

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE QUARTER ENDED 31 MARCH 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter	Previous year corresponding quarter	3 months ended	3 months ended
	31.03.2018	31.03.2017 (restated)	31.03.2018	31.03.2017 (restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	32,067	13,785	32,067	13,785
Cost of sales	(25,054)	(9,882)	(25,054)	(9,882)
Gross profit	7,013	3,903	7,013	3,903
Other operating income	238	486	238	486
Operating expenses	(5,753)	(2,314)	(5,753)	(2,314)
Profit from operations	1,498	2,075	1,498	2,075
Finance costs	(282)	(3,069)	(282)	(3,069)
	1,216	(994)	1,216	(994)
Share option expenses <sup>*N1</sup>	-	(54,733)	-	(54,733)
Profit/(Loss) before tax (Note 25)	1,216	(55,727)	1,216	(55,727)
Tax expenses (Note 19)	(401)	(697)	(401)	(697)
Profit/(Loss) for the period	815	(56,424)	815	(56,424)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	815	(56,424)	815	(56,424)
Profit/(Loss) and total comprehensive income/(loss) attributable to :				
Owners of the Parent	815	(56,424)	815	(56,424)

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

**EARNINGS/(LOSS) PER SHARE (Note 30)**

Basic (sen)	0.097	(6.97)	0.097	(6.97)
Diluted (sen)	0.097	(6.10)	0.097	(6.10)

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION AS AT 31 MARCH 2018

	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000 (Restated)	As at 01.01.2017 RM'000 (Restated)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3,427	3,545	3,839
Available-for-sale investment	90	90	90
Investment in associates	46,305	46,305	55,051
Investment properties	540	540	498
Inventory property - Land held	122,343	122,343	28,974
Deferred tax assets	11,632	11,632	10,350
	<u>184,337</u>	<u>184,455</u>	<u>98,802</u>
<b>CURRENT ASSETS</b>			
Inventory property - Development properties	1,212,169	1,195,125	984,319
Inventories	182	182	182
Trade and other receivables	306,615	308,629	174,630
Other current assets	79,237	44,326	28,238
Tax recoverable	-	-	2,944
Cash and bank balances	44,523	48,156	49,498
	<u>1,642,726</u>	<u>1,596,418</u>	<u>1,239,811</u>
<b>TOTAL ASSETS</b>	<b>1,827,063</b>	<b>1,780,873</b>	<b>1,338,613</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	726,946	726,946	368,350
Share premium	-	-	251,775
Share based payment reserve	56,232	64,110	-
Reserves	34,028	25,335	(23,210)
Shareholders' equity	<u>817,206</u>	<u>816,391</u>	<u>596,915</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	211,497	211,650	14,614
Deferred tax liabilities	96,790	96,858	99,454
	<u>308,287</u>	<u>308,508</u>	<u>114,068</u>
<b>CURRENT LIABILITIES</b>			
Short term borrowings	23,490	27,193	127,773
Trade and other payables	599,388	556,261	442,231
Other current liabilities	27,945	17,431	16,157
Provisions	8,784	8,512	3,640
Tax payable	41,963	46,577	37,829
	<u>701,570</u>	<u>655,974</u>	<u>627,630</u>
<b>TOTAL LIABILITIES</b>	<b>1,009,857</b>	<b>964,482</b>	<b>741,698</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,827,063</b>	<b>1,780,873</b>	<b>1,338,613</b>
Net assets per share (RM)	0.97	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 2017 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2018

	Share capital RM'000	Share premium* RM'000	Share based payment reserve RM'000	(Accumulated losses)/ Retained profits RM'000	Total equity RM'000
<b>Opening balance at 1 January 2018</b>	726,946	-	64,110	24,391	815,447
Effect of adoption of the MFRS Framework	-	-	-	944	944
<b>Opening balance at 1 January 2018 (restated)</b>	726,946	-	64,110	25,335	816,391
Total comprehensive profit for the period	-	-	-	815	815
Expired of equity-settled share options to employees	-	-	(7,878)	7,878	-
<b>Closing balance at 31 Mar 2018</b>	726,946	-	56,232	34,028	817,206
<b>Opening balance at 1 January 2017</b>	368,350	251,775	-	(23,730)	596,395
Effect of adoption of the MFRS Framework	-	-	-	546	546
<b>Opening balance at 1 January 2017 (restated)</b>	368,350	251,775	-	(23,184)	596,941
Total comprehensive loss for the period	-	-	-	(56,398)	(56,398)
Issuance of ordinary shares	78,300	-	-	-	78,300
Grant of equity-settled share options to employees	-	-	54,733	-	54,733
Transition to no par value regime*	251,775	(251,775)	-	-	-
<b>Closing balance at 31 Mar 2017</b>	698,425	-	54,733	(79,582)	673,576

