

I-Berhad

Company No. 196701000055 (7029-H)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2019**

	Note	(Unaudited) Individual Quarter		(Unaudited) Cumulative Quarter	
		Current Quarter 31 Dec 2019 RM'000	Preceding Year Quarter 31 Dec 2018 RM'000	Current Year To Date 31 Dec 2019 RM'000	Preceding Year To Date 31 Dec 2018 RM'000
Revenue	11	47,160	47,969	172,019	375,144
Cost of sales		(23,097)	(27,223)	(70,765)	(245,797)
Gross profit		24,063	20,746	101,254	129,347
Other income		1,509	1,572	6,940	7,698
Other expenses		(11,908)	(14,858)	(48,763)	(57,313)
Share of results of associates		(8,663)	(1,558)	(19,336)	(2,951)
Profit before taxation	21	5,001	5,902	40,095	76,781
Taxation	16	(1,482)	377	(14,262)	(18,045)
Profit/Total comprehensive income for the financial period		3,519	6,279	25,833	58,736
Profit/Total comprehensive income attributable to:					
Owners of the parent		3,491	6,193	25,776	58,679
Non-controlling interests		28	86	57	57
		3,519	6,279	25,833	58,736
Earnings per share ("EPS")					
attributable to owners of the parent		sen	sen	sen	sen
Basic	20	0.32	0.58	2.42	5.53
Fully diluted	20	0.19	0.56	1.39	4.79

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes.

I-Berhad

Company No. 196701000055 (7029-H)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	(Unaudited) As at 31 Dec 2019 RM'000	(Audited) As at 31 Dec 2018 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		164,707	125,478
Investment properties		506,181	441,987
Investments in associates		141,819	161,143
Deferred tax assets		6,210	1,311
		<u>818,917</u>	<u>729,919</u>
Current assets			
Inventories		810,887	774,808
Trade and other receivables		121,843	155,592
Current tax assets		6,218	2,331
Short-term deposits with licensed financial institution		119,766	10
Cash and bank balances		19,403	18,803
		<u>1,078,117</u>	<u>951,544</u>
TOTAL ASSETS	11	<u><u>1,897,034</u></u>	<u><u>1,681,463</u></u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		640,034	600,008
Reserves		336,523	328,501
Equity component - ICULS		-	31,840
Equity component - RCULS		14,547	14,547
Equity component - RCCPS		127,893	-
		<u>1,118,997</u>	<u>974,896</u>
Non-controlling interests		231	174
TOTAL EQUITY		<u>1,119,228</u>	<u>975,070</u>
Non-current liabilities			
Deferred tax liabilities		5,687	5,301
Liability component - RCULS		191,666	-
Liability component - RCCPS		12,257	-
Bank borrowings		20,313	-
		<u>229,923</u>	<u>5,301</u>
Current liabilities			
Trade and other payables		497,841	490,145
Current tax liabilities		2,933	6,098
Liability component - ICULS		-	1,016
Liability component - RCULS		10,050	203,833
Liability component - RCCPS		7,372	-
Bank borrowings		29,687	-
		<u>547,883</u>	<u>701,092</u>
TOTAL LIABILITIES	11	<u>777,806</u>	<u>706,393</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,897,034</u></u>	<u><u>1,681,463</u></u>
Net assets per share attributable to owners of the parent (RM)		<u>1.02</u>	<u>0.97</u>

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

I-Berhad

Company No. 196701000055 (7029-H)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2019**

