

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current quarter</b>	<b>Previous year corresponding quarter</b>	<b>12 months ended</b>	<b>12 months ended</b>
	<b>31.12.2018</b>	<b>31.12.2017 (restated)</b>	<b>31.12.2018</b>	<b>31.12.2017 (restated)</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	52,708	25,158	118,476	267,632
Cost of sales	(51,157)	(24,691)	(110,404)	(96,752)
Gross profit	1,551	467	8,072	170,880
Other operating income	1,173	997	2,410	1,699
Operating expenses	2,953	(24,372)	(4,738)	(31,869)
Profit from operations	5,677	(22,908)	5,744	140,710
Finance costs	(4,398)	(332)	(13,790)	(4,434)
	1,279	(23,240)	(8,046)	132,276
Share option expenses <sup>*N1</sup>	-	-	-	(72,099)
Profit/(loss) before tax (Note 25)	1,279	(23,240)	(8,046)	64,177
Tax income/(expense) (Note 19)	294	36,653	1,442	(18,504)
Profit/(loss) for the period	1,573	13,413	(6,604)	45,673
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income/(loss) for the period	1,573	13,413	(6,604)	45,673
Profit/(Loss) and total comprehensive income/(loss) attributable to :				
Owners of the Parent	1,573	13,413	(6,604)	45,673

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

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

Basic (sen)	0.19	1.63	(0.79)	5.58
Diluted (sen)	0.19	1.63	(0.79)	5.58

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 DECEMBER 2018

	As at 31.12.2018 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	2,795	3,545	3,839
Available-for-sale investment	90	90	90
Investment in associates	46,305	46,305	55,051
Investment properties	548	540	498
Inventory property - Land held	122,355	122,343	28,974
Deferred tax assets	16,090	12,232	11,384
	<u>188,183</u>	<u>185,055</u>	<u>99,836</u>
<b>CURRENT ASSETS</b>			
Inventory property - Development properties	1,201,184	1,189,982	983,773
Inventories	182	182	182
Trade and other receivables	305,822	308,628	174,630
Other current assets	146,454	46,003	32,546
Tax recoverable	245	-	2,944
Cash and bank balances	41,620	48,156	49,498
	<u>1,695,507</u>	<u>1,592,951</u>	<u>1,243,573</u>
<b>TOTAL ASSETS</b>	<b>1,883,690</b>	<b>1,778,006</b>	<b>1,343,409</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	56,187	64,110	-
Reserves	27,713	26,394	(19,279)
Shareholders' equity	<u>810,846</u>	<u>817,450</u>	<u>600,846</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	231,084	211,650	14,614
Deferred tax liabilities	98,195	96,858	99,454
	<u>329,279</u>	<u>308,508</u>	<u>114,068</u>
<b>CURRENT LIABILITIES</b>			
Short term borrowings	9,832	27,193	127,772
Trade and other payables	676,137	556,261	443,124
Other current liabilities	25,665	17,431	16,157
Provisions	16,496	4,920	3,640
Tax payable	15,435	46,243	37,802
	<u>743,565</u>	<u>652,048</u>	<u>628,495</u>
<b>TOTAL LIABILITIES</b>	<b>1,072,844</b>	<b>960,556</b>	<b>742,563</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,883,690</b>	<b>1,778,006</b>	<b>1,343,409</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 YEAR ENDED 31 DECEMBER 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	-	-	-	2,003	2,003
<b>Opening balance at 1 January 2018 (restated)</b>	726,946	-	64,110	26,394	817,450
Total comprehensive loss for the year	-	-	-	(6,604)	(6,604)
Expired of equity-settled share options to employees	-	-	(7,923)	7,923	-
<b>Closing balance at 31 Dec 2018</b>	726,946	-	56,187	27,713	810,846
<b>Opening balance at 1 January 2017</b>	368,350	251,775	-	(23,730)	596,395
Effect of adoption of the MFRS Framework	-	-	-	4,451	4,451
<b>Opening balance at 1 January 2017 (restated)</b>	368,350	251,775	-	(19,279)	600,846
Total comprehensive profit for the year	-	-	-	45,673	45,673
Issuance of ordinary shares	104,897	-	(6,064)	-	98,833
Grant of equity-settled share options to employees	-	-	72,099	-	72,099
Transition to no par value regime*	251,775	(251,775)	-	-	-
<b>Closing balance at 31 Dec 2017</b>	725,022	-	66,035	26,394	817,450

