

PEGASUS HEIGHTS BERHAD (19727-P)
(Formerly known as Naim Indah Corporation Berhad)
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2018

The figures have not been audited.

	Note	3 months ended		3 months ended	
		31.03.2018 RM'000	31.03.2017 RM'000	31.03.2018 RM'000	31.03.2017 RM'000
Revenue	A5	498	3,057	498	3,057
Cost of sales		(1,030)	(915)	(1,030)	(915)
Gross profit / (loss)		(532)	2,142	(532)	2,142
Other income		99	3	99	3
Administrative and other expenses		(2,021)	(1,623)	(2,021)	(1,623)
Finance cost		(298)	(416)	(298)	(416)
Share of results in associate		-	-	-	-
Profit / (Loss) before taxation	A5	(2,752)	106	(2,752)	106
Taxation	B5	-	-	-	-
Profit / (Loss) for the financial period		(2,752)	106	(2,752)	106
Other comprehensive income		-	-	-	-
Total comprehensive income/ (expenses) for the financial period		(2,752)	106	(2,752)	106
Profit / (Loss) attributable to:					
Equity holders of the parent		(2,752)	107	(2,752)	107
Minority interests		-	(1)	-	(1)
		(2,752)	106	(2,752)	106
Total comprehensive income/ (expenses) attributable to:					
Equity holders of the parent		(2,752)	107	(2,752)	107
Minority interests		-	(1)	-	(1)
		(2,752)	106	(2,752)	106
Earnings per share attributable to equity holders of the parent:					
Basic, for profit / (loss) for the period (sen)	B10	(0.17)	0.01	(0.17)	0.01
Diluted, for profit / (loss) for the period (sen)	B10	(0.17)	0.01	(0.17)	0.01

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

PEGASUS HEIGHTS BERHAD (19727-P)
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STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

The figures have not been audited.

	Note	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment	A10	621	971
Investment property	A10	120,000	120,000
Deferred Tax Assets		-	-
		<u>120,621</u>	<u>120,971</u>
Current Assets			
Trade receivables		2,133	2,306
Other receivables		260	389
Amount owing from related parties		-	-
Tax recoverable		8	8
Fixed deposits with licensed institution		254	253
Cash and bank balances		1,901	957
		<u>4,556</u>	<u>3,913</u>
TOTAL ASSETS		<u>125,178</u>	<u>124,884</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		127,618	89,789
Reserves		279	273
Accumulated losses		(20,123)	(17,371)
Equity attributable to owners of the Company		<u>107,774</u>	<u>72,691</u>
Minority interest		(9)	(9)
Total Equity		<u>107,765</u>	<u>72,682</u>
Non-Current Liabilities			
Long-term borrowings	B7	11,963	16,815
Amount due to former director		-	16,181
Deferred tax liabilities		2,251	2,251
		<u>14,214</u>	<u>35,247</u>
Current Liabilities			
Bank Overdraft	B7	178	3,016
Short-term borrowings	B7	-	1,094
Trade payables		137	150
Other payables		2,880	12,691
Income tax payable		4	4
		<u>3,199</u>	<u>16,955</u>
TOTAL LIABILITIES		<u>17,413</u>	<u>52,202</u>
TOTAL EQUITY AND LIABILITIES		<u>125,178</u>	<u>124,884</u>
Net assets per share (RM)		0.0662	0.0829

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

PEGASUS HEIGHTS BERHAD (19727-P)
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STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2018

The figures have not been audited.

	←----- Attributable to Equity Holders of the Parent ----->						Minority Interest	Total Equity
	Note	Share Capital RM'000	*Share Premium RM'000	SIS Options Reserve RM'000	Distributable Accumulated Losses RM'000	Total RM'000		
Balance as at 01.01.2018		86,346	1,891	273	(17,371)	71,139	(9)	71,130
Total comprehensive income for the financial period		-	-	-	(2,752)	(2,752)	-	(2,752)
Transaction with owners:								
Debt and creditor capitalisation		27,619	-	-	-	27,619	-	27,619
Private Placement		10,210	-	-	-	10,210	-	10,210
Vested		-	-	6	-	6	-	6
Total transaction with owners		37,829	(2,143)	6	-	37,835	-	37,835
Transition to no-par value regime on 31 Jan 2017		2,143	-	-	-	-	-	-
Balance as at 31.12.2018		124,175	1,891	279	(20,123)	106,222	(9)	106,213
Balance as at 01.01.2017		86,346	1,891	1,389	(14,613)	75,013	(6)	75,007
Total comprehensive income for the financial period		-	-	-	107	107	(1)	106
Transaction with owners:								
Vested		-	-	84	-	84	-	84
Total transaction with owners		-	-	84	-	84	-	84
Balance as at 31.03.2017		86,346	1,891	1,473	(14,506)	75,204	(7)	75,197

* The new companies Act 2016 (the "Act"), which come into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to credit of the share premium account of RM7,251 million become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM7,251 million for purposes as set out in Sections 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2018

The figures have not been audited.