----- Attributable to owners of the parent -----										
	Share capital	Revaluation reserve	Warrant reserve	Equity component ICULS	Equity component RCULS	Equity component RCCPS	Retained earnings	Total	Non-controlling interests	Total equity
(Audited)	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2018 (As previously stated)	598,972	1,331	39,126	32,808	14,547	-	226,040	912,824	117	912,941
Effects of changes in accounting policy	-	(1,331)	-	-	-	-	26,149	24,818	-	24,818
Balance as at 1 January 2018 (Restated)	598,972	-	39,126	32,808	14,547	-	252,189	937,642	117	937,759
Total comprehensive income for the financial period	-	-	-	-	-	-	58,679	58,679	57	58,736
Transactions with owners:										
Conversion of ICULS during the financial period	1,036	-	-	(968)	-	-	-	68	-	68
Dividends paid	-	-	-	-	-	-	(21,493)	(21,493)	-	(21,493)
	1,036	-	-	(968)	-	-	(21,493)	(21,425)	-	(21,425)
Balance as at 31 December 2018	600,008	-	39,126	31,840	14,547	-	289,375	974,896	174	975,070
(Unaudited)										
Balance as at 1 January 2019	600,008	-	39,126	31,840	14,547	-	289,375	974,896	174	975,070
Total comprehensive income for the financial period	-	-	-	-	-	-	25,776	25,776	57	25,833
Transactions with owners:										
Conversion of ICULS during the financial period	32,066	-	-	(31,840)	-	-	-	226	-	226
Issuance of RCCPS during the financial period	-	-	-	-	-	127,893	-	127,893	-	127,893
Conversion of RCCPS during the financial period	7,960	-	-	-	-	-	-	7,960	-	7,960
Dividends paid	-	-	-	-	-	-	(17,754)	(17,754)	-	(17,754)
Expiration of warrants	-	-	(39,126)	-	-	-	39,126	-	-	-
	40,026	-	(39,126)	(31,840)	-	127,893	21,372	118,325	-	118,325
Balance as at 31 December 2019	640,034	-	-	-	14,547	127,893	336,523	1,118,997	231	1,119,228

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes.

I-Berhad

Company No. 196701000055 (7029-H)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2019**

	(Unaudited) Period ended 31 Dec 2019 RM'000	(Unaudited) Period ended 31 Dec 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	40,095	76,781
Adjustments for:		
Non-cash/operating items	32,205	17,298
Operating profit before working capital changes	72,300	94,079
Net changes in current assets	(28,076)	(69,516)
Net changes in current liabilities	38,369	57,548
Cash generated from operations	82,593	82,111
Tax paid	(21,826)	(23,647)
Tax refunded	941	149
Net cash generated from operating activities	61,708	58,613
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(50,297)	(33,553)
Proceeds from disposal of property, plant and equipment	2	7
Investment in an associate company	(12)	(61,396)
Development costs incurred for investment properties	(65,215)	(90,729)
(Placement in)/Withdrawal from short-term deposits with licensed financial institutions	(119,756)	143,591
Interest received	1,340	4,265
Net cash used in investing activities	(233,938)	(37,815)
CASH FLOWS FROM FINANCING ACTIVITIES		
ICULS coupons paid	(498)	(1,070)
RCULS coupons paid	(10,050)	(10,105)
Finance lease interest paid	(105)	(94)
Dividend paid	(17,754)	(21,493)
Proceeds from bank borrowings	50,000	-
Proceeds from rights issue	151,237	-
Net cash generated from/(used in) financing activities	172,830	(32,762)
Net increase/(decrease) in cash and cash equivalents	600	(11,964)
Cash and cash equivalents at beginning of financial period	18,764	30,728
Cash and cash equivalents at end of financial period	19,364	18,764
Cash and cash equivalents comprise:		
Cash and bank balances	6,782	5,526
Deposits with licensed banks/financial institutions	12,621	13,277
Deposits pledged as bank guarantee	(39)	(39)
Total	19,364	18,764

The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying notes.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

Part A – Explanatory Notes Pursuant to MFRS 134

1 Basis of preparation

The unaudited interim financial report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The significant accounting policies and method of computation adopted by the Group in this quarterly report are consistent with those in the annual financial statements for the year ended 31 December 2018 except as follows:

On 1 January 2019, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2019.

1 January 2019

Amendments to MFRS 3	Annual Improvements to MFRSs 2015-2017 Cycle
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 11	Annual Improvements to MFRSs 2015-2017 Cycle
MFRS 16	Leases
Amendments to MFRS 112	Annual Improvements to MFRSs 2015-2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 123	Annual Improvements to MFRSs 2015-2017 Cycle
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23	Uncertainty Over Income Tax Treatments

The Group has not adopted the following standards and interpretations that have been issued and not yet effective:

1 January 2020

Amendment to MFRS 3	Business Combinations
Amendments to MFRS 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

The Group has adopted MFRS 16 for the first time in the 2019 financial statements, which resulted in changes in accounting policies. The detailed impact of change in accounting policies are set out in Note 23 to the interim financial statements.

2 Seasonal or cyclical factors

The Group's results were not materially impacted by any seasonal or cyclical factors apart from the Leisure segment as both the Leisure Park@i-City and Best Western i-City as well as the supporting infrastructure i.e. carparks which fall under Property Investment segment receive more visitors during weekends, school holidays and festive seasons.

3 Unusual items due to their nature, size or incidence

Other than disclosed in note 22, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 December 2019.

