

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.2019 RM'000	Previous year corresponding quarter 31.03.2018 RM'000	3 months ended 31.03.2019 RM'000	3 months ended 31.03.2018 RM'000
Revenue	35,482	32,067	35,482	32,067
Cost of sales	(31,301)	(25,054)	(31,301)	(25,054)
Gross profit	4,181	7,013	4,181	7,013
Other operating income	343	238	343	238
Operating expenses	(2,347)	(5,753)	(2,347)	(5,753)
Profit from operations	2,177	1,498	2,177	1,498
Finance costs	(3,413)	(282)	(3,413)	(282)
Profit/(loss) before tax (Note 25)	(1,236)	1,216	(1,236)	1,216
Tax expenses (Note 19)	(530)	(401)	(530)	(401)
(Loss)/profit for the period	(1,766)	815	(1,766)	815
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/profit for the period	(1,766)	815	(1,766)	815
(Loss)/Profit and total comprehensive (loss)/income attributable to :				
Owners of the Parent	(1,766)	815	(1,766)	815
 (LOSS)/EARNINGS PER SHARE (Note 30)				
Basic (sen)	(0.21)	0.10	(0.21)	0.10
Diluted (sen)	(0.21)	0.10	(0.21)	0.10

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 31 MARCH 2019

	As at 31.03.2019 RM'000	Audited as at 31.12.2018 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	2,642	2,795
Available-for-sale investment	90	90
Investment in associates	46,305	46,305
Investment properties	548	548
Inventory property - Land held	122,355	122,355
Deferred tax assets	16,150	16,090
	<u>188,090</u>	<u>188,183</u>
CURRENT ASSETS		
Inventory property - Development properties	1,277,997	1,201,654
Inventories	182	182
Trade and other receivables	326,109	309,642
Contract assets	54,465	120,383
Prepayments	1,155	1,317
Tax recoverable	445	267
Cash and bank balances	48,954	41,685
	<u>1,709,307</u>	<u>1,675,130</u>
TOTAL ASSETS	1,897,397	1,863,313
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	726,946	726,946
Share based payment reserve	56,187	56,187
Reserves	25,947	27,713
Shareholders' equity	<u>809,080</u>	<u>810,846</u>
NON-CURRENT LIABILITIES		
Long term borrowings	258,441	231,197
Deferred tax liabilities	98,198	98,195
	<u>356,639</u>	<u>329,392</u>
CURRENT LIABILITIES		
Short term borrowings	9,633	9,884
Trade and other payables	692,499	675,040
Contract liabilities	6,988	7,877
Provisions	6,536	6,345
Tax payable	16,022	23,929
	<u>731,678</u>	<u>723,075</u>
TOTAL LIABILITIES	1,088,317	1,052,467
TOTAL EQUITY AND LIABILITIES	1,897,397	1,863,313
Net assets per share (RM)	0.97	0.97

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019

	Share capital RM'000	Share based payment reserve RM'000	Retained profits RM'000	Total equity RM'000
Opening balance at 1 January 2019	726,946	56,187	27,713	810,846
Total comprehensive loss for the year	-	-	(1,766)	(1,766)
Closing balance at 31 March 2019	726,946	56,187	25,947	809,080
Opening balance at 1 January 2018	726,946	64,110	24,391	815,447
Effect of adoption of the MFRS Framework	-	-	2,003	2,003
Opening balance at 1 January 2018 (restated)	726,946	64,110	26,394	817,450
Total comprehensive profit for the year	-	-	815	815
Closing balance at 31 March 2018	726,946	64,110	27,209	818,265

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2019

	3 months ended 31.03.2019 RM'000	3 months ended 31.03.2018 RM'000
Operating activities		
Loss/(profit) before tax	(1,236)	1,216
Adjustment for :		
Depreciation	153	119
Interest income	(289)	(162)
Interest expenses	3,413	282
Operating profit before changes in working capital	2,041	1,455
Change in trade and other receivables	41,689	(30,789)
Change in trade and other payables	11,187	53,913
Change in inventory property	(76,343)	(17,045)
Cash flows (used in)/from operating activities	(21,426)	7,534
Interest paid	(3,413)	(282)
Taxes paid	(316)	(2,567)
Net cash (used in)/from operating activities	(25,155)	4,685
Investing activities		
Interest received	289	162
Net cash from investing activities	289	162
Financing activities		
Drawdown of borrowings	29,445	-
Placement of deposits with maturity exceeding 90 days	-	(4,624)
Repayment of borrowings	(2,019)	(4,299)
Repayment of obligations under finance leases	(142)	(142)
Net cash from/(used in) financing activities	27,284	(9,065)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
 FOR THE PERIOD ENDED 31 MARCH 2019 (CONT'D)