\*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 2017 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
 FOR THE QUARTER ENDED 31 MARCH 2018

	<b>3 months ended 31.03.2018 RM'000</b>	<b>3 months ended 31.03.2017 RM'000 (restated)</b>
<b>Operating activities</b>		
Profit/(loss) before tax	1,216	(55,727)
Adjustment for :		
Depreciation	119	154
Grant of equity-settled share options to employees	-	54,733
Interest income	(162)	(105)
Interest expenses	282	3,069
Operating profit/(loss) before changes in working capital	1,455	2,124
Change in trade and other receivables	(30,789)	(13,902)
Change in trade and other payables	53,913	60,201
Change in inventory property	(17,045)	(15,566)
<b>Cash flows from/(used in) operating activities</b>	<b>7,534</b>	<b>(32,857)</b>
Interest paid	(282)	(3,069)
Taxes paid (net)	(2,567)	(1,967)
<b>Net cash from/(used in) operating activities</b>	<b>4,685</b>	<b>27,821</b>
<b>Investing activities</b>		
Additions to land held	-	(93,342)
Purchase of property, plant and equipment	-	(5)
Investment in associates	-	(10,000)
Interest received	162	105
<b>Net cash used in investing activities</b>	<b>162</b>	<b>(103,242)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE QUARTER ENDED 31 MARCH 2018**

	<b>3 months ended 31.03.2018 RM'000</b>	<b>3 months ended 31.03.2017 RM'000 (restated)</b>
<b>Financing activities</b>		
Uplift/(placement) of deposits with maturity exceeding 90 days	(4,624)	-
Repayment of borrowings	(4,299)	(3,741)
Repayment of obligations under finance leases	(142)	(148)
Proceeds from issuance of shares	-	78,300
<b>Net cash from/(used in) financing activities</b>	<b>(9,065)</b>	<b>74,411</b>
Net increase/(decrease) in cash and cash equivalents	(4,218)	(1,010)
Cash and cash equivalents at beginning of period	(7,623)	5,879
<b>Cash and cash equivalents at the end of period</b>	<b>(11,841)</b>	<b>4,869</b>
Cash and cash equivalents comprise:		
Cash and bank balances	2,368	3,614
Deposit with licensed banks	42,155	44,321
	44,523	47,935
Less: Deposit with licensed banks pledged for banking facilities	(41,469)	(28,477)
Less : Bank overdraft	(14,895)	(14,589)
	<b>(11,841)</b>	<b>4,869</b>

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.

## NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2018

### 1. BASIS OF PREPARATION

The condensed consolidated interim financial statements (“Condensed Report”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and 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 2017. 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 2017.

The condensed report for the 3-months period ended 31 March 2018 is the first set of Condensed Report prepared in accordance with the MFRS Framework, hence the MFRS 1 First Time Adoption of Malaysian Financial Standards has been applied. The MFRS Framework is effective for the Group from 1 January 2018 and the date of transition to the MFRS Framework for the purposes of preparation on the MFRS compliant condensed report is 1 January 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statements of financial position as at 1 January 2017 and throughout all comparable condensed report presented, as if these policies had always been in effect. Comparative information in these condensed report have been restated to give effect to above changes. The newly effective standard, which was, adopted pursuant to the adoption of the MFRS Framework, namely MFRS 15 *Revenue from Contracts with Customers*.

