment	-	107	(62)	107
Interest income	(127)	(201)	(330)	(737)
Interest expenses	544	3,287	4,101	9,839
Other income	(24)	(65)	(133)	(124)

Other than as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Malaysia Listing Requirement are not applicable.

26. CAPITAL COMMITMENTS

There are no material capital commitments as at the date of this report.

27. EVENTS AFTER REPORTING PERIOD

There were no material events subsequent to the end of the current quarter.

28. DERIVATIVES

- a. There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the quarter ended 30 Sept 2017; and
- b. The Group has not entered into any type of derivatives in the previous financial year or the period under review.

29. DIVIDEND PAYABLE

No dividend has been declared for the financial period ended 30 Sept 2017 (31 December 2016 : RM Nil).

**NOTES TO THE 3rd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 SEPT 2017**

30. EARNINGS/(LOSS) PER SHARE

(a) The basic earnings per share has been calculated by dividing the Group's profit/(loss) for the period attributable to owners of the Company by weighted average number of shares in issue. The weighted number of shares in issue is calculated as follows:

	Quarter ended		9 months cumulative to date	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Profit/(loss) for the period attributable to owners of the Company (RM'000)	89,606	(3,587)	33,298	(12,200)
Number of ordinary shares at beginning of the period ('000)	818,396	669,727	736,700	669,727
Effect of shares issued pursuant to :				
- Private placement	-	33,486	-	33,486
- Land acquisition	-	-	72,500	-
- Exercise of ESOS	-	-	9,196	-
Weighted average number of ordinary shares	818,396	703,213	818,396	703,213
Basic earnings per share (sen)	10.95	(0.51)	4.07	(1.74)

(b) The diluted earnings per share has been calculated by dividing the Group's profit/(loss) for the period attributable to owners of the Company by weighted average number of shares that would have been in issue upon full exercise of the remaining options under the Employees Share Option Scheme ("ESOS") granted, is calculated as follows:

	Quarter ended		9 months cumulative to date	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Profit/(loss) for the period attributable to owners of the Company (RM'000)	89,606	(3,587)	33,298	(12,200)
Weighted average number of ordinary shares as per basic earnings per share	818,396	703,213	818,396	703,213
Effect of potential exercise of ESOS	7,920	-	(4,974)	-
Weighted average number of ordinary shares	826,316	703,213	813,422	703,213
Diluted earnings per share (sen)	10.84	(0.51)	4.09	(1.74)

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPT 2017

31. STATUS OF JOINT VENTURE PROJECT

Following is the status of the existing joint venture projects as at 30 Sept 2017 :

	Paradise Realty Sdn. Bhd.	Greenland Tebrau Sdn. Bhd. (Lot 1A)
<u>Development Status</u>		
Total land area	20.324 acres	11.013 acres
% land under development	100%	100%
% of development completed	49.96%	-
% of development not yet completed	50.04%	100%

32. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 November 2017.