\* 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 STATEMENTS OF CASH FLOW  
 FOR THE YEAR ENDED 31 DECEMBER 2018

	12 months ended 31.12.2018 RM'000	12 months ended 31.12.2017 RM'000 (restated)
<b>Operating activities</b>		
(Loss)/Profit before tax	(8,046)	64,177
Adjustment for :		
Depreciation	593	674
Provision for liquidated ascertained damages	7,605	4,872
Loss/(Gain) on disposal of property, plant & equipment	15	(42)
Gain on fair value adjustment of investment properties	(8)	(42)
Discounting on retention sums	-	(12)
Elimination of unrealised gain on disposal of land to an associate company	-	44,882
Reversal of tax penalty provision	(8,492)	-
Provision for foreseeable losses in respect of development and constructions contract	-	6,992
Grant of equity-settled share options to employees	-	72,099
Interest income	(1,494)	(1,223)
Interest expenses	13,791	4,434
Operating profit before changes in working capital	3,964	196,811
Change in trade and other receivables	(91,979)	(188,017)
Change in trade and other payables	139,662	104,181
Change in inventory property	(11,214)	(177,438)
<b>Cash flows from/(used in) operating activities</b>	<b>40,443</b>	<b>(64,463)</b>
Interest paid	(13,791)	(4,434)
Taxes paid (net)	(32,133)	(10,565)
<b>Net cash used in operating activities</b>	<b>(5,491)</b>	<b>(79,462)</b>
<b>Investing activities</b>		
Additions to land held	-	(3,518)
Purchase of property, plant and equipment	-	(138)
Proceeds from disposal of property, plant & equipment	12	126
Investment in associates	-	(36,136)
Interest received	1,494	1,223
<b>Net cash from/(used in) investing activities</b>	<b>1,506</b>	<b>(38,443)</b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE YEAR ENDED 31 DECEMBER 2018 (CONT'D)

	<b>12 months ended 31.12.2018 RM'000</b>	<b>12 months ended 31.12.2017 RM'000 (restated)</b>
<b>Financing activities</b>		
Drawdown of borrowings	130,656	110,000
Placement of deposits with maturity exceeding 90 days	(4,624)	(4,393)
Repayment of borrowings	(122,857)	(12,402)
Repayment of obligations under finance leases	(563)	(636)
Proceeds from issuance of shares	-	20,533
<b>Net cash from/(used in) financing activities</b>	<b>2,612</b>	<b>113,102</b>
Net decrease in cash and cash equivalents	(1,373)	(4,803)
Cash and cash equivalents at beginning of period	(7,623)	(2,820)
<b>Cash and cash equivalents at the end of period</b>	<b>(8,996)</b>	<b>(7,623)</b>
Cash and cash equivalents comprise:		
Cash and bank balances	4,207	6,160
Deposit with licensed banks	37,413	41,996
	41,620	48,156
Less: Deposit with licensed banks pledged for banking facilities	(41,469)	(41,469)
Less : Bank overdraft	(9,147)	(14,310)
	<b>(8,996)</b>	<b>(7,623)</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 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 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 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 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 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:

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 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)**