	3 months ended 31.03.2019 RM'000	3 months ended 31.03.2018 RM'000
Net increase/(decrease) in cash and cash equivalents	2,418	(4,218)
Cash and cash equivalents at beginning of period	(4,432)	(7,623)
Cash and cash equivalents at the end of period	(2,014)	(11,841)
Cash and cash equivalents comprise:		
Cash and bank balances	9,004	2,368
Deposit with licensed banks	39,950	42,155
	<u>48,954</u>	<u>44,523</u>
Less: Deposit with licensed banks pledged for banking facilities	(37,918)	(41,469)
Less : Bank overdraft	(9,022)	(14,895)
	<u>(2,014)</u>	<u>(11,841)</u>

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

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 2018. 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 2018.

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 2018 except for the adoption of the following new amendments to MFRSs:

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

The adoption of the abovementioned new and amendments to MFRS and IC do not have material impact on the financial statements of the Group upon their initial application.

NOTES TO THE 1ST QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

2.2 Standards, amendments and interpretations issued but not yet effective

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

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 new standards, amendments and interpretations when they become effective in the respective financial periods. These new and amendments to MFRS and IC are not expected to have any material impact to the financial statements of the Group upon their initial application except for the following.

IFRS Interpretation Committee (“IFRIC”) Agenda Decision (“AD”)

The Malaysia Accounting Standard Board (“MASB”) had on 20 March 2019 announced the IFRIC’s AD on IAS 23 *Borrowing costs* related to over time transfer for constructed good. The IFRIC concluded that those projects which meets “ready for sale” is not a qualifying asset (an asset that necessary takes a substantial period of time to get ready for its intended use or sale) as defined in IAS 23 and, therefore, cannot capitalised any directly attributable borrowings costs as this asset is ready for its intended sale in its current location – ie: the entity intends to sell the part-constructed units as soon as it finds suitable customers and, on signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

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

IFRS Interpretation Committee (“IFRIC”) Agenda Decision (“AD”) (cont'd)

In ensuring consistent application of the MFRS, which are word-to-word the IFRS Standards, the MASB has decided that an entity shall apply the change in accounting policy as a result of the AD on IAS 23 *Borrowing Costs* to financial statements of annual periods beginning on or after 1 July 2020, with earlier application permitted. All borrowing costs subsequent to the date of ready for sales shall be identified and reversed in the opening balance of the earliest comparative period in the financial statements.

The directors of the Group are currently assessing the impact on adoption of AD on IAS 23 on the amount reported and disclosures in the financial statements. However, it is not practical to provide a reasonable estimate of the impact of the capitalised borrowing costs until the Group had completed the detailed review.

2.3 Significant accounting judgement and estimates

(a) Revenue recognition on sale of development properties

For the sale of residential development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The Group recognises property development revenue and expenses in the statements of comprehensive income on the basis upon performance of services. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgment in determining the enforceability of the right to payment under the legal environment of the jurisdictions where the contracts are subject to.

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.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

2.3 Significant accounting judgement and estimates (cont'd)

(b) Revenue recognition on construction contract

The Group recognises revenue from construction activities in the statements of 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 over 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.

For the construction projects, the management has estimated LAD of RM10.71 million based on the revised project 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.

For the property development projects, the management has estimated LAD of RM12.36 million based on the revised project schedule and has arrived at this estimation based on its prior experience with similar property development projects.

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 2018

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2018 was not subject to any qualification.



NOTES TO THE 1st QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2019

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.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

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

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 March 2019 and 31 December 2018, which are within the Group's objectives for capital management, are as follows:-

	31.03.2019	31.12.2018
	RM'000	RM'000
Borrowings	268,074	241,081
Trade and other payables	692,499	675,040
Less: Cash and bank balances	(48,954)	(41,685)
Net debt	<u>911,619</u>	<u>874,436</u>
Equity	<u>809,080</u>	<u>810,846</u>
Total capital	<u>809,080</u>	<u>810,846</u>
Capital and net debt	1,720,699	1,685,282
Gearing ratio	53.0%	51.9%

The increase in gearing ratio to 53.0% is mainly due to the increase in payables and bank borrowings.

