

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.06.2019 RM'000	Previous year corresponding quarter 30.06.2018 RM'000	6 months ended 30.06.2019 RM'000	6 months ended 30.06.2018 RM'000
Revenue	72,447	17,953	107,929	50,021
Cost of sales	(65,612)	(14,260)	(96,913)	(44,506)
Gross profit	6,835	3,693	11,016	5,515
Other operating income	418	314	762	552
Operating expenses	(2,277)	(9,291)	(4,626)	(9,853)
Profit/(loss) from operations	4,976	(5,284)	7,152	(3,786)
Finance costs	(4,023)	(5,414)	(7,435)	(5,696)
Profit/(loss) before tax (Note 25)	953	(10,698)	(283)	(9,482)
Tax expenses (Note 19)	(1,472)	1,257	(2,002)	856
Loss for the period	(519)	(9,441)	(2,285)	(8,626)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(519)	(9,441)	(2,285)	(8,626)
Loss and total comprehensive loss attributable to :				
Owners of the Parent	(519)	(9,441)	(2,285)	(8,626)
<b>(LOSS)/EARNINGS PER SHARE (Note 30)</b>				
Basic (sen)	(0.06)	(1.13)	(0.27)	(1.03)
Diluted (sen)	(0.06)	(1.13)	(0.27)	(1.03)

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 30 JUNE 2019**

	<b>As at 30.06.2019 RM'000</b>	<b>Audited as at 31.12.2018 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,505	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	15,723	16,090
	187,526	188,183
<b>CURRENT ASSETS</b>		
Inventory property - Development properties	1,238,842	1,201,654
Inventories	44,316	182
Trade and other receivables	372,942	309,642
Contract assets	28,479	120,383
Prepayments	1,381	1,317
Tax recoverable	472	267
Cash and bank balances	42,879	41,685
	1,729,311	1,675,130
<b>TOTAL ASSETS</b>	<b>1,916,837</b>	<b>1,863,313</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	726,946	726,946
Share based payment reserve	-	56,187
Reserves	81,615	27,713
Shareholders' equity	808,561	810,846
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	254,405	231,197
Deferred tax liabilities	97,818	98,195
	352,223	329,392
<b>CURRENT LIABILITIES</b>		
Short term borrowings	9,466	9,884
Trade and other payables	719,688	675,040
Contract liabilities	5,677	7,877
Provisions	3,777	6,345
Tax payable	17,445	23,929
	756,053	723,075
<b>TOTAL LIABILITIES</b>	<b>1,108,276</b>	<b>1,052,467</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,916,837</b>	<b>1,863,313</b>
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 30 JUNE 2019

	Share capital RM'000	Share based payment reserve RM'000	Retained profits RM'000	Total equity RM'000
<b>Opening balance at 1 January 2019</b>	726,946	56,187	27,713	810,846
Total comprehensive loss for the year	-	-	(2,285)	(2,285)
Expired of equity-settled share options to employees		(56,187)	56,187	-
<b>Closing balance at 30 June 2019</b>	726,946	-	81,615	808,561
<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 loss for the year	-	-	(8,292)	(8,292)
Expired of equity-settled share options to employees		(7,909)	7,909	-
<b>Closing balance at 30 June 2018</b>	726,946	56,201	24,952	808,099

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 30 JUNE 2019

	<b>6 months ended 30.06.2019 RM'000</b>	<b>6 months ended 30.06.2018 RM'000</b>
<b>Operating activities</b>		
Loss before tax	(283)	(9,482)
Adjustment for :		
Depreciation	307	284
Provision for liquidated ascertained damages	920	4,433
Provision for sales commission & legal fees	4,188	-
Loss on disposal of property, plant & equipment	-	21
Expiry of Share Option granted under ESOS	(56,187)	-
Interest income	(237)	(216)
Interest expenses	7,435	5,695
Operating profit before changes in working capital	(43,857)	735
Change in trade and other receivables	28,539	(62,188)
Change in trade and other payables	81,767	80,448
Change in Inventory	(44,134)	-
Change in inventory development property	(37,188)	28,401
<b>Cash flows (used in)/from operating activities</b>	<b>(14,873)</b>	<b>47,396</b>
Interest paid	(7,435)	(5,695)
Taxes paid	(621)	(21,173)
<b>Net cash (used in)/from operating activities</b>	<b>(22,929)</b>	<b>20,528</b>
<b>Investing activities</b>		
Proceeds from disposal of property, plant & equipment	-	(21)
Purchase of property, plant and equipment	(17)	
Interest received	237	216
<b>Net cash from investing activities</b>	<b>220</b>	<b>195</b>
<b>Financing activities</b>		
Drawdown of borrowings	36,527	-
Placement of deposits with maturity exceeding 90 days	-	(4,624)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIOD ENDED 30 JUNE 2019 (CONT'D)