### 2. CHANGES IN ACCOUNTING POLICIES

#### 2.1 Changes in accounting policies arising from 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 2017 except for the adoption of the following new amendments to MFRSs:

- MFRS 15 : Revenue from Contracts with Customers
- Amendments to MFRS 15 : Clarifications to MFRS 15
- MFRS 9 : Financial Instruments
- Amendments to MFRS 1: First time Adoption of MFRS 1 (Annual Improvements to MFRSs 2014-2016 Cycle)
- Amendments to MFRS 140 : Transfers of Investment Property
- Amendments to MFRS 2 : Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4 : Applying MFRS 9 – Financial Instruments with MFRS 4 – Insurance Contracts
- Amendments to MFRS 128 : Investments in Associates and Joint Ventures (Annual Improvements to MFRSs 2014-2016 Cycle)

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.1 Changes in accounting policies arising from adoption of Standards, Amendments and IC interpretations (cont'd)**

The adoption of the above amendments to MFRSs did not result in material impact to the interim financial statements of the Group except as per mentioned above on the adoption of MFRS 15 where the impact is shown below.

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables:

Reconciliation of statements of comprehensive income for current quarter and cumulative quarter ended 31 March 2017:

	<u>As previously reported 31.03.2017 RM'000</u>	<u>Effect of MFRS 15 31.03.2017 RM'000</u>	<u>Restated as at 31.03.2017 RM'000</u>
Revenue	13,647	138	13,785
Cost of sales	(9,801)	(81)	(9,882)
Gross profit	3,846	57	3,903
Other operating income	486	-	486
Operating expenses	(2,314)	-	(2,314)
Profit from operations	2,018	57	2,075
Finance costs	(3,069)	-	(3,069)
	(1,051)	57	(994)
Share option expenses	(54,733)	-	(54,733)
Loss before tax	(55,784)	57	(55,727)
Tax expenses	(671)	(26)	(697)
Loss for the period	(56,455)	31	(56,424)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss for the period	(56,455)	31	(56,424)
Loss and total comprehensive loss attributable to :			
Owners of the Parent	(56,455)	31	(56,424)

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2018

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.1 Changes in accounting policies arising from adoption of Standards, Amendments and IC interpretations (cont'd)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables:

Reconciliation of statements of financial position:

	<u>Audited as at</u> <u>31.12.2017</u> <u>RM'000</u>	<u>Effect of</u> <u>MFRS 15</u> <u>RM'000</u>	<u>Restated as</u> <u>at 31.12.2017</u> <u>RM'000</u>	<u>Audited as at</u> <u>01.01.2017</u> <u>RM'000</u>	<u>Effect of</u> <u>MFRS 15</u> <u>RM'000</u>	<u>Restated as</u> <u>at 01.01.2017</u> <u>RM'000</u>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	3,545	-	3,545	3,839	-	3,839
Available-for-sale investment	90	-	90	90	-	90
Investment in associates	46,305	-	46,305	55,051	-	55,051
Investment properties	540	-	540	498	-	498
Inventory property - Land held	122,343	-	122,343	28,974	-	28,974
Deferred tax assets	11,632	-	11,632	49,498	-	49,498
	184,455	-	184,455	98,802	-	98,802
<b>CURRENT ASSETS</b>						
Development properties	1,193,847	1,278	1,195,125	983,773	546	984,319
Inventories	182	-	182	182	-	182
Trade and other receivables	308,629	-	308,629	174,630	-	174,630
Other current assets	44,326	-	44,326	28,238	-	28,238
Tax recoverable	-	-	-	2,944	-	2,944
Cash and bank balances	48,156	-	48,156	49,498	-	49,498
	1,595,140	1,278	1,596,418	1,239,265	546	1,239,811
<b>TOTAL ASSETS</b>	<b>1,779,595</b>	<b>1,278</b>	<b>1,780,873</b>	<b>1,338,067</b>	<b>546</b>	<b>1,338,613</b>



NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2018

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.1 Changes in accounting policies arising from adoption of Standards, Amendments and IC interpretations (cont'd)**

The financial impacts to the interim financial statements of the Group arising from the adoption of MFRS 15 are disclosed in the following tables:

Reconciliation of statements of financial position (cont'd):

