

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FIRST QUARTER ENDED 30 JUNE 2018

Interim Financial Statements for the financial period ended 30 June 2018

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	%	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	%
	30/6/2018 RM' 000	30/6/2017 RM' 000 Restated	+ / (-)	30/6/2018 RM' 000	30/6/2017 RM' 000 Restated	+ / (-)
Revenue	66,542	47,054	41.4	66,542	47,054	41.4
Cost of Sales	(48,323)	(35,106)		(48,323)	(35,106)	
Gross Profit	18,219	11,948	52.5	18,219	11,948	52.5
Other Income	692	496		692	496	
Selling and Marketing Expenses	(2,605)	(2,204)		(2,605)	(2,204)	
Administrative and General Expenses	(9,948)	(7,116)		(9,948)	(7,116)	
Operating Profit	6,358	3,124	103.5	6,358	3,124	103.5
Finance Costs	(3,916)	(753)		(3,916)	(753)	
Share of Profit of Associate	988	622		988	622	
Profit Before Tax	3,430	2,993	14.6	3,430	2,993	14.6
Income Tax Expense	(2,418)	(1,135)		(2,418)	(1,135)	
Profit For The Period	1,012	1,858	(45.5)	1,012	1,858	(45.5)
Profit attributable to:						
Owners of the Company	1,012	1,858	(45.5)	1,012	1,858	(45.5)
Non-controlling Interests	-	-		-	-	
	1,012	1,858		1,012	1,858	
Earnings Per Share Attributable To Owners Of The Company (sen)						
Basic, for profit for the period	0.29	0.53	(45.5)	0.29	0.53	(45.5)

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2018

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	%	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	%
	30/6/2018 RM' 000	30/6/2017 RM' 000 Restated	+ / (-)	30/6/2018 RM' 000	30/6/2017 RM' 000 Restated	+ / (-)
Profit For The Period	1,012	1,858	(45.5)	1,012	1,858	(45.5)
Other Comprehensive Income For The Period, Net Of Income Tax	(860)	-	-	(860)	-	-
Total Comprehensive Income For The Period, Net Of Income Tax	152	1,858		152	1,858	
Total Comprehensive Income Attributable To :						
Owners of the Company	152	1,858	(91.8)	152	1,858	(91.8)
Non-controlling Interests	-	-		-	-	
	152	1,858		152	1,858	

Note: Included in the Total Comprehensive Income for the period are the followings:

Interest Income	97	115		97	115	
Other Income Including Investment Income	595	381		595	381	
Interest Expense	3,916	753		3,916	753	
Depreciation & Amortization	668	380		668	380	
Provision For/Write Off of Receivables	(423)	4		(423)	4	
Provision For/Write Off of Inventories	N/A	N/A		N/A	N/A	
Gain/Loss on Disposal of Quoted and Unquoted Investment or Properties	N/A	N/A		N/A	N/A	
Impairment of Assets	-	N/A		-	N/A	
Gain/Loss on Foreign Exchange	(860)	N/A		(860)	N/A	
Gain/Loss on Derivatives	N/A	N/A		N/A	N/A	

N/A: Not Applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30/6/2018 RM' 000	(UNAUDITED) As at 31/3/2018 RM' 000 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	16,111	16,611
Concession assets	8,401	8,559
Inventories - Land held for property development	528,405	456,390
Investment properties	1,736	1,739
Investment in associate	189,568	189,440
Other receivables	8,592	8,753
Fixed deposit with licenced bank	3,201	3,188
Intangible assets	15,182	15,182
Deferred tax assets	13,532	13,631
	<u>784,728</u>	<u>713,492</u>
Current assets		
Inventories - Completed properties	78,409	106,069
Inventories - Property development costs	248,255	239,215
Contract assets	74,248	48,718
Trade and other receivables	44,426	76,888
Other current assets	163	310
Tax recoverable	5,343	5,784
Cash and bank balances	11,265	16,280
	<u>462,109</u>	<u>493,264</u>
TOTAL ASSETS	<u>1,246,837</u>	<u>1,206,756</u>
EQUITY AND LIABILITIES		
Current liabilities		
Contract liabilities	618	1,304
Trade and other payables	131,158	132,110
Short term borrowings	182,679	211,715
	<u>314,455</u>	<u>345,129</u>
Net current assets	<u>147,654</u>	<u>148,135</u>
Non-current liabilities		
Trade and other payables	19,178	18,988
Deferred tax liabilities	19,061	19,248
Long term borrowings	300,706	230,106
	<u>338,945</u>	<u>268,342</u>
TOTAL LIABILITIES	<u>653,400</u>	<u>613,471</u>
Net assets	<u>593,437</u>	<u>593,285</u>
Total equity attributable to owners of the Company		
Share capital	352,000	352,000
Reserves	241,437	241,285
TOTAL EQUITY	<u>593,437</u>	<u>593,285</u>
TOTAL EQUITY AND LIABILITIES	<u>1,246,837</u>	<u>1,206,756</u>
Net Assets Attributable to Owners of the Company	593,437	593,285
Net Assets Per Share Attributable to Owners of the Company (RM)	1.69	1.69