4 Material changes in estimates

There were no material changes in estimates that have material effect as at financial quarter ended 31 December 2019.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

5 Debt and equity securities

Other than disclosed in note 22, there were no cancellations, repurchases, resale, repayments and issuance of debt and equity securities, in the current quarter.

6 Dividend paid

There was no dividend payment in the current quarter.

7 Material events subsequent to the end of interim period

There is no material event subsequent to the end of the interim period.

8 Changes in composition of the Group

There was no change in the composition of the Group as at 31 December 2019.

9 Capital commitments

	As at 31.12.2019
	RM'000
Approved and contracted for, analysed as follows:	
Leisure	75,025
Investment properties	88,512
	<hr/>
	163,537
	<hr/> <hr/>

10 Significant related party transactions

There was no significant related party transaction during the current quarter.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

11 Segmental information- By business segments

Financial year ended 31 December 2019	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	116,489	12,683	46,276	21,126	196,574
Inter-segment revenue	(240)	(4,256)	(1,529)	(18,530)	(24,555)
External revenue	116,249	8,427	44,747	2,596	172,019
Results					
Segment results	53,399	(3,864)	10,328	(1,799)	58,064
Interest income	792	-	-	575	1,367
Share of results of associates	-	(19,336)	-	-	(19,336)
Profit /(Loss) before taxation	54,191	(23,200)	10,328	(1,224)	40,095
Tax expense					(14,262)
Profit for the financial year					25,833
As at 31 December 2019					
Assets					
Segment assets	1,005,606	439,013	152,900	145,268	1,742,787
Tax recoverable	-	-	-	-	6,218
Deferred tax assets	-	-	-	-	6,210
Investment in associates	-	-	-	-	141,819
Total assets					1,897,034
Liabilities					
Segment liabilities	698,480	11,013	3,860	55,833	769,186
Current tax liabilities	-	-	-	-	2,933
Deferred tax liabilities	-	-	-	-	5,687
Total liabilities					777,806

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

11 Segmental information- By business segments (cont'd)

Financial year ended 31 December 2018	Property Development RM'000	Property Investment RM'000	Leisure RM'000	Others RM'000	Consolidated RM'000
Revenue					
Total revenue	321,772	8,000	46,197	23,799	399,768
Inter-segment revenue	(240)	(1,310)	(2,474)	(20,600)	(24,624)
External revenue	<u>321,532</u>	<u>6,690</u>	<u>43,723</u>	<u>3,199</u>	<u>375,144</u>
Results					
Segment results	71,816	(3,638)	10,179	(2,198)	76,159
Interest income	2,015	0	15	1,543	3,573
Share of results of associates	-	(2,842)	(109)	-	(2,951)
Profit /(Loss) before taxation	<u>73,831</u>	<u>(6,480)</u>	<u>10,085</u>	<u>(655)</u>	<u>76,781</u>
Tax expense					<u>(18,045)</u>
Profit for the financial year					<u>58,736</u>
As at 31 December 2018					
Assets					
Segment assets	963,698	424,994	115,224	12,762	1,516,678
Tax recoverable	-	-	-	-	2,331
Deferred tax assets	-	-	-	-	1,311
Investment in associates	-	-	-	-	161,143
Total assets					<u>1,681,463</u>
Liabilities					
Segment liabilities	679,740	6,760	2,803	5,692	694,995
Current tax liabilities	-	-	-	-	6,097
Deferred tax liabilities	-	-	-	-	5,301
Total liabilities					<u>706,393</u>

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia and other directives

12 Auditors’ Report on preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2018 was not qualified.

13 Review of performance – Current financial quarter ended 31 December 2019 by segment

	Quarter ended/ Three months ended			Year to date/ Twelve months ended		
	31.12.2019	31.12.2018	Change	31.12.2019	31.12.2018	Change
	RM’000	RM’000	%	RM’000	RM’000	%
Revenue						
Property development	29,586	30,470	(3)	116,249	321,532	(64)
Property investment	2,386	1,899	26	8,427	6,690	26
Leisure	13,986	14,319	(2)	44,747	43,723	2
Others	1,202	1,281	(6)	2,596	3,199	(19)
Total	47,160	47,969		172,019	375,144	
Profit /(Loss) before taxation						
Property development	7,737	2,344	>100	54,191	73,831	(27)
Property investment	(9,842)	(3,310)	(>100)	(23,200)	(6,480)	(>100)
Leisure	6,393	7,471	(14)	10,328	10,085	8
Others	713	(603)	>100	(1,224)	(655)	(87)
Total	5,001	5,902		40,095	76,781	

