

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.2019	Previous year corresponding quarter 31.12.2018	12 months ended 31.12.2019	12 months ended 31.12.2018 (restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	43,589	52,708	219,326	122,058
Cost of sales	(22,443)	(46,367)	(186,149)	(111,524)
Gross profit	21,146	6,341	33,177	10,534
Other operating income	900	1,173	1,886	2,408
Operating expenses	(4,432)	2,063	(11,230)	(7,420)
Profit from operations	17,614	9,577	23,833	5,522
Finance costs	(14,958)	(11,159)	(26,025)	(20,584)
Profit/(loss) before tax (Note 25)	2,656	(1,582)	(2,192)	(15,062)
Tax expenses (Note 19)	(2,301)	573	(2,594)	5,879
Profit/(loss) for the period	355	(1,009)	(4,786)	(9,183)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit/(loss) for the period	355	(1,009)	(4,786)	(9,183)
Profit/(loss) and total comprehensive profit/(loss) attributable to :				
Owners of the Parent	355	(1,009)	(4,786)	(9,183)
<b>EARNINGS/(LOSS) PER SHARE (Note 30)</b>				
Basic (sen)	0.04	(0.12)	(0.57)	(1.10)
Diluted (sen)	0.04	(0.12)	(0.57)	(1.10)

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 DECEMBER 2019

	<b>As at 31.12.2019 RM'000</b>	<b>Audited as at 31.12.2018 (restated) RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,210	2,795
Available-for-sale investment	90	90
Investment in associates	41,247	41,939
Investment properties	548	548
Inventory property - Land held	122,355	122,355
Deferred tax assets	15,240	16,686
	<u>181,690</u>	<u>184,413</u>
<b>CURRENT ASSETS</b>		
Inventory property - Development properties	1,191,640	1,197,722
Inventories	36,458	182
Trade and other receivables	401,114	309,643
Contract assets	45,949	120,383
Prepayments	1,817	1,317
Tax recoverable	229	267
Cash and bank balances	45,947	41,685
	<u>1,723,154</u>	<u>1,671,199</u>
<b>TOTAL ASSETS</b>	<b>1,904,844</b>	<b>1,855,612</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	726,946	726,946
Share based payment reserve	-	56,187
Reserves	71,413	20,012
Shareholders' equity	<u>798,359</u>	<u>803,145</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	244,493	231,197
Deferred tax liabilities	96,665	98,195
	<u>341,158</u>	<u>329,392</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	8,531	9,884
Trade and other payables	731,918	675,040
Contract liabilities	10,348	7,877
Provisions	3,644	6,345
Tax payable	10,886	23,929
	<u>765,327</u>	<u>723,075</u>
<b>TOTAL LIABILITIES</b>	<b>1,106,485</b>	<b>1,052,467</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,904,844</b>	<b>1,855,612</b>
Net assets per share (RM)	0.96	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 DECEMBER 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
Effect of Adoption of the MFRS Standards	-	-	(7,701)	(7,701)
<b>Opening balance at 1 January 2019 (restated)</b>	726,946	56,187	20,012	803,145
Total comprehensive loss for the year	-	-	(4,786)	(4,786)
Expired of equity-settled share options to employees	-	(56,187)	56,187	-
<b>Closing balance at 31 Dec 2019</b>	726,946	-	71,413	798,359
<b>Opening balance at 1 January 2018</b>	726,946	64,110	26,394	817,450
Effect of adoption of the MFRS Standards	-	-	(5,122)	(5,122)
<b>Opening balance at 1 January 2018 (restated)</b>	726,946	64,110	21,272	812,328
Total comprehensive loss for the year	-	-	(9,183)	(9,183)
Expired of equity-settled share options to employees	-	(7,923)	7,923	-
<b>Closing balance at 31 Dec 2018</b>	726,946	56,187	20,012	803,145

