

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	Note	Individual quarter ended		Cumulative quarter ended	
		30.09.2019 RM'000	30.09.2018 RM'000	30.09.2019 RM'000	30.09.2018 RM'000
Revenue	A5	2,600	3,204	6,671	8,083
Cost of sales		(2,512)	(3,101)	(5,939)	(8,327)
<b>Gross profit / (loss)</b>		<u>88</u>	<u>103</u>	<u>732</u>	<u>(244)</u>
Other income		147	232	207	408
Administrative and other expenses		(3,399)	(1,742)	(5,886)	(5,139)
Share options to Employee		(4,736)	(3,590)	(4,736)	(3,590)
Finance cost		(222)	(237)	(750)	(841)
<b>(Loss) / Profit before taxation</b>	A5	<u>(8,122)</u>	<u>(5,234)</u>	<u>(10,433)</u>	<u>(9,406)</u>
Taxation	B5	(20)	-	(20)	(8)
<b>(Loss) / Profit for the financial period</b>		<u>(8,142)</u>	<u>(5,234)</u>	<u>(10,453)</u>	<u>(9,414)</u>
Other comprehensive income		-	-	-	-
<b>Total comprehensive (loss) / income for the financial period</b>		<u>(8,142)</u>	<u>(5,234)</u>	<u>(10,453)</u>	<u>(9,414)</u>
<b>(Loss) / Profit attributable to:</b>					
Equity holders of the parent		(8,142)	(5,225)	(10,453)	(9,405)
Minority interests		-	(9)	-	(9)
		<u>(8,142)</u>	<u>(5,234)</u>	<u>(10,453)</u>	<u>(9,414)</u>
<b>Total comprehensive income / (loss) attributable to:</b>					
Equity holders of the parent		(8,142)	(5,225)	(10,453)	(9,405)
Minority interests		-	(9)	-	(9)
		<u>(8,142)</u>	<u>(5,234)</u>	<u>(10,453)</u>	<u>(9,414)</u>
<b>Earnings per share attributable to equity holders of the parent:</b>					
Basic, for (loss) / profit for the period (sen)	B11	<u>(0.11)</u>	<u>(0.30)</u>	<u>(0.28)</u>	<u>(0.61)</u>
Diluted, for (loss) / profit for the period (sen)	B11	<u>(0.11)</u>	<u>(0.29)</u>	<u>(0.28)</u>	<u>(0.58)</u>

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2019**

	Note	Unaudited As at 30.09.2019 RM'000 (Unaudited)	Audited As at 31.12.2018 RM'000 (Audited)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A10	1,375	1,044
Investment property	A10	110,000	110,000
Deferred Expenses		1,333	-
Intangible Asset		167	-
		<u>112,875</u>	<u>111,044</u>
<b>Current Assets</b>			
Trade receivables		1,119	1,543
Other receivables		586	1,134
Inventories		14	6
Tax recoverable		6	2
Fixed deposits with licensed institution		10,546	255
Cash and bank balances		33,693	749
		<u>45,964</u>	<u>3,689</u>
<b>TOTAL ASSETS</b>		<u>158,839</u>	<u>114,733</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		164,302	130,114
Share Option Reserves		7,730	3,739
Warrants Reserve		20,868	-
Accumulated losses		(50,555)	(40,102)
Equity attributable to owners of the Company		<u>142,345</u>	<u>93,751</u>
<b>Total Equity</b>		<u>142,345</u>	<u>93,751</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	B8	-	9,904
Hire Purchase Payable		138	138
Deferred tax liabilities		3,502	3,502
		<u>3,640</u>	<u>13,544</u>
<b>Current Liabilities</b>			
Bank Overdraft	B8	373	2,916
Short-term borrowings	B8	10,093	998
Hire Purchase Payable	B8	20	77
Trade payables		25	39
Other payables		2,343	3,389
Income tax payable		-	19
		<u>12,854</u>	<u>7,438</u>
<b>TOTAL LIABILITIES</b>		<u>16,494</u>	<u>20,982</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>158,839</u>	<u>114,733</u>
Net assets per share (RM)		0.0198	0.0536

The unaudited condensed consolidated statement 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 the interim financial statements.