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

	Current year quarter 31.03.2019 RM'000	3 months cumulative to date 31.03.2019 RM'000
a) Drawdown on new bank borrowings	29,445	29,445
b) Repayment of bank borrowings	2,019	2,019

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

9. DIVIDENDS

No dividends were recommended, declared or paid during the financial period ended 31 March 2019.

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 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 :

	31.03.2019	31.12.2018
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	167,101	139,803
Performance bond issued by subsidiaries involved in construction activities	34,694	34,694

**NOTES TO THE 1st QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 MARCH 2019**

14. OPERATING SEGMENTS

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

As at 31 Mar 2019 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	33,467	2,015	-	-	35,482
Other income	166	177	-	-	342
Unallocated other income	-	-	-	-	1
	106,433	14,292	-	-	35,825
RESULT					
Segment results	3,600	(57)	-	4	3,547
Unallocated corporate expenses					(1,370)
Finance costs					(3,413)
Loss before tax					(1,236)

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

NOTES TO THE 1st QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 MARCH 2019

14. OPERATING SEGMENTS (cont'd)

ASSETS AND LIABILITIES

As at 31 Mar 2019 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment assets	1,571,064	541,307	-	(570,338)	1,542,033
Investment in associates					46,305
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					308,471
Consolidated total assets					1,897,397
LIABILITIES					
Segment liabilities	(687,790)	(775,135)	-	477,994	(984,931)
Unallocated corporate liabilities					(103,386)
Consolidated total liabilities					(1,088,317)

As at 31 Mar 2018 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
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
Consolidated total assets					1,827,063
LIABILITIES					
Segment liabilities	(621,307)	(751,464)	-	466,610	(906,161)
Unallocated corporate liabilities					(103,696)
Consolidated total liabilities					(1,009,857)

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		3 months ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	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	157	157
Construction related services to a company of which certain directors of the Company have interest	17,409	-	17,409	-
Construction related services to an associate company of which certain directors of the Company have interest	2,393	13,623	2,393	13,623
Rental and maintenance related services from a company of which certain directors of the Company have interest	39	99	39	99

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 1st QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 MARCH 2019**

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	
	31.03.2019 (RM'000)	31.03.2018 (RM'000)	Amount (RM'000)	%	31.03.2019 (RM'000)	31.03.2018 (RM'000)	Amount (RM'000)	%
Revenue								
Property development	33,467	26,473	6,994	26.5	33,467	26,473	6,994	26.5
Constructions	2,015	5,594	(3,579)	(64)	2,015	5,594	(3,579)	(64)
	35,482	32,067	3,415	10.7	35,482	32,067	3,415	10.7

Profit before tax								
Property development	3,598	2,477	1,121	45.3	3,598	2,477	1,121	45.3
Constructions	(1,559)	(87)	(1,472)	(169.2)	(1,559)	(87)	(1,472)	(169.2)
Others	(3,275)	(1,174)	(2,101)	(179.0)	(3,275)	(1,174)	(2,101)	(179.0)
	(1,236)	1,216	(2,452)	(201.6)	(1,236)	1,216	(2,452)	(201.6)

a) Performance review for financial period to–date (3M FP 2019 vs 3M FP 2018)

The Group's revenue of RM35.5 million for the financial period ended 31 March 2019 has increased by RM3.4 million as compared to the preceding year corresponding period ended 31 March 2018 of RM32.1 million. However, a loss before tax of RM1.2 million was recorded for the financial period ended 31 March 2019 due to an increase in finance costs of RM2.1 million.

The contribution from each business segment is set out below:

Property Development

Revenue for the financial period ended 31 March 2019 has significantly increased by RM7.0 million to RM33.5 million compared to the preceding year corresponding period ended 31 March 2018 of RM26.5 million. The profit before tax has also increased by RM1.1 million from RM2.5 million for the financial period ended 31 March 2018 to RM3.5 million for the financial period ended 31 March 2019 due to the higher progress work done and billings achieved in March 2019.