	<b>6 months ended 30.06.2019 RM'000</b>	<b>6 months ended 30.06.2018 RM'000</b>
Repayment of borrowings	(12,993)	(12,382)
Repayment of obligations under finance leases	(286)	(284)
<b>Net cash from/(used in) financing activities</b>	<b>23,248</b>	<b>(17,290)</b>
Net increase in cash and cash equivalents	539	3,433
Cash and cash equivalents at beginning of period	(4,432)	(7,623)
<b>Cash and cash equivalents at the end of period</b>	<b>(3,893)</b>	<b>(4,190)</b>
Cash and cash equivalents comprise:		
Cash and bank balances	2,675	4,051
Deposit with licensed banks	40,204	47,817
	42,879	51,868
Less: Deposit with licensed banks pledged for banking facilities	(37,918)	(41,469)
Less : Bank overdraft	(8,854)	(14,589)
	<b>(3,893)</b>	<b>(4,190)</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 2018 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 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 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 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 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 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 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 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 RM13.3 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 2<sup>nd</sup> QUARTER FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 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 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 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 30 June 2019 and 31 December 2018, which are within the Group's objectives for capital management, are as follows:-

	<b>30.06.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Borrowings	263,871	241,081
Trade and other payables	719,688	675,040
Less: Cash and bank balances	<u>(42,879)</u>	<u>(41,685)</u>
Net debt	<u>940,680</u>	<u>874,436</u>
Equity	<u>808,561</u>	<u>810,846</u>
Total capital	<u>808,561</u>	<u>810,846</u>
<b>Capital and net debt</b>	<b>1,749,241</b>	<b>1,685,282</b>
<b>Gearing ratio</b>	<b>53.8%</b>	<b>51.9%</b>

The increase in gearing ratio to 53.8% 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:

	<b>Current year quarter</b> <b>30.06.2019</b> <b>RM'000</b>	<b>6 months</b> <b>cumulative to date</b> <b>30.06.2019</b> <b>RM'000</b>
a) Drawdown on new bank borrowings	7,082	36,527
b) Repayment of bank borrowings	10,974	12,993

NOTES TO THE 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2019

**9. DIVIDENDS**

No dividends were recommended, declared or paid during the financial period ended 30 June 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 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>30.06.2019</b>	<b>31.12.2018</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	163,044	139,803
Performance bond issued by subsidiaries involved in construction activities	34,694	34,694

**NOTES TO THE 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 JUNE 2019**

**14. OPERATING SEGMENTS**

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

<b>As at 30 June 2019 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	108,479	3,450	-	-	107,929
Other income	533	227	-	-	760
Unallocated other income	-	-	-	-	1
	109,012	3,678	-	-	10,869
<b>RESULT</b>					
Segment results	8,238	(297)	-	(95)	7,846
Unallocated corporate expenses					(694)
Finance costs					(7,435)
<b>Profit before tax</b>					<b>(283)</b>

<b>As at 30 June 2018 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	41,768	8,253	-	-	50,021
Other income	304	137	-	-	441
Unallocated other income	-		-	-	111
	42,072	8,390	-	-	50,573
<b>RESULT</b>					
Segment results	(1,736)	(425)	-	(524)	(2,685)
Unallocated corporate expenses					(1,101)
Finance costs					(5,696)
<b>Profit before tax</b>					<b>(9,482)</b>