PEGASUS HEIGHTS BERHAD (19727-P)  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019

Note	<----- Attributable to Equity Holders of the Parent ----->				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	SIS Options Reserve RM'000	Warrants Reserve RM'000	Distributable Accumulated Losses RM'000			
Balance as at 01.01.2019	130,114	3,739	-	(40,102)	93,751	-	93,751
Total comprehensive income for the financial period	-	-	-	(10,453)	(10,453)	-	(10,453)
<b><u>Transaction with owners:</u></b>							
Esos Exercised	1,085	-	-	-	1,085	-	1,085
SIS Reserve	745	(745)	-	-	-	-	-
Vested of ESOS	-	4,736	-	-	4,736	-	4,736
Warrants Reserve	(20,868)	-	20,868	-	-	-	-
Rights Issue Expenses	(744)	-	-	-	(744)	-	(744)
Rights Issue	53,970	-	-	-	53,970	-	53,970
Total transaction with owners	34,188	3,991	20,868	-	59,047	-	59,047
Balance as at 30.09.2019	164,302	7,730	20,868	(50,555)	142,345	-	142,345
Balance as at 01.01.2018	89,789	273	-	(17,371)	72,691	(9)	72,682
Total comprehensive income for the financial period	-	-	-	(9,414)	(9,414)	9	(9,405)
<b><u>Transaction with owners:</u></b>							
Debt and Creditors Capitalisation	27,619	-	-	-	27,619	-	27,619
Private Placement	12,706	-	-	-	12,706	-	12,706
SIS Lapsed	-	(123)	-	123	-	-	-
Vested of ESOS	-	3,590	-	-	3,590	-	3,590
Total transaction with owners	40,325	3,467	-	123	43,915	-	43,915
Balance as at 30.09.2018	130,114	3,740	-	(26,662)	107,192	-	107,192

The unaudited condensed consolidated statement 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 the interim financial statements.

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

	<b>Period Ended</b> <b>30.09.2019</b> <b>RM'000</b>	<b>Period Ended</b> <b>30.09.2018</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(10,433)	(9,406)
Adjustments for:		
Depreciation	150	137
Increase in provision of doubtful debts	62	-
Amortisation of Franchise License Fee & Deferred Expenses	170	-
Share Options to employees	4,736	3,590
Written off of PPE	-	792
Interest expense	750	841
Interest income	(193)	(4)
Loss On Disposal Motor Vehicles	3	43
Disposal of Subsidiary with MI	-	9
Operating (loss) / profit before working capital changes	<u>(4,755)</u>	<u>(3,998)</u>
(Increase) / Decrease in receivables	134	(2,505)
(Increase) / Decrease in Inventories	(8)	-
(Decrease) / Increase in payables	(283)	(2,181)
Cash (used in) / generated from operations	<u>(4,912)</u>	<u>(8,684)</u>
Tax paid	(42)	(2)
Interest paid	(750)	(841)
Net cash (used in) / generated from operating activities	<u>(5,704)</u>	<u>(9,527)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant, property and equipment	(589)	(1,050)
Purchase of License & Deferred Expenses	(1,670)	-
Proceeds from disposal of Motor Vehicle	105	(2)
Interest received	193	4
Net cash (used in) investing activities	<u>(1,961)</u>	<u>(1,048)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of hire purchase	(57)	(322)
Drawdown of hire purchase	-	234
Increased in pledged deposits placed with licensed banks	(10,292)	-
Repayment of term loan	(810)	(1,196)
Repayment to former director	-	(1,504)
Proceeds from issuance of shares upon private placement	-	12,706
Proceeds from exercise ESOS	1,085	-
Proceeds from rights issue	53,970	-
Rights Issue Expenses	(744)	-
Net cash generated from / (used in) financing activities	<u>43,152</u>	<u>9,918</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>35,487</b>	<b>(657)</b>
<b>Cash and cash equivalents as at 1 January</b>	<b>(2,167)</b>	<b>(2,059)</b>
<b>Cash and cash equivalents as at end of period</b>	<b><u>33,320</u></b>	<b><u>(2,716)</u></b>
<b>CASH AND CASH EQUIVALENTS COMPRISE: -</b>		
Cash and bank balances	33,693	157
Bank overdraft	(373)	(2,873)
	<u>33,320</u>	<u>(2,716)</u>