	3 months ended	
	31.03.2018	31.03.2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(2,752)	106
Adjustments for:		
Depreciation	61	140
Written off of PPE	439	-
Interest expense	298	416
Interest income	(4)	(2)
Share Options to employees	5	84
Operating profit/ (loss) before working capital changes	(1,953)	744
(Increase) / Decrease in receivables	302	645
Increase / (Decrease) in payables	(9,824)	(298)
Cash generated from / (used in) operations	(11,475)	1,091
Tax paid	-	-
Interest paid	(298)	(310)
Net cash generated from / (used in) operating activities	(11,773)	781
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	(150)	(3)
Proceed from disposal of an associate company	-	-
Proceeds from disposal of equipment	-	-
Increased in pledged deposits placed with licensed banks	(1)	(1)
Interest received	5	2
Increase in construction-in-progress of investment property	-	-
Net cash generated (used in)/ from investing activities	(146)	(2)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Hire Purchase	(322)	-
Repayment of borrowings	(5,625)	(242)
Advance from/ (repayment to) former director	(16,181)	(533)
Proceeds from issuance of shares upon exercise of SIS	10,210	-
Proceeds from issuance of shares upon debtors and creditors capital	27,619	-
Net cash generated (used in)/ from financing activities	15,701	(775)
Net increase / (decrease) in cash and cash equivalents	3,782	4
Cash and cash equivalents as at 1 January	(2,059)	(2,803)
Cash and cash equivalents as at end of period	1,723	(2,799)
CASH AND CASH EQUIVALENTS COMPRISE: -		
Cash and bank balances	1,901	23
Bank overdraft	(178)	(2,822)
	1,723	(2,799)

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

Part A – Explanatory Notes Pursuant to FRS 134

A1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention except for the financial assets and investment properties which were stated at fair values.

The interim financial statements were unaudited and have been prepared in accordance with requirements of the Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that were significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2017 except for the adoption of the following Amendments and Annual improvements to Standards:

Effective for financial periods beginning on or after 1 January 2018:

FRS 9: Financial Instruments (IFRS 9 issued by the IASB in July 2014)

Amendments to FRS 140: Transfers of investment Property

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions

Annual Improvements to FRSs 2014 – 2016 Cycle:

- Amendments to FRS 1
- Amendments to FRS 128

The adoption of the above standards, amendments and annual improvement do not have any significant financial impact to the Group's financial statements.

A3. COMPARATIVES

There were no changes to the comparatives during the current financial period.

A4. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the preceding financial statements for the year ended 31 December 2017 was not qualified by the Auditors of the Company.

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Part A – Explanatory Notes Pursuant to FRS 134

A5. SEGMENTAL INFORMATION

Year ended 31 March 2018	Project Management Consultancy RM'000	Investment Property RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
<u>Revenue</u>					
External Revenue	150	348	-	-	498
Inter Segment Revenue	-	291	-	(291)	-
Total Segment Revenue	150	639	-	(291)	498

Results

Segment Results	(67)	(1,108)	(987)	(292)	(2,454)
Finance Costs					(298)
Share of associate's result					-
(Loss) before taxation					(2,752)
Taxation					-
Net (loss) after taxation					(2,752)

Year ended 31 March 2017	Project Management Consultancy RM'000	Investment Property RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
<u>Revenue</u>					
External Revenue	3,010	47	-	-	3,057
Inter Segment Revenue	10	-	-	(10)	-
Total Segment Revenue	3,020	47	-	(10)	3,057

Results

Segment Results	2,521	(677)	(1,329)	7	522
Finance Costs					(416)
Profit before taxation					106
Taxation					-
Net profit after taxation					106

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Part A - Explanatory Notes Pursuant to FRS 134

A5. SEGMENTAL INFORMATION (Continued)