NOTES TO THE 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 JUNE 2019

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

**ASSETS AND LIABILITIES**

As at 30 June 2019 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b>ASSETS</b>					
Segment assets	1,597,295	534,761	-	(571,137)	1,560,919
Investment in associates					46,305
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					309,025
<b>Consolidated total assets</b>					<b>1,916,837</b>
<b>LIABILITIES</b>					
Segment liabilities	(707,638)	(776,132)	-	478,793	(1,004,977)
Unallocated corporate liabilities					(103,298)
<b>Consolidated total liabilities</b>					<b>(1,108,275)</b>

As at 30 June 2018 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b>ASSETS</b>					
Segment assets	1,469,476	553,398	-	(563,674)	1,459,200
Investment in associates					46,304
Investment properties					540
Available-for-sale investments					90
Unallocated corporate assets					312,370
<b>Consolidated total assets</b>					<b>1,818,504</b>
<b>LIABILITIES</b>					
Segment liabilities	(615,499)	(762,775)	-	471,330	(906,944)
Unallocated corporate liabilities					(103,461)
<b>Consolidated total liabilities</b>					<b>(1,010,405)</b>

NOTES TO THE 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2019

**15. RELATED PARTY TRANSACTIONS**

Significant related party transactions are as follows:

	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	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
Construction related services to a company of which certain directors of the Company have interest	17,644	-	35,053	-
Construction related services to an associate company of which certain directors of the Company have interest	2,374	4,459	4,767	18,082
Rental and maintenance related services from a company of which certain directors of the Company have interest	17	16	56	115

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 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 JUNE 2019**

**16. REVIEW OF PERFORMANCE**

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

	3 months Quarter ended		Changes		6 months cumulative to-date		Changes	
	30.06.2019 (RM'000)	30.06.2018 (RM'000)	Amount (RM'000)	%	30.06.2019 (RM'000)	30.06.2018 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>								
Property development	71,011	15,295	55,716	365	104,479	41,768	62,711	151
Constructions	1,436	2,658	(1,222)	(46)	3,450	8,523	(5,073)	(60)
	<b>72,447</b>	<b>17,953</b>	54,494	304	<b>107,929</b>	<b>50,291</b>	57,638	115

<b>Profit/(loss) before tax</b>								
Property development	5,435	(4,489)	9,924	221	8,031	(2,095)	10,126	484
Constructions	(4,110)	(5,687)	1,577	28	(7,559)	(6,226)	(1,333)	(22)
Others	(372)	(522)	150	29	(755)	(1,161)	406	35
	<b>953</b>	<b>(10,698)</b>	11,651	109	<b>(283)</b>	<b>(9,482)</b>	9,199	97

a) Performance review for financial period to–date (6M FP 2019 vs 6M FP 2018)

The Group's revenue of RM107.9 million for the financial period ended 30 June 2019 has increased by RM57.6 million as compared to the preceding year corresponding period ended 30 June 2018 of RM50.3 million. Loss before tax has also decreased by RM9.2 million to loss of RM283,000 for the financial period ended 30 June 2019 compared to loss of RM9.48 million for the financial period ended 30 June 2018.

The contribution from each business segment is set out below:

**Property Development**

Revenue for the financial period ended 30 June 2019 has significantly increased by RM62.7 million to RM104.5 million compared to the preceding year corresponding period ended 30 June 2018 of RM41.8 million. The financial performance for this segment had improved from loss of RM2.1 million for the period ended 30 June 2018 to a profit of RM8.0 million for the period ended 30 June 2019 due to the higher progress work done and billings achieved in June 2019.

**Construction**

The construction sector had registered lower revenue of RM3.4 million for the financial period ended 30 June 2019 compared to the preceding year corresponding period 30 June 2018 of RM8.5 million. Lower revenue was due to lower percentage of work done for its construction projects. Consequently, the construction sector also registered a loss before tax of RM7.5 million as compared to RM6.2 million for the financial period ended 30 June 2018.