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2018

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Company ----->			
	<----- Non-distributable ----->		<-- Distributable -->	
	Share Capital	Foreign Currency Exchange Reserve	Retained Earnings	Total Equity
	RM' 000	RM' 000	RM' 000	RM' 000
<u>3 months ended 30 June 2017</u>				
Balance as at 1 April 2017	352,000	-	243,398	595,398
Effects of adoption of the MFRS Framework	-	-	2,529	2,529
Balance as at 1 April 2017 (restated)	352,000	-	245,927	597,927
Total comprehensive income for the period	-	-	1,858	1,858
Balance as at 30 June 2017 (restated)	352,000	-	247,785	599,785
<u>3 months ended 30 June 2018</u>				
Balance as at 1 April 2018	352,000	(2,581)	240,769	590,188
Effects of adoption of the MFRS Framework	-	-	3,097	3,097
Balance as at 1 April 2018 (restated)	352,000	(2,581)	243,866	593,285
Profit for the period	-	-	1,012	1,012
Other comprehensive income for the period	-	(860)	-	(860)
Total comprehensive income for the period	-	(860)	1,012	152
Balance as at 30 June 2018	352,000	(3,441)	244,878	593,437

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018 and the explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2018

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30/6/2018 RM' 000	3 months ended 30/6/2017 RM' 000 Restated
OPERATING ACTIVITIES		
Profit before taxation	3,430	2,993
Adjustments for :		
Non-cash items	(744)	(238)
Non-operating items	<u>3,819</u>	<u>638</u>
Operating profit before changes in working capital	6,505	3,393
<i>Net change in current assets</i>		
Receivables	7,666	22,318
Inventories	27,660	2,668
Inventories - property development costs	(9,043)	(6,903)
<i>Net change in current liabilities</i>		
Payables	<u>(1,447)</u>	<u>(18,829)</u>
Cash generated from operations	31,341	2,647
Tax paid	(2,066)	(5,143)
Interest received	97	115
Net cash from/(used in) operating activities	<u>29,372</u>	<u>(2,381)</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment and intangible assets	(7)	(231)
Net cash outflow on acquisition of an associate	-	(124,007)
Additions to inventories - land held for future development	<u>(72,015)</u>	<u>(7,856)</u>
Net cash used in investing activities	(72,022)	(132,094)
FINANCING ACTIVITIES		
Proceeds from borrowings	170,499	134,000
Repayment of borrowings	(133,016)	(14,374)
Fixed deposits	(13)	-
Dividend paid	-	(7,040)
Interest paid	<u>(3,916)</u>	<u>(753)</u>
Net cash from financing activities	33,554	111,833
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,096)	(22,642)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	478	44,629
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>(8,618)</u>	<u>21,987</u>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	11,265	31,887
Bank overdrafts	<u>(19,883)</u>	<u>(9,900)</u>
	<u>(8,618)</u>	<u>21,987</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2018 and the accompanying notes attached to the interim financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2018 which were prepared under Financial Reporting Standards ("FRS"). These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2018.

The Group is adopting the MFRS framework for the current financial reporting period beginning 1 April 2018 and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Reporting Standards* has been applied. The Group has consistently applied the same accounting policies in its opening MFRS Statement of Financial Position as at 1 April 2017, being the transition date, and throughout all comparable interim financial statements presented, as if these policies had always been in effect.