	<u>Audited as at</u> <u>31.12.2017</u> <u>RM'000</u>	<u>Effect of</u> <u>MFRS 15</u> <u>RM'000</u>	<u>Restated as</u> <u>at 31.12.2017</u> <u>RM'000</u>	<u>Audited as at</u> <u>01.01.2017</u> <u>RM'000</u>	<u>Effect of</u> <u>MFRS 15</u> <u>RM'000</u>	<u>Restated as</u> <u>at 01.01.2017</u> <u>RM'000</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>						
Share capital	726,946	-	726,946	368,350	-	368,350
Share premium	-	-	-	251,775	-	251,775
Share based payment reserve	64,110	-	64,110	-	-	-
Reserves	24,391	944	25,335	(23,730)	520	(23,210)
Shareholders' equity	<u>815,447</u>	<u>944</u>	<u>816,391</u>	<u>596,395</u>	<u>520</u>	<u>596,915</u>
<b>NON-CURRENT LIABILITIES</b>						
Long term borrowings	211,650	-	211,650	14,614	-	14,614
Deferred tax liabilities	96,858	-	96,858	99,454	-	99,454
	<u>308,508</u>	<u>-</u>	<u>308,508</u>	<u>114,068</u>	<u>-</u>	<u>114,068</u>
<b>CURRENT LIABILITIES</b>						
Short term borrowings	27,193	-	27,193	127,773	-	127,773
Trade and other payables	556,261	-	556,261	442,231	-	442,231
Other current liabilities	17,431	-	17,431	16,157	-	16,157
Provisions	8,512	-	8,512	3,640	-	3,640
Tax payable	46,243	334	46,577	37,803	26	37,829
	<u>655,640</u>	<u>334</u>	<u>655,974</u>	<u>627,604</u>	<u>26</u>	<u>627,630</u>
<b>TOTAL LIABILITIES</b>	<b>964,148</b>	<b>334</b>	<b>964,482</b>	<b>741,672</b>	<b>546</b>	<b>741,698</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,779,595</b>	<b>1,278</b>	<b>1,780,873</b>	<b>1,338,067</b>	<b>546</b>	<b>1,338,613</b>

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

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

The following are new standards, amendments and interpretations that have been issued by MASB but have not early adopted by the Group:

MFRS 16 : Leases

IC Interpretation 23: Uncertainty over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Amendments to MFRS 3 and MFRS 11: Previously Held Interest in a Joint Operation  
(Annual Improvements to MFRSs 2015-2017 Cycle)

Amendments to MFRS 119 : Plan Amendment, Curtailment or Settlement

Amendments to MFRS 123 : Borrowing Costs Eligible for Capitalisation  
(Annual Improvements to MFRSs 2015- 2017 Cycle)

MFRS 17: Insurance Contracts

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

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.

**2.3 Significant accounting judgement and estimates**

(a) Inventory property - Property development

The Group recognises property development revenue and expenses in the statements of comprehensive income on the basis upon performance of services.

The identification of separate performance obligations arising from the sale of property units from the various property development projects of the Group, such as the sale of property with complimentary giveaways, and may result in the acceleration or deferment of revenue recognition relating to these separate performance obligations depending on whether the related goods and/or services are delivered or satisfied. This would affect the timing of revenue recognition for the property development activities.

The cost of inventory property is recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative side of the property sold. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.3 Significant accounting judgement and estimates (cont'd)**

(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.

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

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

The management has estimated LAD amounting to RM14.15 million based on the revised projects' schedule and the terms of the contract projects and property development. The Group has arrived at this estimation based on its prior experience with similar contracts and property development.

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 2017**

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2017 was not subject to any qualification.

NOTES TO THE 1<sup>ST</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018

**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.

**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.

**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.

**NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018**

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

The gearing ratios as at 31 March 2018 and 31 December 2017, which are within the Group's objectives for capital management, are as follows:-

	<b>31.03.2018</b> <b>RM'000</b>	<b>31.12.2017</b> <b>RM'000</b> <b>(restated)</b>
Borrowings	234,987	238,843
Trade and other payables	599,388	556,261
Less: Cash and bank balances	<u>(42,715)</u>	<u>(48,156)</u>
Net debt	<u>791,660</u>	<u>746,948</u>
Equity	<u>817,206</u>	<u>816,391</u>
Total capital	<u>817,206</u>	<u>816,391</u>
<b>Capital and net debt</b>	<b>1,608,866</b>	<b>1,563,339</b>
<b>Gearing ratio</b>	<b>49.2%</b>	<b>47.8%</b>

The increase in gearing ratio to 49.2% for the quarter ended 31 March 2018 as compared to previous year of 47.8% is due to increase in amount payable to sub-contractors.