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

	Current Quarter Ended 31 Dec 2017			Cumulative Quarter Ended 31 Dec 2017		
	<u>As previously reported</u> <u>31.12.2017</u> <u>RM'000</u>	<u>Effect of MFRS 15</u> <u>RM'000</u>	<u>Restated as at 31.12.2017</u> <u>RM'000</u>	<u>As previously reported</u> <u>31.12.2017</u> <u>RM'000</u>	<u>Effect of MFRS 15</u> <u>RM'000</u>	<u>Restated as at 31.12.2017</u> <u>RM'000</u>
Revenue	25,427	(269)	25,158	271,782	(4,150)	267,632
Cost of Sales	(24,525)	(166)	(24,691)	(93,528)	(3,224)	(96,752)
Gross profit	902	(435)	467	178,254	(7,374)	170,880
Other operating income	997	-	997	1,699	-	1,699
Operating expenses	(24,161)	(211)	(24,372)	(37,228)	5,359	(31,869)
Profit/(loss) from operations	(22,262)	(646)	(22,908)	142,725	(2,015)	140,710
Finance cost	(332)	-	(332)	(4,434)	-	(4,434)
	(22,594)	(646)	(23,240)	138,291	(2,015)	132,276
Share option expenses	-	-	-	(72,099)	-	(72,099)
Profit/(loss) before tax	(22,594)	(646)	(23,240)	66,192	(2,015)	64,177
Tax expenses	37,416	(763)	36,653	(18,071)	(433)	(18,504)
Profit/(loss) for the period, representing total comprehensive income/(loss) for the period	14,822	(1,409)	13,413	48,121	(2,448)	45,673
Profit/(loss) and total comprehensive income/(loss) attributable to :-						
Owners of the parent	14,822	(1,409)	13,413	44,121	(2,448)	45,673



NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 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)**

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	600	12,232	10,350	1,034	11,384
	<u>184,455</u>	<u>600</u>	<u>185,055</u>	<u>98,802</u>	<u>1,034</u>	<u>99,836</u>
<b>CURRENT ASSETS</b>						
Development properties	1,193,847	(3,865)	1,189,982	983,773	-	983,773
Inventories	182	-	182	182	-	182
Trade and other receivables	308,629	-	308,629	174,630	-	174,630
Other current assets	44,326	1,677	46,003	28,238	4,308	32,546
Tax recoverable	-	-	-	2,944	-	2,944
Cash and bank balances	48,156	-	48,156	49,498	-	49,498
	<u>1,595,140</u>	<u>(2,188)</u>	<u>1,592,951</u>	<u>1,239,265</u>	<u>4,308</u>	<u>1,243,573</u>
<b>TOTAL ASSETS</b>	<b>1,779,595</b>	<b>(1,588)</b>	<b>1,778,006</b>	<b>1,338,067</b>	<b>5,342</b>	<b>1,343,409</b>

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
 FOR THE YEAR ENDED 31 DECEMBER 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)**

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	2,003	26,394	(23,730)	4,451	(19,279)
Shareholders' equity	<u>815,447</u>	<u>2,003</u>	<u>817,450</u>	<u>596,395</u>	<u>4,451</u>	<u>600,846</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	893	443,124
Other current liabilities	17,431	-	17,431	16,157	-	16,157
Provisions	8,512	(3,592)	4,920	3,640	-	3,640
Tax payable	46,243	-	46,243	37,803	-	37,803
	<u>655,640</u>	<u>(3,592)</u>	<u>652,048</u>	<u>627,604</u>	<u>26</u>	<u>628,495</u>
<b>TOTAL LIABILITIES</b>	<b><u>964,148</u></b>	<b><u>(3,592)</u></b>	<b><u>960,556</u></b>	<b><u>741,672</u></b>	<b><u>546</u></b>	<b><u>742,563</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>1,779,595</u></b>	<b><u>(1,589)</u></b>	<b><u>1,778,006</u></b>	<b><u>1,338,067</u></b>	<b><u>546</u></b>	<b><u>1,343,409</u></b>

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 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 112 : Income Tax Consequences of Payments on Financial  
Instruments Classified as Equity

(Annual Improvements to MFRSs 2015- 2017 Cycle)

Amendments to MFRS 123 : Borrowing Costs Eligible for Capitalisation

(Annual Improvements to MFRSs 2015- 2017 Cycle)