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

**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 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 Malaysian Financial Reporting Standards (“MFRS”) 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 2018. 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 2018.

**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 2018.

As at the date of these interim financial statements, the following MFRS, Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

Amendment to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101	Definition of Material
MFRS 17	Insurance Contracts
Amendment to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an investor and its Associate or Joint Venture

The Group and the Company intend to adopt the above MFRS when they become effective.

**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 2018 was not qualified by the Auditors of the Company.

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**A5. SEGMENTAL INFORMATION**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 September 2019	Preceding Year Corresponding Quarter 30 September 2018	Current year to Date 30 September 2019	Preceding Year Corresponding Period 30 September 2018
	RM'000	RM'000	RM'000	RM'000
<b><u>Revenue</u></b>				
Property Management	1,736	1,159	4,818	2,714
Trading	980	2,305	2,340	6,052
Project Management Consultancy	-	-	-	150
Investment Holding and Others	110	-	211	-
Total including inter-segment sales	2,826	3,464	7,369	8,916
Eliminations of inter-segment sales	(226)	(260)	(698)	(833)
<b>Total Revenue</b>	<b>2,600</b>	<b>3,204</b>	<b>6,671</b>	<b>8,083</b>
<b>(Loss) / Profit After Tax</b>				
Segment results				
Property Management	(2,707)	(1,024)	(3,320)	(2,613)
Trading	(7)	28	(26)	49
Project Management Consultancy	-	(3)	-	14
Investment Holding and Others	(5,185)	(4,222)	(6,319)	(6,238)
	(7,900)	(5,221)	(9,665)	(8,788)
Finance Cost	(222)	(237)	(750)	(841)
Taxation	(20)	-	(20)	(8)
Eliminations	-	223	(18)	223
<b>(Loss) / Profit After Tax</b>	<b>(8,142)</b>	<b>(5,234)</b>	<b>(10,453)</b>	<b>(9,414)</b>

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**A5. SEGMENTAL INFORMATION (Continued)**

As at 30 September 2019	Property Management RM'000	Trading RM'000	Project Management Consultancy RM'000	Investment Holding and Others RM'000	Eliminations RM'000	Group RM'000
<b>Total segment assets</b>	114,270	670	-	165,064	(121,165)	158,839
Unallocated asset:						
- Deferred tax assets	-	-	-	-	-	-
<b>Total assets</b>	<b>114,270</b>	<b>670</b>	<b>-</b>	<b>165,064</b>	<b>(121,165)</b>	<b>158,839</b>
<b>Total Segment liabilities</b>	70,230	673	-	430	(68,965)	2,368
Unallocated liabilities:						
- Hire purchase	-	-	-	-	-	158
- Term loans	-	-	-	-	-	10,093
- Bank overdraft	-	-	-	-	-	373
- Deferred tax liabilities	-	-	-	-	-	3,502
- Current tax liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>70,230</b>	<b>673</b>	<b>-</b>	<b>430</b>	<b>(68,965)</b>	<b>16,494</b>
<b>As at 30 September 2018</b>	<b>Property Management RM'000</b>	<b>Trading RM'000</b>	<b>Project Management Consultancy RM'000</b>	<b>Investment Holding and Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Group RM'000</b>
<b>Total segment assets</b>	124,840	2,514	1,690	111,505	(113,888)	126,661
Unallocated asset:						
- Deferred tax assets	-	-	-	-	-	-
<b>Total assets</b>	<b>124,840</b>	<b>2,514</b>	<b>1,690</b>	<b>111,505</b>	<b>(113,888)</b>	<b>126,661</b>
<b>Total Segment liabilities</b>	61,669	2,480	407	2,172	(63,765)	2,963
Unallocated liabilities:						
- Hire purchase	-	-	-	-	-	234
- Term loans	-	-	-	-	-	11,147
- Bank overdraft	-	-	-	-	-	2,874
- Deferred tax liabilities	-	-	-	-	-	2,251
- Current tax liabilities	-	-	-	-	-	-
<b>Total liabilities</b>	<b>61,669</b>	<b>2,480</b>	<b>407</b>	<b>2,172</b>	<b>(63,765)</b>	<b>19,469</b>