A number of new standards and amendments to Standards and Issues Committee ("IC") Interpretations are effective for the current financial period beginning 1 April 2018. None of these is expected to have a significant effect on the consolidated financial statements of the Group except for the following set out below:

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 15	Revenue from Contracts with Customers

The financial impact to the interim financial statements of the Group arising from the adoption of MFRS 15 are as follows:

1 Basis of Preparation (continued)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	As previously stated RM' 000	Adjustments RM' 000	As restated RM' 000
ASSETS			
Non-current assets			
Property, plant and equipment	16,611	-	16,611
Concession assets	8,559	-	8,559
Inventories - Land held for property development	456,388	-	456,388
Investment properties	1,739	-	1,739
Investment in associate	189,440	-	189,440
Other receivables	8,753	-	8,753
Fixed deposit with licenced bank	3,188	-	3,188
Intangible assets	15,182	-	15,182
Deferred tax assets	14,608	(978)	13,630
	<u>714,468</u>	<u>(978)</u>	<u>713,490</u>
Current assets			
Inventories - Completed properties	106,069	-	106,069
Inventories - Property development costs	239,215	-	239,215
Contract assets	-	48,718	48,718
Trade and other receivables	76,888	-	76,888
Other current assets	44,955	(44,643)	312
Tax recoverable	5,784	-	5,784
Cash and bank balances	16,280	-	16,280
	<u>489,191</u>	<u>4,075</u>	<u>493,266</u>
TOTAL ASSETS	<u>1,203,659</u>	<u>3,097</u>	<u>1,206,756</u>
EQUITY AND LIABILITIES			
Current liabilities			
Contract liabilities	-	1,304	1,304
Trade and other payables	132,110	-	132,110
Other current liabilities	1,304	(1,304)	-
Short term borrowings	211,715	-	211,715
	<u>345,129</u>	<u>-</u>	<u>345,129</u>
Net current assets	<u>144,062</u>	<u>4,075</u>	<u>148,137</u>
Non-current liabilities			
Trade and other payables	18,988	-	18,988
Deferred tax liabilities	19,248	-	19,248
Long term borrowings	230,106	-	230,106
	<u>268,342</u>	<u>-</u>	<u>268,342</u>
TOTAL LIABILITIES	<u>613,471</u>	<u>-</u>	<u>613,471</u>
Net assets	<u>590,188</u>	<u>3,097</u>	<u>593,285</u>
Total equity attributable to owners of the Company			
Share capital	352,000	-	352,000
Reserves	238,188	3,097	241,285
TOTAL EQUITY	<u>590,188</u>	<u>3,097</u>	<u>593,285</u>
TOTAL EQUITY AND LIABILITIES	<u>1,203,659</u>	<u>3,097</u>	<u>1,206,756</u>

1 Basis of Preparation (continued)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	As previously stated RM' 000	Adjustments RM' 000	As restated RM' 000
Revenue	47,939	(885)	47,054
Cost of Sales	(35,106)	-	(35,106)
Gross Profit	<u>12,833</u>	<u>(885)</u>	<u>11,948</u>
Other Income	496	-	496
Selling and Marketing Expenses	(3,276)	1,072	(2,204)
Administrative and General Expenses	(7,116)	-	(7,116)
Operating Profit	<u>2,937</u>	<u>187</u>	<u>3,124</u>
Finance Costs	(753)	-	(753)
Share of Profit of Associate	622	-	622
Profit Before Taxation	<u>2,806</u>	<u>187</u>	<u>2,993</u>
Income Tax Expense	(1,090)	(45)	(1,135)
Profit For The Period	<u>1,716</u>	<u>142</u>	<u>1,858</u>
Other comprehensive income, net of tax: Items that will be reclassified subsequently to profit or loss Share of loss of equity accounted associate	-	-	-
Total comprehensive income for the period	<u><u>1,716</u></u>	<u><u>142</u></u>	<u><u>1,858</u></u>
Profit attributable to:			
Owners of the Company	1,716	142	1,858
Non-controlling Interests	-	-	-
	<u><u>1,716</u></u>	<u><u>142</u></u>	<u><u>1,858</u></u>
Total comprehensive income attributable to:			
Owners of the Company	1,716	142	1,858
Non-controlling Interests	-	-	-
	<u><u>1,716</u></u>	<u><u>142</u></u>	<u><u>1,858</u></u>

1 Basis of Preparation (continued)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2017**

	As previously stated	Adjustments	As restated
	RM' 000	RM' 000	RM' 000
Net cash used in operating activities	(2,381)	-	(2,381)
Net cash used in investing activities	(132,094)	-	(132,094)
Net cash from financing activities	111,833	-	111,833
Net decrease in cash and cash equivalents	<u>(22,642)</u>	<u>-</u>	<u>(22,642)</u>
Cash and cash equivalents at 1 April 2017	44,629	-	44,629
Cash and cash equivalents at 30 June 2017	<u><u>21,987</u></u>	<u><u>-</u></u>	<u><u>21,987</u></u>

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis of Preparation (continued)

The Group has yet to adopt the following MFRSs, amendments to MFRSs and IC Interpretations that have been issued but not yet effective:

	Effective for financial periods beginning on or after
Annual Improvements to MFRSs 2015-2017 Cycle	1 January 2019
MFRS 16 Leases	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119 Employee Benefits (Plan Amendment, Curtailment or Settlement)	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 3 Business Combinations	1 January 2020
Amendments to MFRS 101 Presentation of Financial Statements	1 January 2020
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

These new and amended standards will have no material impact on the financial statements of the Group upon their initial application.