As at 31 March 2018	Project Management Consultancy RM'000	Investment Property RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
Total segment assets	3,813	122,358	108,444	(109,437)	125,178
Unallocated asset:					
- Deferred tax assets	-	-	-	-	-
Total assets	3,813	122,358	108,444	(109,437)	125,178
Total Segment liabilities	687	59,228	2,450	(59,344)	3,021
Unallocated liabilities:					
- Hire purchase	-	-	-	-	-
- Term loans	-	-	-	-	11,963
- Bank overdraft	-	-	-	-	178
- Deferred tax liabilities	-	-	-	-	2,251
- Current tax liabilities	-	-	-	-	-
Total liabilities	687	59,228	2,450	(59,344)	17,413

As at 31 March 2017	Project Management Consultancy RM'000	Investment Property RM'000	Investment Holding And Others RM'000	Eliminations RM'000	Group RM'000
Total segment assets	32,669	121,165	52,271	(80,584)	125,521
Unallocated asset:					
- Deferred tax assets	-	-	250	-	250
Total assets	32,669	121,165	52,521	(80,584)	125,771
Total Segment liabilities	1,964	50,206	10,757	(30,487)	32,440
Unallocated liabilities:					
- Hire purchase	-	-	-	-	127
- Term loans	-	-	-	-	12,934
- Bank overdraft	-	-	-	-	2,822
- Deferred tax liabilities	-	-	-	-	2,251
- Current tax liabilities	-	-	-	-	-
Total liabilities	1,964	50,206	10,757	(30,487)	50,574

Part A – Explanatory Notes Pursuant to FRS 134

A6. 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 financial period ended 31 March 2018.

A7. CHANGES IN ESTIMATES

There was no change in estimates that had a material effect on the current quarter results.

A8. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not affected by any seasonal or cyclical factors during the quarter under review.

A9. DIVIDENDS PAID

No interim dividend has been paid in the current financial period ended 31 March 2018 (31 December 2017: Nil).

A10. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 March 2018.

A11. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayments of debts and equity securities for the current quarter ended 31 March 2018.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current financial quarter.

A13. DISCONTINUED OPERATION

There were no existing business segments that can be categorised as discontinued in the current financial period.

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Part A – Explanatory Notes Pursuant to FRS 134

A14. CAPITAL COMMITMENTS

There were no material changes in capital commitments since the previous quarter.

A15. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the previous quarter.

A16. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

A17. RELATED PARTY TRANSACTIONS

There was no related party transaction during the financial quarter ended 31 March 2018 .

PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. PERFORMANCE REVIEW

	Individual Period (1 st Quarter)		Changes (%)	Cumulative Period (1 st Quarter)		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	31.03.18	31.03.17		31.03.18	31.03.17	
	RM'000	RM'000		RM'000	RM'000	
Revenue	498	3,057	(84)	498	3,057	(84)
(Loss)/Profit Before Interest and Tax ("LBIT" /"PBIT")	(2,454)	522	(570)	(2,454)	522	(570)
(Loss)/Profit Before Tax ("LBT" /"PBT")	(2,752)	106	(2,696)	(2,752)	106	(2,696)
(Loss)/Profit After Tax ("LAT" /"PAT")	(2,752)	106	(2,696)	(2,752)	106	(2,696)
(Loss)/Profit attributable to Ordinary Equity Holders of the Parent	(2,752)	107	(2,696)	(2,752)	107	(2,696)

Review of results for the current quarter

For the current quarter financial period ended 31 March 2018, the Group's registered a revenue of RM0.498 million, LBIT of RM2.454 million and LBT of RM2,752 million as compared to a revenue of RM3.057 million, PBIT of RM0.522 million and PBT of RM0.106 million in the preceding quarter financial period ended 31 March 2017.

Commentary on revenue

The Group recorded a lower revenue for the current quarter caused by the project management consultancy service rendered was lower compared to the preceding quarter financial period ended 31 March 2017. We was focusing on develop our property management business.

Commentary on LBIT/ LBT

The Group recorded a LBIT and LBT for the current quarter financial period compared to the preceding quarter financial period. This was caused by the consultancy service rendered was lower compared to preceding quarter financial

PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. PERFORMANCE REVIEW (Continued)

Commentary on LBIT/ LBT (Continued)

period ended 31 March 2017.