**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 30 September 2019.

**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.

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**A9. DIVIDENDS PAID**

No interim dividend has been paid in the current financial period ended 30 September 2019 (31 December 2018: Nil).

**A10. CARRYING AMOUNT OF REVALUED ASSETS**

There were no other changes in carrying amount of revalued asset during the current financial quarter.

**A11. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale or repayments of debts and equity securities for the current quarter ended 30 September 2019.

**A12. CHANGES IN COMPOSITION OF THE GROUP**

There were no other 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.

**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 30 September 2019.



**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. PERFORMANCE REVIEW**

	Individual Quarter		Changes (%)	Cumulative Period		Changes (%)
	30.09.19 RM'000	30.09.18 RM'000		30.09.19 RM'000	30.09.18 RM'000	
Revenue	2,600	3,204	(18.9)	6,671	8,083	(17.5)
(Loss)/Profit before interest and tax (LBIT/PBIT)	(7,900)	(4,997)	58.1	(9,683)	(8,565)	13.1
(Loss)/Profit before tax (LBT/PBT)	(8,122)	(5,234)	55.2	(10,433)	(9,406)	10.9
(Loss)/Profit after tax (LAT/PAT)	(8,142)	(5,234)	55.6	(10,453)	(9,414)	11.0
(Loss)/Profit attributable to ordinary equity holders of the parent	(8,142)	(5,225)	55.8	(10,453)	(9,405)	11.1

**Review of results for the current quarter**

For the 3<sup>rd</sup> quarter ended 30 September 2019, the Group registered a revenue of RM2.60 million, LBIT of RM7.90 million and LBT of RM8.12 million as compared to a revenue of RM3.20 million, LBIT of RM5.00 million and LBT of RM5.23 million in the preceding year's corresponding quarter.

**Commentary on revenue**

The Group recorded lower revenue for the current quarter predominantly due to lower contribution from the trading business which declined 57.5% to RM0.98 million. The overall decline was partly mitigated by our property management division which recorded an 49.8% increase in revenue to RM1.73 million. Overall, Group revenue declined 18.9% to RM2.60 million compared to the preceding year's corresponding quarter.

**Commentary on LBIT/ LBT**

The Group recorded a higher LBIT and LBT for the current quarter financial period compared to the preceding year's corresponding quarter due to the recognition of the Share Issuance Scheme (SIS) charge which amounted to RM4.74 million compared to RM3.59 million in the previous year quarter.

Stripping out the SIS charge, the LBIT and LBT was higher for the current quarter, amounting to RM3.16 million and RM3.39 million respectively. The higher LBIT and LBT is due to major refurbishment and repairment work undertaken in the mall coupled with more aggressive marketing and promotional events to promote our mall in Seremban. The total additional repair and maintenance, and marketing was RM2.30 million compared to RM0.89 million in the previous year quarter.

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**B1. PERFORMANCE REVIEW (CONT'D)**

**Review of results for the financial period ended 30 September 2019**

The Group recorded a revenue of RM6.67 million, LBIT of RM9.68 million and LBT of RM10.43 million for the financial period ended 30 September 2019 as compared to a revenue of RM8.08 million, LBIT of RM8.57 million and LBT of RM9.41 million in the financial period ended 30 September 2018.