NOTES TO THE 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 2019

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

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

	Current quarter	Immediate preceding quarter	Changes	
	30.06.2019 (RM'000)	31.03.2019 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	71,011	33,467	37,544	113
Constructions	1,436	2,015	(579)	(29)
	<b>72,447</b>	<b>35,482</b>	36,965	105
<b>Profit before tax</b>				
Property development	5,435	3,598	1,837	51
Constructions	(4,110)	(1,559)	(2,551)	(164)
Others	(372)	(3,275)	2,903	89
	<b>953</b>	<b>(1,236)</b>	2,189	177

The Group's revenue has increased by RM37.0 million to RM72.4 million in the current quarter as compared to RM35.5 million in the preceding quarter due to higher percentage of work done and progress billings recorded in the current quarter.

Consequently, the Group has also registered a higher profit before tax of RM953,000 as compared to loss before tax of RM1,236,000 in the immediate preceding quarter.

**17. PROSPECTS**

The overall prospects for the industry in which the Group is engaged in continue to remain challenging. Nevertheless, the management is of the view that there will still be demand for properties in prime locations with attractive pricing. The Group will continue to expand grow our property development activities through the on-going current developments and also identify strategic partners for joint development to accelerate our growth.

With this in mind, the Group will be launching a new phase on its signature development, namely Danga Sutera towards the fourth quarter of the year. Barring any unforeseen circumstances, the Board expects the performance to be satisfactory in this financial year.

**NOTES TO THE 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 JUNE 2019**

**18. PROFIT FORECAST**

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

**19. TAXATION**

	<b>Quarter ended</b>		<b>6 months cumulative to date</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax	1,425	(1,200)	2,012	(731)
Deferred tax	47	(57)	(10)	(125)
	<u>1,472</u>	<u>(1,257)</u>	<u>2,002</u>	<u>(856)</u>

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

	<b>Current quarter 30.06.2019 RM'000</b>	<b>6 months cumulative to date 30.06.2019 RM'000</b>
Major components of tax expenses:		
Profit/(loss) before tax	953	(283)
Taxation at the Malaysian statutory tax rate of 24%	229	(68)
Adjustments:		
- Income not subject to tax	(5)	(6)
- Non - deductible expenses	1,248	2,076
	<u>1,472</u>	<u>2,002</u>
Effective tax rate	154.5%	707.5%

**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 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 JUNE 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 30 June 2019 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	-	154,190	154,190
Revolving credit – Note 2	-	100,000	100,000
Obligations under finance lease	612	215	827
Bank overdraft	8,854	-	8,854
<b>Total</b>	<b>9,466</b>	<b>254,405</b>	<b>263,871</b>

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 RM36.5 million was drawn down for the project. RM13.0 million repaid through redemption as at 30 June 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. PROFIT BEFORE TAX**

The following amounts have been included in arriving at profit before tax:

	<b>Quarter ended</b>		<b>6 months</b>	
	<b>30.06.2019</b>	<b>30.06.2018</b>	<b>cumulative to date</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>30.06.2019</b>	<b>30.06.2018</b>
			<b>RM'000</b>	<b>RM'000</b>
Depreciation	154	166	307	284
Loss on disposal of property, plant and equipment	-	21	-	21
Interest income	(182)	(54)	(237)	(216)
Interest expenses	4,023	5,414	7,435	5,695
Provision for LAD	-	4,433	-	4,433
Other income	(96)	(1)	(150)	(7)

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 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 JUNE 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 30 June 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 30 June 2019 (30 June 2018 : RM Nil).

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

The basic and diluted earnings per share has been calculated by dividing the Group's 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		6 months cumulative to date	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Loss for the period attributable to owners of the Company (RM'000)	(519)	(9,441)	(2,285)	(8,626)
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>(0.06)</u>	<u>(1.13)</u>	<u>(0.27)</u>	<u>(1.03)</u>
Diluted earnings per share (sen)	<u>(0.06)</u>	<u>(1.13)</u>	<u>(0.27)</u>	<u>(1.03)</u>

\*The 96,283,000 (30 June 2018: 96,308,000) share options granted to directors and employees under the employee share option scheme has expired on 24 June 2019 and have not included in the calculation of diluted earnings per share because they were anti-dilutive.

NOTES TO THE 2<sup>nd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 JUNE 2019

**31. STATUS OF JOINT VENTURE PROJECT**

Following is the status of the existing joint venture projects as at 30 June 2019 :

	<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 28 August 2019.