Amendments to MFRS 119 : Plan Amendment, Curtailment or Settlement

Amendments to MFRS 2 : Share-based Payments

Amendments to MFRS 3 : Business Combinations

Amendments to MFRS 6 : Exploration for and Evaluation of Mineral Resources

Amendments to MFRS 14 : Regulatory Deferral Accounts

Amendments to 101 : Presentation of Financial Statements

Amendments to MFRS 108 : Accounting Policies, Changes in Accounting Estimates and  
Errors

Amendments to MFRS 134 : Interim Financial Reporting

Amendments to MFRS 137 : Provisions, Contingent Liabilities and Contingent Assets

Amendments to MFRS 138 : Intangible Assets

Amendments to IC Interpretation 12 : Service Concession Arrangements

Amendments to IC Interpretation 19 : Extinguishing Financial Liabilities with Equity  
Instruments

Amendments to IC Interpretation 20 : Stripping Costs in the Production Phase of a  
Surface Mine

Amendments to IC Interpretation 22 : Foreign Currency Transactions and Advance  
Consideration

Amendments to IC Interpretation 132 : Intangible Assets – Web Site Costs

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.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

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

**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.

(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 of RM23.07 million based on the revised 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.



NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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.

**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.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

**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 31 December 2018 and 31 December 2017, which are within the Group's objectives for capital management, are as follows:-

	<b>31.12.2018</b> <b>RM'000</b>	<b>31.12.2017</b> <b>RM'000</b> <b>(restated)</b>
Borrowings	240,916	238,843
Trade and other payables	676,137	556,261
Less: Cash and bank balances	<u>(41,620)</u>	<u>(48,156)</u>
Net debt	<u>875,433</u>	<u>746,948</u>
Equity	<u>810,846</u>	<u>817,450</u>
Total capital	<u>810,846</u>	<u>817,450</u>
<b>Capital and net debt</b>	<b>1,686,279</b>	<b>1,564,398</b>
<b>Gearing ratio</b>	<b>51.9%</b>	<b>47.8%</b>

The increase in gearing ratio to 51.9% is mainly due to the increase in trade and other payables.

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

	<b>Current year quarter</b> <b>31.12.2018</b> <b>RM'000</b>	<b>12 months</b> <b>cumulative to date</b> <b>31.12.2018</b> <b>RM'000</b>
a) Drawdown on new bank borrowings	130,655	130,655
b) Repayment of bank borrowings	110,000	127,452

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**9. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT**

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

**10. VALUATION OF INVESTMENT PROPERTIES**

An independent valuation for investment properties was carried out by Raine & Horne during the financial year ended 31 December 2018 and the net fair value gain arising from the valuation amounting to RM8,000 was recognised in the statements of profit or loss for the financial year ended 31 December 2018.

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

There are 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 are 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>31.12.2018</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		
- Current exposure	139,823	138,157
Performance bond issued by subsidiaries involved in construction activities	51,266	51,266

**NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 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 Dec 2018 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	105,327	13,149	-	-	118,476
Other income	1,106	1,143	-	-	2,249
Unallocated other income	-	-	-	-	161
	106,433	14,292	-	-	120,886
<b>RESULT</b>					
Segment results	7,217	784	-	(667)	7,334
Unallocated corporate expenses					(1,590)
Finance costs					(13,790)
<b>Loss before tax</b>					<b>(8,046)</b>

<b>As at 31 Dec 2017 RM'000 (Restated)</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	249,982	17,650	-	-	267,632
Other income	557	1,129	-	-	1,686
Unallocated other income	-		-	-	13
	18,917	8,513	-	-	269,331
<b>RESULT</b>					
Segment results	219,454	(26,527)	-	(55,089)	137,838
Unallocated corporate expenses					(69,227)
Finance costs					(4,434)
<b>Profit before tax</b>					<b>64,177</b>



NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

**14. OPERATING SEGMENTS (cont'd)**

**ASSETS AND LIABILITIES**

As at 31 Dec 2018 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b><u>ASSETS</u></b>					
Segment assets	1,541,137	560,087	-	(574,602)	1,526,622
Investment in associates					46,305
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					310,175
<b>Consolidated total assets</b>					<b>1,883,690</b>
<b><u>LIABILITIES</u></b>					
Segment liabilities	(660,515)	(790,882)	-	482,257	(969,140)
Unallocated corporate liabilities					(103,704)
<b>Consolidated total liabilities</b>					<b>(1,072,844)</b>

As at 31 Dec 2017 RM'000 (restated)	Property Development	Construction	Property Management	Elimination	Consolidated
<b><u>ASSETS</u></b>					
Segment assets	1,400,174	523,973	-	(506,872)	1,417,275
Investment in associates					46,305
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					313,838
<b>Consolidated total assets</b>					<b>1,778,006</b>
<b><u>LIABILITIES</u></b>					
Segment liabilities	(582,113)	(733,786)	-	459,410	(856,489)
Unallocated corporate liabilities					(104,067)
<b>Consolidated total liabilities</b>					<b>(960,556)</b>

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

**15. RELATED PARTY TRANSACTIONS**

Significant related party transactions are as follows:

	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Rental of machineries & equipment from a company of which certain directors of the Company have interest.	-	-	157	-
Purchase of raw materials from a company of which certain directors of the Company have interest	-	-	-	51
Construction related services to a company of which certain directors of the Company have interest	1,252	-	19,116	1,636
Construction related services to an associate company of which certain directors of the Company have interest	16,888	11,730	19,903	71,681
Rental and maintenance related services from a company of which certain directors of the Company have interest	21	17	143	70

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 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**16. REVIEW OF PERFORMANCE**

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

	3 months Quarter ended		Changes		12 months cumulative to-date		Changes	
	31.12.2018 (RM'000)	(Restated) 31.12.2017 (RM'000)	Amount (RM'000)	%	31.12.2018 (RM'000)	(Restated) 31.12.2017 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>								
Property development	49,313	18,293	31,020	169.57	105,327	249,982	(144,655)	(57.86)
Constructions	3,395	6,865	(3,470)	(0.95)	13,149	17,650	(4,501)	(25.5)
	<b>52,708</b>	<b>25,158</b>	<b>27,550</b>	<b>109.5</b>	<b>118,476</b>	<b>267,632</b>	<b>(149,156)</b>	<b>(55.73)</b>

<b>Profit/(loss) before tax</b>								
Property development	2,531	(2,278)	4,809	(211.1)	6,739	165,174	(158,435)	(95.92)
Constructions	(959)	(24,594)	23,635	(96.1)	(13,065)	(9,270)	15,019	(53.48)
Others	(293)	3,632	(3,925)	(108)	(1,720)	(814)	(906)	111.3
Share option expenses	-	-	-	-	-	(72,099)	72,099	100
	<b>1,279</b>	<b>(23,240)</b>	<b>24,519</b>	<b>(105.5)</b>	<b>(8,046)</b>	<b>64,177</b>	<b>(72,223)</b>	<b>(112.5)</b>

a) Performance review for financial period to-date (12M FY 2018 vs 12M FY 2017)

The Group's revenue of RM118.5 million for the financial year ended 31 Dec 2018 has decreased by RM149.2 million as compared to the preceding year corresponding period ended 31 Dec 2017 of RM267.6 million. Profit before tax has also decreased by RM72.2 million from profit before tax of RM64.17 million to loss before tax of RM8.04 million. The remarkable results for the financial year ended 31 Dec 2017 was mainly due to the one-off recognition arose from the land sale in 2017.

The contribution from each business segment is set out below:

**Property Development**

Revenue for the financial year 2018 has significantly decreased by RM144.7 million to RM105.3 million as compared to the preceding year corresponding period ended 2017 of RM249.98 million. The profit before tax has also decreased by RM158.4 million to RM6.7 million in 12M 2018 as compared to RM165.2 million in 12M 2017 as a result of the one-off land sale recognition in 2017.