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 DECEMBER 2019

	12 months ended 31.12.2019 RM'000	12 months ended 31.12.2018 RM'000 (restated)
<b>Operating activities</b>		
Loss before tax	(2,192)	(15,062)
Adjustment for :		
Depreciation	608	593
Fair value adjustment of investment properties	-	(8)
Provision for liquidated ascertained damages	3,443	-
Provision for sales commission & legal fees	7,099	1,421
Loss on disposal of property, plant & equipment	-	18
Discounting of retention sum	-	(24)
Waiver of tax penalty	-	(8,492)
Share of result of associate	692	891
Provision for foreseeable loss in respect of construction contract	-	8,843
Interest income	(1,721)	(1,805)
Interest expenses	26,025	20,584
Operating profit before changes in working capital	33,954	6,959
Change in trade and other receivables	(91,471)	(69,888)
Change in trade and other payables	89,444	27,262
Change in inventory	(36,276)	-
Change in inventory development property	6,082	(16,463)
<b>Cash flows (used in)/from operating activities</b>	<b>1,733</b>	<b>(52,130)</b>
Interest paid	(754)	(757)
Taxes paid	(13,346)	(11,012)
<b>Net cash (used in)/from operating activities</b>	<b>(12,367)</b>	<b>(63,899)</b>
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	163
Land held for property development	-	(12)
Purchase of property, plant and equipment	(24)	(24)
Interest received	1,721	1,805
<b>Net cash from investing activities</b>	<b>1,697</b>	<b>1,932</b>

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

	<b>12 months ended 31.12.2019 RM'000</b>	<b>12 months ended 31.12.2018 RM'000 (restated)</b>
<b>Financing activities</b>		
Drawdown of borrowings	76,503	130,656
Repayment of borrowings	(60,985)	(122,856)
Advance from related party	-	53,258
Repayment of obligations under finance leases	(579)	(564)
Withdrawal/(Placement) of deposits with maturity exceeding 90 days	-	4,664
<b>Net cash from/(used in) financing activities</b>	<b>14,939</b>	<b>65,158</b>
Net increase in cash and cash equivalents	4,269	3,191
Cash and cash equivalents at beginning of period	(4,432)	(7,623)
<b>Cash and cash equivalents at the end of period</b>	<b>(163)</b>	<b>(4,432)</b>
Cash and cash equivalents comprise:		
Cash and bank balances	4,775	1,798
Deposit with licensed banks	41,172	42,499
	45,947	41,685
Less: Deposit with licensed banks pledged for banking facilities	(37,918)	(36,805)
Less : Bank overdraft	(8,192)	(9,312)
	<b>(163)</b>	<b>(4,432)</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 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 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 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 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 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 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 effect of adopting the new and amended standards is as follow

**Consolidated statement of comprehensive income  
For the financial year ended 31 December 2018**

	<b>As previously stated (RM'000)</b>	<b>Effects of new standards (RM'000)</b>	<b>As Restated (RM'000)</b>
Cost of sales	(116,314)	4,790	(111,524)
Operating expenses	(6,530)	(890)	(7,420)
Finance costs	(13,823)	(6,761)	(20,584)
Loss, before tax	(12,201)	(2,861)	(15,062)
Income tax expenses	5,597	282	5,879
Loss, net of tax	(6,604)	(2,579)	(9,183)

**Consolidated statement of financial position  
For the financial year ended 31 December 2018**

	<b>As previously stated (RM'000)</b>	<b>Effects of new standards (RM'000)</b>	<b>As Restated (RM'000)</b>
Investment in associate	46,305	(4,366)	41,939
Deferred tax assets	16,090	596	16,686
Inventory property Development properties –	1,201,654	(3,932)	1,197,722
Reserves	27,713	(7,701)	20,012



NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2019

**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.

(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.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2019

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

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

(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 RM10.46 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 RM17.994 million based on the revised project schedule and has arrived at this estimation based on its prior experience with similar property development projects. During the financial period, the Company has utilised RM13.3 million for the 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.