For the current financial quarter ended 31 December 2019 (“Q4 2019”), the Group posted lower revenue of RM47.2 million and lower profit before tax of RM5.0 million as compared to the revenue and profit before tax of RM48.0 million and RM5.9 million respectively for the corresponding financial quarter ended 31 December 2018 (“Q4 2018”).

a) Property development

The performance for the current quarter had been impacted by lower unbilled sales as there was no new project launched since 2018. Hence, the revenue of this quarter came mainly from the sales of the remaining completed units.

b) Property investment

The improvement in revenue for Q4 2019 arises from the lease of the additional completed properties in the segment. The loss before taxation was also contributed by the share of results of an associate.

c) Leisure

The leisure segment revenue and profit before tax has been sustainable for the current quarter.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

14 Comment on material changes in profit before taxation of the current quarter compared with the preceding quarter

	Current Quarter 31.12.2019 RM'000	Preceding Quarter 30.09.2019 RM'000	Changes %
Revenue	47,160	42,246	12
Share of results of associates	(8,663)	(8,760)	(1)
Profit before tax	5,001	11,704	(57)

The Group registered higher revenue but lower profit before tax of RM47.2 million and RM5.0 million respectively for the current quarter as compared to RM42.2 million and RM11.7 million respectively for the preceding quarter. The lower profit before tax in Q4 2019 was mainly due to the lower profit from property development segment.

15 Commentary on prospects

While preparing for new project launches within i-City, the Group remains focused on enhancing and extracting the value of i-City development. Hence, great emphasis has been placed in enhancing the community's experience and holistic living within i-City. The Group is also focusing on the on-going development of its Investment Properties and Leisure assets namely, GBI rated Corporate Office Tower (completed in Q4, 2019), Double Tree by Hilton hotel (expected to open its door in second half of 2021) and second Convention Centre which will contribute strong recurring income stream to the Group in the near future. With rapid development, i-City as Selangor's "Golden Triangle" has created new business opportunities and investments.

The Property market particularly the residential and commercial sub-sectors, is expected to remain soft for the year 2020 due to the continued weak market and consumer sentiments, and thus, the Group will continue with its prudent strategy for any new property development launches this year. The outbreak of Covid-19 epidemic in January 2020 which is still persisting as at the date of this report had impacted both the theme park and retail industry severely whereby the decline in patronage was imminent.

The Group's unbilled sales as at 31 December 2019 stood at RM97.2 million as compared to RM112.9 million as at 30 September 2019.

Under the foregoing circumstances, the Board is of view that the operating performance of the Group will remain challenging for the financial year ending 31 December 2020 despite the Group's continuous strategic efforts.

16 Taxation

	Quarter ended / Three months ended		Year to date/ Twelve months ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Taxation				
- Income tax	190	(6,074)	9,078	15,943
- Deferred tax	(983)	5,168	(245)	5,168
	<u>(793)</u>	<u>(906)</u>	<u>8,833</u>	<u>21,111</u>
Under/(Over) provision in prior year				
- Income tax	2,433	1	4,754	1,145
- Deferred tax	(158)	528	675	(4,211)
	<u>2,275</u>	<u>529</u>	<u>5,429</u>	<u>(3,066)</u>
Total	<u>1,482</u>	<u>(377)</u>	<u>14,262</u>	<u>18,045</u>

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

16 Taxation (cont'd)

Overall, the effective tax rate for the current quarter is higher than the statutory tax rate due to non-deductible expenses.

17 Group borrowings and debt securities

As at 31 December 2019, the Group has liability components of remaining unconverted balance of more than 755.2 million three year 5% Redeemable Cumulative Convertible Preference Shares ("RCCPS") of more than RM143.4 million; 264.0 million 5% Redeemable Convertible Unsecured Loan Stocks 2014/2022 ("RCULS-A") of RM132.0 million; and 138.0 million 5% Redeemable Convertible Unsecured Loan Stocks 2014/2022 ("RCULS-B") of RM69.0 million and RM50.0 million of bank borrowings.

As at 31 December 2019	Non-current RM'000	Repayable within one year RM'000
Unsecured		
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	191,666	10,050
Redeemable Cumulative Convertible Preference Shares ("RCCPS")	12,257	7,372
Bank borrowings	20,313	29,687
	224,236	47,109
As at 31 December 2018	Non-current RM'000	Repayable within one year RM'000
Unsecured		
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	-	1,016
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	-	203,833
	-	204,849

A total of 63.3 million outstanding ICULS had been converted into 46.5 million new ordinary shares of I-Berhad upon its maturity on 9 October 2019. The maturity dates of both RCULS-A and RCULS-B had been extended for another 3 years from 27 August 2019 to 27 August 2022.