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

	<b>Current year quarter</b> <b>31.03.2018</b> <b>RM'000</b>	<b>3 months</b> <b>cumulative to date</b> <b>31.03.2018</b> <b>RM'000</b>
a) Drawdown on new bank borrowings	-	-
b) Repayment of bank borrowings	4,299	4,299

**9. DIVIDENDS**

No dividends were recommended, declared or paid during the financial period ended 31 March 2018.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2018

**10. VALUATION OF INVESTMENT PROPERTIES**

An independent valuation for investment properties was carried out by Raine & Horne during the prior financial year ended 31 December 2017 and the net fair value gain arising from the valuation amounting to RM42,000 was recognised in the statements of profit or loss for the prior financial year ended 31 December 2017.

**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 :

	<b>31.03.2018</b>	<b>31.12.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries	284,791	284,791
- Current exposure	128,628	138,157
Performance bond issued by subsidiaries involved in construction activities	51,266	51,266

**NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018**

**14. OPERATING SEGMENTS**

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

<b>As at 31 Mar 2018 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	26,473	5,594	-	-	32,067
Other income	68	60	-	-	128
Unallocated other income	-	-	-	-	110
	26,541	5,654	-	-	32,305
<b>RESULT</b>					
Segment results	2,477	(87)	-	(283)	2,107
Unallocated corporate expenses					(609)
Finance costs					(282)
<b>Profit before tax</b>					<b>1,216</b>

<b>As at 31 Mar 2017 RM'000 (Restated)</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	11,127	2,658	-	-	13,785
Other income	347	136	-	-	483
Unallocated other income	-	-	-	-	2
	11,474	2,794	-	-	14,267
<b>RESULT</b>					
Segment results	3,143	(370)	-	(381)	(2,392)
Unallocated corporate expenses					(55,050)
Finance costs					(3,069)
<b>Loss before tax</b>					<b>(55,727)</b>

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2018

14. OPERATING SEGMENTS (cont'd)

**ASSETS AND LIABILITIES**

As at 31 Mar 2018 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b><u>ASSETS</u></b>					
Segment assets	1,477,009	546,934	-	(558,954)	1,464,989
Investment in associates					46,304
Investment properties					540
Available-for-sale investments					90
Unallocated corporate assets					315,140
<b>Consolidated total assets</b>					<b>1,827,063</b>
<b><u>LIABILITIES</u></b>					
Segment liabilities	(621,307)	(751,464)	-	466,610	(906,161)
Unallocated corporate liabilities					(103,696)
<b>Consolidated total liabilities</b>					<b>(1,009,857)</b>

As at 31 Mar 2017 RM'000 (restated)	Property Development	Construction	Property Management	Elimination	Consolidated
<b><u>ASSETS</u></b>					
Segment assets	1,340,031	281,464	-	(389,189)	1,232,306
Investment in associates					65,051
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					289,696
<b>Consolidated total assets</b>					<b>1,587,641</b>
<b><u>LIABILITIES</u></b>					
Segment liabilities	(355,887)	(662,383)	(17,839)	341,728	(694,381)
Unallocated corporate liabilities					(103,718)
<b>Consolidated total liabilities</b>					<b>(798,099)</b>



NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018

**15. RELATED PARTY TRANSACTIONS**

Significant related party transactions are as follows:

	3 months ended		3 months ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
Rental of machineries & equipment from of a company of which directors of the Company have interest.	157	-	157	-
Purchase of raw materials from a subsidiary of a company of which directors of the Company have interest	-	-	-	-
Construction related services to a subsidiary of a company of which directors of the Company have interest	-	-	-	-
Construction related services to an associate company of which directors of the Company have interest	13,623	18,099	13,623	18,099
Project management services from a subsidiary of a company of which directors of the Company have interest	-	-	-	-
Rental and maintenance related services from a subsidiary of a company of which directors of the Company have interest	99	9	99	9

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 1<sup>st</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2018**

**16. REVIEW OF PERFORMANCE**

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

	3 months Quarter ended		Changes		3 months cumulative to-date		Changes	
	31.03.2018 (RM'000)	(Restated) 31.03.2017 (RM'000)	Amount (RM'000)	%	31.03.2018 (RM'000)	(Restated) 31.03.2017 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>								
Property development	26,473	11,127	15,346	137.92	26,473	11,127	15,346	137.92
Constructions	5,594	2,658	2,936	110.4	5,594	2,658	2,936	110.4
	<b>32,067</b>	<b>13,785</b>	<b>18,282</b>	<b>132.6</b>	<b>32,067</b>	<b>13,785</b>	<b>18,282</b>	<b>132.6</b>