**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.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2019

**6. CHANGES IN ESTIMATES**

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

**7. DEBT AND EQUITY SECURITIES**

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

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

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

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

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2019

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

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

	<b>31.12.2019</b> <b>RM'000</b>	<b>31.12.2018</b> <b>RM'000</b>
Borrowings	253,024	241,081
Trade and other payables	731,918	675,040
Less: Cash and bank balances	<u>(45,947)</u>	<u>(41,685)</u>
Net debt	<u>938,995</u>	<u>874,436</u>
Equity	<u>798,359</u>	<u>803,145</u>
Total capital	<u>798,359</u>	<u>803,145</u>
<b>Capital and net debt</b>	<b>1,737,354</b>	<b>1,677,581</b>
<b>Gearing ratio</b>	<b>54.1%</b>	<b>52.2%</b>

The increase in gearing ratio to 54.1% 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>31.12.2019</b> <b>RM'000</b>	<b>12 months</b> <b>cumulative to date</b> <b>31.12.2019</b> <b>RM'000</b>
a) Drawdown on new bank borrowings	16,346	76,503
b) Repayment of bank borrowings	28,385	60,985

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 DECEMBER 2019

**9. DIVIDENDS**

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

**10. VALUATION OF INVESTMENT PROPERTIES**

An independent valuation for investment properties was carried out by Raine & Horne during the previous financial year ended 31 December 2018 and the net fair value gain arose from the valuation amounted to RM8,000 was recognised in the statements of profit or loss for the previous financial year ended 31 December 2018. The similar valuation was also carried out for the current financial year ended 31 December 2019 and no fair value adjustments arose from the valuation.

**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>31.12.2019</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	154,322	139,803
Performance bond issued by subsidiaries involved in construction activities	34,694	34,694

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 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 31 Dec 2019 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	221,498	(2,172)	-	-	219,326
Other income	935	899	-	-	1,834
Unallocated other income	-	-	-	-	52
	<b>222,433</b>	<b>(1,273)</b>	<b>-</b>	<b>-</b>	<b>221,212</b>
<b>RESULT</b>					
Segment results	24,398	873	-	(188)	25,083
Unallocated corporate expenses					(1,250)
Finance costs					(26,025)
<b>Loss before tax</b>					<b>(2,192)</b>

<b>As at 31 Dec 2018 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	108,909	13,149	-	-	122,058
Other income	1,106	1,143	-	-	2,249
Unallocated other income	-	-	-	-	161
	<b>110,015</b>	<b>14,292</b>	<b>-</b>	<b>-</b>	<b>124,468</b>
<b>RESULT</b>					
Segment results	234	784	-	(667)	351
Unallocated corporate expenses					(1,590)
Finance costs					(13,823)
<b>Loss before tax</b>					<b>(15,062)</b>

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2019

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

**ASSETS AND LIABILITIES**

As at 31 Dec 2019 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b>ASSETS</b>					
Segment assets	1,578,821	524,709	-	(549,272)	1,553,958
Investment in associates					41,247
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					309,051
<b>Consolidated total assets</b>					<b>1,904,844</b>
<b>LIABILITIES</b>					
Segment liabilities	(675,067)	(784,540)	-	456,992	(1,002,615)
Unallocated corporate liabilities					(103,870)
<b>Consolidated total liabilities</b>					<b>(1,106,485)</b>

As at 31 Dec 2018 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b>ASSETS</b>					
Segment assets	1,448,113	550,348	-	(495,593)	1,502,868
Investment in associates					41,939
Investment properties					540
Available-for-sale investments					90
Unallocated corporate assets					310,175
<b>Consolidated total assets</b>					<b>1,855,612</b>
<b>LIABILITIES</b>					
Segment liabilities	(642,166)	(788,625)	-	481,901	(948,890)
Unallocated corporate liabilities					(103,577)
<b>Consolidated total liabilities</b>					<b>(1,052,467)</b>

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2019

**15. RELATED PARTY TRANSACTIONS**

Significant related party transactions are as follows:

	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2019</b>	<b>31.12.2018</b>	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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	36,112	16,888	109,162	19,903
Construction related services to an associate company of which certain directors of the Company have interest	-	1,252	7,196	19,116
Rental and maintenance related services from a company of which certain directors of the Company have interest	26	21	88	143

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 QUARTER ENDED 31 DECEMBER 2019

**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	
	31.12.2019 (RM'000)	31.12.2018 (RM'000)	Amount (RM'000)	%	31.12.2019 (RM'000)	31.12.2018 (RM'000) (restated)	Amount (RM'000)	%
<b>Revenue</b>								
Property development	47,924	49,313	(1,389)	(2.9)	221,498	108,909	112,589	(103)
Constructions	(4,335)	3,395	(7,730)	(228)	(2,172)	13,149	(15,321)	(117)
	<b>43,589</b>	<b>52,708</b>	(9,119)	17.3	<b>219,326</b>	<b>122,058</b>	97,268	79
<b>Profit/(loss) before tax</b>								
Property development	1,717	(330)	2,047	6.2	12,729	3,877	8,852	228
Constructions	1,231	(959)	2,190	228	(13,551)	(17,219)	3,668	21
Others	(292)	(293)	1	0.4	(1,370)	(1,720)	350	20
	<b>2,656</b>	<b>(1,582)</b>	4,238	268	<b>(2,192)</b>	<b>(15,062)</b>	12,870	85.5

- a) Performance review for financial period to–date (12M FP 2019 vs 12M FP 2018)

The Group's revenue of RM219.33 million for the financial period ended 31 Dec 2019 has increased by RM97.27 million as compared to the preceding year corresponding period ended 31 Dec 2018 of RM122.06 million. Loss before tax for the financial period ended 31 December 2019 has decreased by RM12.87 million to loss of RM2.19 million compared to loss of RM15.1 million for the financial period ended 31 Dec 2018.

The contribution from each business segment is set out below:

**Property Development**

Revenue for the financial period ended 31 Dec 2019 has significantly increased by RM112.59 million to RM221.50 million as compared to the preceding year corresponding period ended 31 Dec 2018 of RM108.91 million. The financial performance for this segment has improved by RM8.85 million from profit of RM3.87 million for the financial period ended 31 Dec 2018 to RM12.73 million for the financial period ended 31 Dec 2019 due to the higher progress work done and billings achieved in this period.

**Construction**

The construction sector had registered a reversal revenue of RM2.17 million for the financial period ended 31 Dec 2019 compared to a revenue in the preceding year corresponding period 31 Dec 2018 of RM13.15 million. Reversal revenue was due to revision of budgeted cost for construction projects. Despite the reversal of revenue, the construction sector registered a loss before tax of RM13.55 million as compared to RM17.22 million for the financial period ended 31 Dec 2018.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2019

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

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

	Current quarter	Immediate preceding quarter	Changes	
	31.12.2019 (RM'000)	30.09.2019 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	47,924	69,096	(21,172)	(30.7)
Constructions	(4,335)	(1,287)	(3,048)	(237)
	<b>43,589</b>	<b>67,809</b>	(24,220)	(35.8)
<b>Profit/(loss) before tax</b>				
Property development	1,717	2,934	(1,217)	(41.5)
Constructions	1,231	(7,181)	8,412	117.2
Others	(292)	(318)	26	8.2
	<b>2,656</b>	<b>(4,565)</b>	7,221	158

The Group's revenue has decreased by RM24.22 million to RM43.60 million in the current quarter as compared to RM67.81 million in the preceding quarter.

Despite the decrease in revenue, the Group registered a profit before tax of RM2.66 million as compared to loss before tax of RM4.57 million in the immediate preceding quarter.

**17. PROSPECTS**

With the continued uncertainty in the global economy and economic growth in Malaysia, the prospects for the property segment will still remain challenging. The Group believes that property with right concept, products, pricing and location will still maintain favourable response from the owner-occupiers. Necessary steps have been taken to ensure the long-term sustainability of the property segment. The Group will continue to grow its property segment through the current developments and also identify strategic partners to accelerate our growth.