B2. COMMENTS ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31.03.18	31.12.17	
	RM'000	RM'000	
Revenue	498	608	(18)
Loss/Profit Before Tax	(2,752)	(2,328)	(18)

The Group's recorded a revenue of approximately RM0.498 million for the current quarter as compared to RM0.608 million for the preceding quarter financial period ended 31 December 2017. The Group recorded a lower revenue for the current quarter caused by the project management consultancy service rendered was lower compared to the preceding quarter financial period ended 31 December 2017.

The loss before taxation is approximately RM2,752 million for the current quarter as compared to a loss before taxation approximately RM2,328 million for the preceding quarter financial period ended 31 December 2017. The loss increased during the current quarter is because we had invested more cost to further enhance our retail centre "Centerpoint Seremban".

B3. COMMENTARY ON PROSPECTS

The property market is expected to remain modest in the remaining 2018. Meanwhile, the Group is persistently identifying suitable business opportunities to venture into property investment, construction, trading activities and other feasible development project, where these businesses are expected to contribute positively to the Group performance.

The remaining 2018, the retail market is expected to be challenging. Furthermore, filling up the Mall remaining vacancies remain a challenge as many options available in the market and attractive rent offer by competitor to seize potential tenants. Therefore, more marketing effort would be held to attract more potential tenants. The Management will continue to seek improvement in occupancy rate and manage its operational cost effectively.

PART B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B4. PROFIT FORECAST OR PROFIT GUARANTEE

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interests and forecast profit after tax and minority interests and for the shortfall in profit guarantee are not applicable.

B5. INCOME TAX EXPENSE

	3 months ended	
	31.03.2018	31.03.2017
	RM'000	RM'000
Current tax:		
Malaysian income tax	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>

B6. CORPORATE PROPOSALS

There were no corporate proposals in the current quarter under review.

B7. STATUS OF UTILISATION OF PROCEEDS

The private placement was completed subsequent to the listing of 283,613,500 new ordinary shares on the Main Market of Bursa Securities on 21 March 2018.

Utilisation Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Utilisation RM'000	Time frame for the utilization (from the date of listing of the Placement shares)
Repayment to other creditors	1,536	1,536	-	Within 6 Months
Repayment of bank borrowings	3,572	3,572	-	Within 12 Months
Event, Marketing and upkeep and enhancement expenses for the Shopping Mall	869	869	-	Within 12 Months
Working Capital	3,843	2,806	1,037	Within 12

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				Months
Expenses in relation to the Proposals	390	340	50	Within 2 Weeks
Total	10,210	9,123	1,087	

B8. BORROWINGS

	As at 31.03.2018 RM'000
Short-term borrowings:-	
-Secured	2,338
-Unsecured	-
	<u>2,338</u>
Long-term borrowings:-	
-Secured	9,803
-Unsecured	-
	<u>9,803</u>
Total Borrowings	<u><u>12,141</u></u>

	As at 31.03.2018 RM'000
Bank overdraft	178
Term loans	11,963
Total	<u>12,141</u>

B9. CHANGES IN MATERIAL LITIGATION

There was no material litigation for the current financial period under review.

B10. DIVIDENDS PAYABLE

No interim dividend has been declared for the financial period ended 31 March 2018 (31 December 2017: Nil).

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B11. EARNINGS PER SHARE

Basic EPS	3 months ended	
	31.03.2018	31.03.2017
Profit / (Loss) attributable to ordinary equity holders of the parent (RM'000)	(2,752)	107
Weighted average number of Ordinary Shares in issue ('000)	1,628,992	863,460
Basic earnings per share (sen)	(0.17)	0.01

The effect of potential ordinary shares arising from the conversion of SIS is anti-dilutive and accordingly, they have been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary shares is the same as basic earnings per share.

B12. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

	3 months ended 31.03.2018	3 months ended 31.03.2017
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
-Realised	(2,089)	3,285
-Unrealised	(2,251)	(2,001)
Total share of loss from associate		
-Realised	-	-
-Unrealised	-	-
Less: Consolidation adjustments	(4,340)	1,284
Total group retained profits / (accumulated losses) as per consolidated accounts	(15,783)	(15,790)
	(20,123)	(14,506)

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B13. DISCLOSURE OF ADDITIONAL INFORMATION

	3 months ended 31.03.2018 RM'000	3 months ended 31.03.2017 RM'000
Interest income	4	2
Interest expenses	(298)	(416)
Depreciation and amortization	(61)	(140)
Share option to employees	(5)	(84)
Written off of PPE	(439)	-

By order of the Board
Dated this 22 MAY 2018