<b>Profit/(loss) before tax</b>								
Property development	2,477	3,143	(666)	(21.19)	2,477	3,143	(666)	(21.19)
Constructions	(87)	(370)	283	76.48	(87)	(370)	283	76.48
Others	(1,174)	(3,767)	2,593	68.83	(1,174)	(3,767)	2,593	68.83
Share option expenses	-	(54,733)	54,733	100	-	(54,733)	54,733	100
	<b>1,216</b>	<b>(55,727)</b>	<b>56,943</b>	<b>102.18</b>	<b>1,216</b>	<b>(55,727)</b>	<b>56,943</b>	<b>102.18</b>

a) Performance review for current quarter and cumulative quarter (Q1 2018 vs Q1 2017)

For the financial period ended 31 March 2018, the Group registered a profit before tax of RM1.21 million. The Group's profit had improved from loss before tax of RM55.7 million in March 2017 to profit before tax of RM1.21 million in March 2018.

The contribution from each business segment is set out below:

**Property Development**

Revenue from property sector for Q1 2018 had improved significantly by RM15.35 million to RM26.47 million as compared to Q1 2017 of RM11.13 million. The improvement was due to the launch of a development project and also the improvement in sales take-up rate and progress billings. Despite the improvement in revenue, this sector had registered a lower profit before tax of RM2.48 million in Q1 2018 as compared to RM3.14 million in Q1 2017 as higher promotion and marketing expenses incurred on the launch of new development project.

**Construction**

The construction sector had registered a higher revenue of RM5.5 million in Q1 2018 as compared to RM2.6 million in Q1 2017. The higher revenue was due to higher percentage of work achieved for its construction projects in the current quarter. With the higher percentage of work achieved, lower loss before tax was also recognised in the current quarter.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018

**16. REVIEW OF PERFORMANCE (cont'd)**

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

	Current quarter	Immediate preceding quarter	Changes	
	31.03.2018 (RM'000)	31.12.2017 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	26,473	18,983	7,490	39.45
Constructions	5,594	6,866	(1,272)	(18.52)
	<b>32,067</b>	<b>25,849</b>	6,218	24.05
<b>Profit/(loss) before tax</b>				
Property development	2,477	(610)	3,087	506.06
Constructions	(87)	(6,272)	6,185	98.61
Others	(1,174)	3,633	(4,807)	(132.3)
	<b>1,216</b>	<b>(3,249)</b>	4,465	137.42

The Group's revenue had increased by RM6.22 million to RM32.07 million in the current quarter as compared to RM25.85 million in the preceding quarter due to improvement in sales take-up rate and progress billings for property development sector.

The Group had registered profit before tax of RM1.22 million as compared to loss before tax of RM3.25 million in the immediate preceding quarter mainly due to provision for LAD expenses on its property development and construction sectors in the immediate preceding quarter.

**17. PROSPECTS**

Whilst the overall short-term prospects for the industry are expected to remain challenging, the Group believes that there will still be demand for properties in prime locations with attractive pricing. The Group will continue to build wide range of premium quality products, ranging from deluxe residences with high-end finishes and facilities to sizable landed units with practical and efficient layouts. These developments are anticipated to further strengthen the Group's foothold in landed properties' market in Iskandar Malaysia.

Besides, the Group is committed to improve pricing and marketing strategies as well as product development and innovation, reduce operational costs, improve cash flow and ensure better returns across all divisions. Internal support system is continuously monitored and improved to provide efficiency and effectiveness in order to deliver consistent performance going forward.

**NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
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**18. PROFIT FORECAST**

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

**19. TAXATION**

	<b>Quarter ended</b>		<b>3 months cumulative to date</b>	
	<b>31.12.2017</b>	<b>31.03.2017</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax	469	788	469	788
Deferred tax	(68)	(91)	(68)	(91)
	401	697	401	697

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

	<b>Current quarter 31.03.2018 RM'000</b>	<b>3 months cumulative to date 31.03.2018 RM'000</b>
Major components of tax expenses:		
Profit before tax	1,216	1,216
Taxation at the Malaysian statutory tax rate of 24%	292	292
Adjustments:		
- Income not subject to tax	(720)	(720)
- Non - deductible expenses	829	829
Tax expenses	401	401
Effective tax rate	32.97%	32.97%

**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.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018

**22. STATUS OF CORPORATE PROPOSALS**

There were no other corporate proposals announced but not completed as of the reporting date except for remaining tranches on the Proposed Disposal of 128 acres of land to Greenland Tebrau Sdn. Bhd.