**Construction**

The construction sector had registered lower revenue of RM13.1 million for the financial year 2018 as compared to the preceding year corresponding period ended 2017 of RM17.7 million. The lower revenue was due to lower percentage of work done for its construction projects and additional LAD charges were recorded in 2018. Consequently, the construction sector registered a higher loss before tax of RM13.1 million as compared to RM9.3 million in 12M 2017.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

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

- b) Performance review for current quarter against the same quarter in the preceding year (Q4 2018 vs Q4 2017)

Both revenue and profit for the quarter ended 31 Dec 2018 has improved by RM27.6 million and RM24.5 million respectively to RM52.7 million and RM1.3 million respectively as compared to the quarter ended 31 Dec 2017. This was due to higher percentage of work done and reversal of tax penalty previously recognised.

The contribution from each business segment is set out below:

**Property Development**

Revenue of RM49.3 million recorded in the current quarter has shown an increase of RM31.02 million as compared to the preceding quarter ended 31 Dec 2017 of RM18.3 million. The improvement was due to higher percentage of work done and progress billings recorded in the current quarter. Accordingly, gross profit of RM2.5 million was recorded in the current quarter.

**Construction**

The construction sector registered lower revenue of RM3.3 million in the current quarter as compared to RM6.8 million in the preceding quarter ended 31 Dec 2017. The lower revenue was due to lower percentage of work done for its construction projects. However, the sector registered a lower loss before tax of RM959,000 in the current quarter as compared to loss before tax of RM24.6 million in the preceding quarter ended 31 Dec 2017 due to the reversal of tax penalty previously recognised.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

	Current quarter	Immediate preceding quarter	Changes	
	31.12.2018 (RM'000)	30.09.2018 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	49,313	17,174	32,139	187.1
Constructions	3,395	1,500	1,895	126.3
	<b>52,708</b>	<b>18,674</b>	34,034	182.2
<b>Profit/(loss) before tax</b>				
Property development	2,531	5,944	(3,413)	(57.42)
Constructions	(959)	(5,520)	4,561	(82.63)
Others	(293)	(266)	(27)	(10.15)
	<b>1,279</b>	<b>158</b>	1,121	709.49

The Group's revenue has improved by RM34.0 million to RM52.7 million in the current quarter as compared to RM18.7 million in the preceding quarter due to higher percentage of work done and progress billings recorded in the current quarter.

The Group registered a profit before tax of RM1.3 million as compared to profit before tax of RM158,000 in the immediate preceding quarter. The improvement was due to higher progress billings recorded and reversal of tax penalty in this quarter.

**17. PROSPECTS**

The property market over the next few months expects to be weak as there are still uncertainty in domestic growth, global demand and prospects in Malaysia. Nevertheless, the Group believe that property with right concept, products, pricing and location will maintain favourable response from the homebuyers. 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 within the township of its development.

Barring any unforeseen circumstances, the Board is optimistic of the Group's performance and expects the performance to be satisfactory for the financial year 2019.

**NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**18. PROFIT FORECAST**

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

**19. TAXATION**

	Quarter ended		12 months cumulative to date	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Income tax	1,996	(35,481)	1,078	21,948
Deferred tax	(2,290)	1,172	(2,520)	(3,444)
	<u>(294)</u>	<u>(36,653)</u>	<u>(1,442)</u>	<u>18,504</u>

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

	Current quarter 31.12.2018 RM'000	12 months cumulative to date 31.12.2018 RM'000
Major components of tax expenses:		
Profit/(Loss) before tax	<u>1,279</u>	<u>(8,064)</u>
Taxation at the Malaysian statutory tax rate of 24%	307	(1,935)
Adjustments:		
- Income not subject to tax	(1)	(4)
- Overprovision in prior period	-	(2,191)
- Non - deductible expenses	<u>(600)</u>	<u>2,688</u>
	<u>(294)</u>	<u>(1,442)</u>
Effective tax rate	(22.9%)	(17.8%)