**Commentary on revenue**

For the first nine months, the weak economic environment continued to affect the trading division as revenue contribution shrank 61.3% to RM2.34 million.

However, the Group revenue declined by only 17.5%, due to the strong contribution from the property management division. Contribution from the property management division increased 43.7% to RM4.82 million. This is due to the mall achieving 75.1% occupancy as at the end of September 2019 compared to the occupancy of 60.2% as at September 2018

**Commentary on LBIT/ LBT**

Stripping out the SIS Charge, the LBIT and LBT was lower for the financial period ended 30 September 2019, amounting to RM4.95 million and RM5.70 million respectively.

**B2. COMMENTS ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION FOR THE CURRENT QUARTER COMPARED TO THE PRECEDING QUARTER**

	<b>Current quarter 30.09.19 RM'000</b>	<b>Preceding quarter 30.06.19 RM'000</b>	<b>Changes (%)</b>
Revenue	2,600	2,678	(2.9)
(Loss)/Profit before interest and tax (LBIT/PBIT)	(7,900)	(503)	(1,470.6)
(Loss)/Profit before tax (LBT/PBT)	(8,122)	(749)	(984.4)
(Loss)/Profit after tax (LAT/PAT)	(8,142)	(749)	(987.0)
(Loss)/Profit attributable to ordinary equity holders of the parent	(8,142)	(749)	(987.0)

The Group recorded a decreased of 2.9% in revenue to RM2.60 million for the current quarter compared to RM2.68 million in the immediate preceding quarter ended 30 June 2019.

The Group recorded LBT of RM8.12 million for the current quarter as compared to LBT of RM0.75 million in the immediate preceding quarter ended 30 June 2019. The higher LBT was caused by the SIS granted by the Company which amounted to RM4.74 million. Stripping out the SIS charge, LBT was higher at RM3.39 million. The higher LBT was mainly due to the refurbishment and repairment work and also the marketing and promotion events as mentioned in B1.

**B3. COMMENTARY ON PROSPECTS**

The Group's focus is to unlock and realize the value of its core asset, Centerpoint Seremban Mall. The performance improvement has centered upon increasing footfall and thus higher occupancy rates and rental yields. Two new tenants, FamilyMart and Tealive, have commenced their business in Quarter 3 2019. This has resulted in the occupancy rate increasing to 75.1% as at the end of September 2019 compared to the 65.3% at the end of 2018. In addition, the management has entered into a tenancy agreement with EkoShop at Centerpoint Seremban, which is expected to start operations in the first quarter of 2020.

In the F&B segment, the Group has managed to secure two franchisee/licensee agreements and they are expected to commence during the fourth quarter of 2019 and first quarter of 2020 in Centerpoint Seremban. This complementary strategy will not only enhance the overall attractiveness of the mall, but also increase rental yields.

The Group proposed an acquisition as outlined in B6. The Group believes that the proposed acquisition will enable our Group to venture into architectural and interior design business which will complement our existing PMC division. This is expected to aid in the growth of our PMC division. The provision of professional architectural and interior design services such as consultancy, advisory and other ancillary services relating to design and fit out is expected to contribute positively to the Group. The proposed acquisition has a provision for a minimum profit guarantee of RM 2.0 million for the next two years. The Group expects this division to be one of the growth drivers.

**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**

	Individual quarter ended		Cumulative quarter ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Provision for current year tax	-	-	-	-
Under provision tax in prior year	(20)	-	(20)	(8)
Deferred taxation	-	-	-	-
	<u>(20)</u>	<u>-</u>	<u>(20)</u>	<u>(8)</u>

**B6. CORPORATE PROPOSALS**

On 31 October 2019, the Group announced that the proposal to undertake the following;

- i. Proposed acquisition of the business of ChinPakLoong Architect (CPLA) from Chin Pak Loong for a purchase consideration of RM16.0 million; and
- ii. Proposed diversification into architectural business.