Construction

The construction sector registered lower revenue of RM2.0 million for the financial period ended 31 March 2019 as compared to the preceding year corresponding period 31 March 2018 of RM5.6 million. The lower revenue was due to lower percentage of work done for its construction projects. Consequently, the construction sector also registered a higher loss before tax of RM1.6 million as compared to RM87,000 for the financial period ended 31 March 2018.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

16. REVIEW OF PERFORMANCE (cont'd)

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

	Current quarter	Immediate preceding quarter	Changes	
	31.03.2019 (RM'000)	31.12.2018 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	33,467	49,313	(15,846)	(32.2)
Constructions	2,015	3,395	(1,380)	(40.7)
	35,482	52,708	(17,226)	(32.7)
(Loss)/Profit before tax				
Property development	3,598	2,531	1,067	42.2
Constructions	(1,559)	(959)	(600)	(62.6)
Others	(3,275)	(293)	(2,982)	(1,018)
	(1,236)	1,279	(2,515)	(196.6)

The Group's revenue has reduced by RM17.2 million to RM35.5 million in the current quarter as compared to RM52.7 million in the preceding quarter due to lower percentage of work done and progress billings recorded in the current quarter.

Consequently, the Group has also registered a loss before tax of RM1.24 million as compared to profit before tax of RM1.27 million in the immediate preceding quarter.

17. PROSPECTS

The short-term prospects for the industry in which the Group is involved in are expected to remain challenging. Nevertheless, the Board is of the view that with one of the most attractive tracts of waterfront properties situated in the region of Iskandar Malaysia, IWCity's prospects remain bright. We will continue to grow our property development division through our current developments and also identify strategic partners to accelerate our growth whilst conserving capital. We will continue to monitor the property market conditions in view of the national and global uncertainties and plan to capitalise on the continuing strong demand in the landed residential property segment.

Hence, barring any unforeseen circumstances, the Group is expected to perform satisfactory in this financial year.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

18. PROFIT FORECAST

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

19. TAXATION

	Quarter ended		3 months cumulative to date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Income tax	590	469	590	469
Deferred tax	(60)	(68)	(60)	(68)
	<u>530</u>	<u>401</u>	<u>530</u>	<u>401</u>

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

	Current quarter 31.03.2019 RM'000	3 months cumulative to date 31.03.2019 RM'000
Major components of tax expenses:		
(Loss)/Profit before tax	(1,236)	(1,236)
Taxation at the Malaysian statutory tax rate of 24%	(297)	(297)
Adjustments:		
- Income not subject to tax	(1)	(1)
- Non - deductible expenses	828	828
	<u>530</u>	<u>530</u>
Effective tax rate	(42.3%)	(42.3%)

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 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

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 March 2019 are as follows:

	Current	Non current	Total
Secured	RM'000	RM'000	RM'000
Term loan and bridging loans – Note 1	-	158,082	158,082
Revolving credit – Note 2	-	100,000	100,000
Obligations under finance lease	612	359	971
Bank overdraft	9,022	-	9,022
Total	9,633	258,441	268,075

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 RM50.1 million was drawdown for the project and RM2.0 million repaid through redemption as at 31 March 2019.

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.

25. (LOSS)/PROFIT BEFORE TAX

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

	Quarter ended		3 months	
	31.03.2019	31.03.2018	cumulative to date	
	RM'000	RM'000	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Depreciation	153	119	153	119
Interest income	(289)	(162)	(289)	(162)
Interest expenses	3,413	282	3,413	282
Other income	(54)	(6)	(54)	(6)

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.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2019

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

- a. There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 31 March 2019; and
- b. The Group has not entered into any type of derivatives in the previous financial period under review.

29. DIVIDEND PAYABLE

No dividend has been declared for the financial period ended 31 March 2019 (31 March 2018 : RM Nil).

30. (LOSS)/EARNINGS PER SHARE

The basic and diluted (loss)/earnings per share has been calculated by dividing the Group's (loss)/profit 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		3 months cumulative to date	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	(1,766)	815	(1,766)	815
Weighted average number of ordinary shares for basic earnings per share computation for the period ('000 units)*	837,389	837,389	837,389	837,389
Basic earnings per share (sen)	<u>(0.21)</u>	<u>0.10</u>	<u>(0.21)</u>	<u>0.10</u>
Diluted earnings per share (sen)	<u>(0.21)</u>	<u>0.10</u>	<u>(0.21)</u>	<u>0.10</u>

*The 96,283,000 (31 March 2018 : 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 1st QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 MARCH 2019

31. STATUS OF JOINT VENTURE PROJECT

Following is the status of the existing joint venture projects as at 31 March 2019 :

	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 May 2019.