**20. UNQUOTED INVESTMENTS AND PROPERTIES**

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

**21. QUOTED INVESTMENTS**

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

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

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018

**22. STATUS OF CORPORATE PROPOSALS**

There are no other corporate proposals announced but not completed as of the reporting date except for the 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 Dec 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	-	130,656	130,656
Revolving credit – Note 2	-	100,000	100,000
Obligations under finance lease	685	428	1,113
Bank overdraft	9,147	-	9,147
<b>Total</b>	<u>9,832</u>	<u>231,084</u>	<u>240,916</u>

Note 1 : Term loan and bridging loan are for the development properties and land acquisition. RM110.0 million had been utilised for the land acquisition and RM20.6 million had been drawn for the development projects.

Note 2 : Revolving credit facility is for working capital.

**24. MATERIAL LITIGATION**

The Group was not engaged in any material litigation as of the reporting date and/or seven (7) days earlier from the date of issue of this interim financial report.

**NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**25. PROFIT/(LOSS) BEFORE TAX**

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

	Quarter ended		12 months cumulative to date	
	31.12.2018 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	31.12.2017 RM'000
Depreciation	154	207	593	674
Loss/(gain) on disposal of property, plant and equipment	-	-	15	(42)
Gain on fair value adjustment on investment property	(8)	(42)	(8)	(42)
Interest income	(846)	(873)	(1,494)	(1,223)
Interest expenses	4,398	332	13,790	4,434
Provision for foreseeable losses	7,605	4,869	7,605	4,869
Reversal of tax penalty	(8,492)	-	(8,492)	-
Other income	(101)	(69)	(311)	(306)

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 are no material events subsequent to the end of the current quarter.

**28. DERIVATIVES**

- There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 31 Dec 2018; and
- The Group has not entered into any type of derivatives in the previous financial year or period under review.

**29. DIVIDEND PAYABLE**

No dividend has been declared for the financial period ended 31 Dec 2018 (31 Dec 2017 : RM Nil).



NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 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:

	Quarter ended		12 months cumulative to date	
	31.12.2018	31.12.2017 (restated)	31.12.2018	31.12.2017 (restated)
Profit/(loss) for the period attributable to owners of the Company (RM'000)	1,573	13,413	(6,604)	45,673
Number of ordinary shares at beginning of the period ('000)	837,389	818,396	837,389	736,700
Effect of shares issued pursuant to :				
- Land acquisition	-	-	-	72,500
- Exercise of ESOS	-	(166)	-	9,030
Weighted average number of ordinary shares	<u>837,389</u>	<u>818,230</u>	<u>837,389</u>	<u>818,230</u>
Basic earnings per share (sen)	<u>0.19</u>	<u>1.63</u>	<u>(0.79)</u>	<u>5.58</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:

	Quarter ended		12 months cumulative to date	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit/(loss) for the period attributable to owners of the Company (RM'000)	1,573	13,413	(6,604)	45,673
Weighted average number of ordinary shares as per basic earnings per share	837,389	818,230	837,389	818,230
Effect of potential exercise of ESOS	<u>_*</u>	<u>_*</u>	<u>_*</u>	<u>_*</u>
Weighted average number of ordinary shares	<u>837,389</u>	<u>818,230</u>	<u>837,389</u>	<u>818,230</u>
Diluted earnings per share (sen)	<u>0.19*</u>	<u>1.63</u>	<u>(0.79)*</u>	<u>5.58</u>

\* The 96,283,000 (2017 : 109,861,000) 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 4<sup>th</sup> QUARTER FINANCIAL REPORT  
 FOR THE YEAR ENDED 31 DECEMBER 2018

**31. STATUS OF JOINT VENTURE PROJECT**

Following is the status of the existing joint venture projects as at 31 Dec 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 27 February 2018.