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**B6. CORPORATE PROPOSALS (CONT'D)**

On 1 November 2019, the Group announced that an application to Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities has been submitted.

**B7. STATUS OF UTILISATION OF PROCEEDS**

The rights issue was completed subsequent to the listing of 5,396,975,598 new ordinary shares on the Main Market of Bursa Securities on 26 June 2019. Following of the completion of the Rights Issue, the utilization of the proceeds as at 30 September 2019 is shown below:

<b>Utilisation Purposes</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance Utilisation RM'000</b>	<b>Time frame for the utilisation (from the date of listing of the Placement shares)</b>
F&B service business	12,200	361	11,839	within 24 months
Promotion, Upgrade and maintenance of Centerpoint Seremban	23,100	6,681	16,419	within 36 months
Repayment of bank borrowings	13,500	2,458	11,042	within 6 months
Working capital	4,383	1,744	2,639	within 24 months
Expenses in relation to the proposals <sup>1</sup>	787	787	-	within 1 months
<b>Total</b>	<b>53,970</b>	<b>12,031</b>	<b>41,939</b>	

<sup>1</sup> The expenses in relation to the proposals are net off from the equity raised except for an amount of RM42,400 in relation to the diversification exercise. The total amount applied against equity amounted to RM744,002.57 for the financial period.

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**B8. BORROWINGS**

	<b>As at 30.09.2019 RM'000</b>
<b>Short-term borrowings: -</b>	
-Secured	10,486
-Unsecured	-
	<u>10,486</u>
<b>Long-term borrowings: -</b>	
-Secured	138
-Unsecured	-
	<u>138</u>
Total Borrowings	<u>10,624</u>

	<b>As at 30.09.2019 RM'000</b>
Bank overdraft	373
Hire Purchase	158
Term loans	10,093
Total Borrowings	<u>10,624</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 30 September 2019 (31 December 2018: Nil).

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**B11. EARNINGS PER SHARE**

(a) Basic EPS

	Individual quarter ended		Cumulative quarter ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(8,142)	(5,225)	(10,453)	(9,405)
Weighted average number of Ordinary Shares in issue ('000)	7,195,967	1,746,383	3,712,203	1,536,669
<b>Basic (loss)/earnings per share (sen)</b>	(0.11)	(0.30)	(0.28)	(0.61)

(b) Diluted EPS

	Individual quarter ended		Cumulative quarter ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
(Loss)/Profit attributable to ordinary equity holders of the parent (RM'000)	(8,142)	(5,225)	(10,453)	(9,405)
Weighted average number of Ordinary Shares in issue ('000)	7,195,967	1,812,230	3,726,694	1,633,816
<b>Diluted (loss)/earnings per share (sen)</b>	(0.11)	(0.29)	(0.28)	(0.58)

**B12. DERIVATIVE FINANCIAL INSTRUMENTS**

(a) Disclosure of derivative financial instruments

As at 30 September 2019, the Group does not hold any derivative financial instruments.

(b) Disclosure of gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities reported by the Group during the financial period under review.

**PEGASUS HEIGHTS BERHAD (19727-P)**  
**(Incorporated in Malaysia)**

**B13. DISCLOSURE OF ADDITIONAL INFORMATION**

Total comprehensive income for the period was derived after charging / (crediting) the following items:

	<b>Cumulative quarter ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	(193)	(4)
Interest expenses	750	841
Increase in provision of doubtful debts	62	-
Depreciation and amortization	150	137
Armotisation of Franchise License Fee & Deffered Expenses	170	-
Share option to employees	4,736	3,590
Written off PPE	-	792
Loss on disposal of motor vehicles	3	43

Saved as disclosed above and in the unaudited Condensed Consolidated Statements of Comprehensive Income, the other items under Appendix 9B, Part A(16) of the Listing Requirement of Bursa Malaysia Securities Berhad for the Main Market are not applicable.

By order of the Board  
Dated this 20 November 2019