18 Material litigation

The Group is not engaged in any material litigation as at 21 February 2020, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

19 Dividend

In respect of the financial year ended 31 December 2019, a final single tier dividend amounting to approximately RM7.8 million representing approximately 30% of the Group's post tax profits has been proposed by the Directors for shareholders' approval at the forthcoming Annual General Meeting.

The Dividend per Ordinary Share ("DPS") shall take into account the potential additional number of RCULS and RCCPS that may be converted up to the entitlement date. The payment and entitlement dates will be announced at a later date.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

20 Earnings per share

(i) Basic Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Twelve months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit attributable to owners of the parent (RM'000)	3,491	6,193	25,776	58,679
Weighted average number of ordinary shares in issue ('000)	1,074,900	1,061,314	1,064,711	1,061,314
Basic earnings per share (sen)	0.32	0.58	2.42	5.53

(ii) Diluted Earnings per Share

	Quarter ended/ Three months ended		Year to date/ Twelve months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit attributable to owners of the parent (RM'000)	3,491	6,193	25,776	58,679
After tax effects of interest	75	1,167	75	4,333
Weighted average number of ordinary shares in issue ('000)	1,074,900	1,061,314	1,064,711	1,061,314
Effect of dilution ('000)	782,400	254,326	792,589	254,326
Diluted earnings per share (sen)	0.19	0.56	1.39	4.79

21 Note to consolidated statements of comprehensive income

	Quarter ended/ Three months ended		Year to date/ Twelve months ended	
	31.12.2019 RM'000	31.12.2018 RM'000	31.12.2019 RM'000	31.12.2018 RM'000
Profit before taxation for the financial year is arrived at after crediting:				
Interest income	635	462	1,367	3,573
Other income	410	1,110	2,862	4,125
Gain on modification of RCULS	-	-	2,711	-
and charging:				
Depreciation of property, plant and equipment	2,588	3,422	12,422	13,582
Depreciation of investment properties	1,116	608	4,495	2,431
(Reversal)/Allowance for diminution of receivables	(454)	865	(455)	1,915

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

22 Status of Corporate Proposals

1. Proposed Rights Issue and Proposed Amendments to the Constitution of the Company	
10 July 2019	Company proposes to undertake the following: (a) a renounceable rights issue of 3-year redeemable cumulative convertible preference shares ("RCCPS") to the entitled shareholders of the Company to raise approximately RM150 million ("Proposed Rights Issue"); and (b) amendments to the Constitution of the Company in conjunction with the Proposed Rights Issue
22 August 2019	Bursa Malaysia Securities Berhad ("Bursa Securities") had, vide its letter dated 22 August 2019, approved the listing of and quotation for the new RCCPS to be issued pursuant to the Proposed Rights Issue on the Main Market of Bursa Securities subject to conditions to be disclosed in the circular to shareholders.
24 September 2019	The shareholders of the Company approved the Proposals at the Extraordinary General Meeting held on 24 September 2019.
3 December 2019	Completion of the Rights Issue of RCCPS.

Status of utilisation of rights issue proceeds

Details of utilisation	Approved utilisation RM'000	Utilisation as at 31.12.2019 RM'000	Unutilised as at 31.12.2019 RM'000
Property investment/hospitality projects	86,437	21,499	64,938
Property development	64,000	7,507	56,493
Estimated expenses in relation to the Proposals	800	135	665
	151,237	29,141	122,096

23 Details of changes in interim financial statements

Upon the adoption of MFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of MFRS 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5% per annum.

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability in the balance sheet as at 31 December 2018.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR QUARTER ENDED
31 DECEMBER 2019 - UNAUDITED

23 Details of changes in interim financial statements (cont'd)

The recognised right-of-use assets relate to the following types of assets:

	31.12.2019	1.1.2019
	RM'000	RM'000
Property, plant and equipment	1,325	514
Investment properties	3,667	2,153
Total right-of-use assets	<u>4,992</u>	<u>2,667</u>

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Property, plant and equipment – increase by RM514,000
- Investment properties – increase by RM2,153,000
- Trade and other payables – increase by RM2,667,000

There is no impact on retained earnings on 1 January 2019.

24 Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2020.