**23. BORROWINGS AND DEBT EQUITIES**

Details of the Group's borrowings (all denominated in Malaysian currency) as at 31 March 2018 are as follows:

	<b>Current</b>	<b>Non current</b>	<b>Total</b>
<b>Secured</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Term loan and bridging loans – Note 1	8,021	110,536	118,557
Revolving credit – Note 2	-	100,000	100,000
Obligations under finance lease	574	961	1,535
Bank overdraft	14,895	-	14,895
Total	23,490	211,497	234,987

Note 1 : Term loan and bridging loan are for the development properties and land acquisition. RM138.1 million had been utilised for the land acquisition and finance the development project. RM20.19 million had been repaid.

Note 2 : Revolving credit facility is for working capital.

**24. MATERIAL LITIGATION**

**Johor Bahru High Court Summons No. JA-21NCVC-8-03/2018**

On 12 April 2018, a subsidiary of the Company, namely Tebrau Bay Constructions Sdn Bhd ("TBCSB") was served with a Writ of Summon and Statement of Claim dated 15 March 2018 from the Inland Revenue Board of Malaysia ("IRB") claiming for the additional income taxes and tax penalties ("Additional Assessments") amounted to RM32.23 million, together with interests and other costs.

The Additional Assessments raised by IRB was in respect of years of assessment 2010, 2012 and 2014. TBCSB did not receive the notices of assessment dated 16 August 2017 but was notified via email on 24 January 2018.

TBCSB had engaged a solicitor to handle this matter and will continue to make the necessary appeals to IRB against the Additional Assessments.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
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**25. PROFIT/(LOSS) BEFORE TAX**

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

	Quarter ended		3 months cumulative to date	
	31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Depreciation	119	154	119	154
Interest income	(162)	(105)	(162)	(105)
Interest expenses	282	3,069	282	3,069
Fair value adjustment on investment property	-	-	-	-
Other income	(6)	(360)	(6)	(360)

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**

- There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the quarter ended 31 March 2018; and
- 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 31 March 2018 (31 March 2017 : RM Nil).

**NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2018**

**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:

	<b>Quarter ended</b>		<b>3 months cumulative to date</b>	
	<b>31.03.2018</b>	<b>31.03.2017 (restated)</b>	<b>31.03.2018</b>	<b>31.03.2017 (restated)</b>
Profit/(loss) for the period attributable to owners of the Company (RM'000)	815	(56,424)	815	(56,424)
Number of ordinary shares at beginning of the period ('000)	837,389	736,670	837,389	736,670
Effect of shares issued pursuant to :				
- Land acquisition	-	72,500	-	72,500
Weighted average number of ordinary shares	<u>837,389</u>	<u>809,170</u>	<u>837,389</u>	<u>809,170</u>
Basic earnings per share (sen)	<u>0.097</u>	<u>(6.97)</u>	<u>0.097</u>	<u>(6.97)</u>

(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:

	<b>Quarter ended</b>		<b>3 months cumulative to date</b>	
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2018</b>	<b>31.12.2017</b>
Profit/(loss) for the period attributable to owners of the Company (RM'000)	815	(56,424)	815	(56,424)
Weighted average number of ordinary shares as per basic earnings per share	837,389	809,170	837,389	809,170
Effect of potential exercise of ESOS	-*	115,313	-*	115,313
Weighted average number of ordinary shares	<u>837,389</u>	<u>924,483</u>	<u>837,389</u>	<u>924,483</u>
Diluted earnings per share (sen)	<u>0.097*</u>	<u>(6.10)</u>	<u>0.097*</u>	<u>(6.10)</u>

\* The 96,361,000 share options granted to directors and employees under the employee share option scheme have not included in the calculation of diluted earnings per share because they are anti-dilutive.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
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**31. STATUS OF JOINT VENTURE PROJECT**

Following is the status of the existing joint venture projects as at 31 March 2018 :

	<b>Paradise Realty Sdn. Bhd.</b>	<b>Greenland Tebrau Sdn. Bhd. (Lot 1A)</b>
<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 31 May 2018.