The Group continues to focus on the launch of a new phase of its signature development, namely Danga Sutera that is expected towards the first half of next year. Barring any unforeseen circumstances, the Group expects the performance to be satisfactory in the next financial year.

**18. PROFIT FORECAST**

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

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 DECEMBER 2019

**19. TAXATION**

	Quarter ended		12 months cumulative to date	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	RM'000	RM'000	RM'000	RM'000 (restated)
Income tax	248	(186)	2,510	(3,076)
Deferred tax	2,053	(387)	84	(2,803)
	<u>2,301</u>	<u>(573)</u>	<u>2,594</u>	<u>(5,879)</u>

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

	Current quarter 31.12.2019 RM'000	12 months cumulative to date 31.12.2019 RM'000
Major components of tax expenses:		
Profit/(loss) before tax	3,348	(1,500)
Taxation at the Malaysian statutory tax rate of 24%	804	(360)
Adjustments:		
- Income not subject to tax	(8)	(17)
- Overprovision in prior years	(2,450)	(2,450)
- Non - deductible expenses	4,759	5,061
	<u>2,301</u>	<u>2,594</u>
Effective tax rate	68.8%	(173%)

**20. UNQUOTED INVESTMENTS AND PROPERTIES**

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

**21. QUOTED INVESTMENTS**

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

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

**22. STATUS OF CORPORATE PROPOSALS**

There 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.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2019

**23. BORROWINGS AND DEBT EQUITIES**

Details of the Group's borrowings (all denominated in Malaysian currency) as at 31 Dec 2019 are as follows:

<b>Secured</b>	<b>Current RM'000</b>	<b>Non current RM'000</b>	<b>Total RM'000</b>
Term loan and bridging loans – Note 1	-	144,298	144,298
Revolving credit – Note 2	-	100,000	100,000
Obligations under finance lease	339	195	534
Bank overdraft	8,192	-	8,192
<b>Total</b>	<b>8,531</b>	<b>244,493</b>	<b>253,024</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 RM76.5 million was drawn down for the project. RM60.9 million was repaid through redemption and reversal of transaction costs of RM1.83 million arise from adoption of new accounting standard as at 31 Dec 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/(LOSS) BEFORE TAX**

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

	<b>Quarter ended</b>		<b>12 months cumulative to date</b>	
	<b>31.12.2019 RM'000</b>	<b>31.12.2018 RM'000</b>	<b>31.12.2019 RM'000</b>	<b>31.12.2018 RM'000 (restated)</b>
Depreciation	150	154	609	593
Loss on disposal of property, plant and equipment	-	-	-	18
Interest income	(1,011)	(846)	(1,721)	(1,805)
Interest expenses	14,958	11,159	26,025	20,584
Provision for foreseeable losses	-	7,605	4,129	8,843
Reversal of tax penalty	-	(8,492)	-	(8,492)
Provision for LAD	3,443	-	3,443	4,129
Other income	(194)	(101)	(613)	(311)

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 4<sup>th</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 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 Dec 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 Dec 2019 (31 Dec 2018 : RM Nil).

**30. EARNINGS/(LOSS) 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		12 months cumulative to date	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018 (restated)
Profit/(loss) for the period attributable to owners of the Company (RM'000)	355	(1,009)	(4,786)	(9,183)
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)	0.04	(0.12)	(0.57)	(1.10)
Diluted earnings per share (sen)	0.04	(0.12)	(0.57)	(1.10)

\*The 96,283,000 (31 Dec 2018: 96,308,000) share options granted to directors and employees under the employee share option scheme had expired on 24 June 2019 and were not included in the calculation of diluted earnings per share because they were anti-dilutive.

NOTES TO THE 4<sup>th</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 DECEMBER 2019

**31. STATUS OF JOINT VENTURE PROJECT**

Following is the status of the existing joint venture projects as at 31 December 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 27 February 2020.