2 Auditors' Report on Preceding Annual Financial Statements

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

3 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors.

4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

5 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

6 Debt and Equity Securities

Status of Sukuk Murabahah Programme announced and completed:

On 29 April 2014, Public Investment Bank Berhad had, on behalf of the Board announced that the Company has obtained approval from the Securities Commission Malaysia on 28 April 2014 with regards to the proposed Sukuk Murabahah Programme of up to RM250.0 million in nominal value.

Proceed raised from the Sukuk Murabahah Programme issuance shall be utilised to part finance the acquisition cost of the Shariah compliant development land(s) and/or such other Shariah compliant property(ies).

The cumulative drawdown of the facility at the end of the reporting period are as follows:

Date of drawdown	Amount drawdown (RM' 000)
31 March 2016	18,450
26 April 2016	21,250
28 September 2017	13,000
Total	52,700

Save for the above, there were no other issuance and repayment of debts and equity, repurchases, share cancellation or new issuance during the quarter under review and financial year-to-date.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

7 Dividends Paid

No dividend has been paid during the quarter under review.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/6/2018 RM' 000	30/6/2017 RM' 000	30/6/2018 RM' 000	30/6/2017 RM' 000	30/6/2018 RM' 000	30/6/2017 RM' 000	30/6/2018 RM' 000	30/6/2017 RM' 000
Revenue:								
External customers	66,272	46,547	269	507	-	-	66,542	47,054
Inter-segment	1,574	1,768	-	-	(1,574)	(1,768)	-	-
	67,847	48,315	269	507	(1,574)	(1,768)	66,542	47,054
Results:								
Interest income	2,039	2,832	-	-	(1,942)	(2,717)	97	115
Depreciation and amortisation	(509)	(225)	(158)	(154)	(1)	(1)	(668)	(380)
Other non-cash income / (expenses)	-	-	423	(4)	-	-	423	(4)
Share of results from associated company	988	-	-	-	-	-	988	-
Interest expenses	(6,247)	(3,382)	(65)	(88)	2,396	2,717	(3,916)	(753)
Segment profit / (loss)	3,257	3,004	173	(11)	-	-	3,430	2,993
Assets:								
Additions to non-current assets	4,574	7,860	-	-	-	-	4,574	7,860
Segment assets	1,753,807	1,601,236	10,110	10,523	(517,080)	(405,003)	1,246,837	1,206,756
Segment liabilities	1,111,476	959,326	12,852	12,439	(470,928)	(358,294)	653,400	613,471

9 Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward, without any amendments from the previous annual audited financial statements for the year ended 31 March 2018.

10 Material Events Subsequent to the End of the Reporting Period

There were no material events subsequent to the statement of financial position date up to 18 July 2018, being the latest practicable date from the date of issuance of this Interim Financial Report.

11 Changes in the Composition of the Group

The Company had on 27 December 2017 entered into a conditional Share Sale Agreement ("SSA") with non-related parties for the acquisition of 3,000,000 ordinary shares being the entire paid up share capital of Kajang Heights Development Sdn Bhd ("KHDSB") for a cash consideration of RM70,000,000.00. The SSA was completed on 4 May 2018 and KHDSB become a wholly owned subsidiary of the Company.

Save for the above, there were no changes in the composition of the Group during the quarter under review.

12 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual statement of financial position as at 31 March 2018.

13 Capital Commitments

There were no outstanding capital commitments for the Group as at 30 June 2018.

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

14 Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/6/2018 RM' 000	Preceding Year Corresponding Quarter 30/6/2017 RM' 000 Restated	Current Year to Date 30/6/2018 RM' 000	Preceding Year Corresponding Year to Date 30/6/2017 RM' 000 Restated
Malaysian income tax	(2,611)	(977)	(2,611)	(977)
Deferred tax	193	(158)	193	(158)
	<u>(2,418)</u>	<u>(1,135)</u>	<u>(2,418)</u>	<u>(1,135)</u>
Over/(Under) provision of Malaysian income tax in prior years	-	-	-	-
	<u>(2,418)</u>	<u>(1,135)</u>	<u>(2,418)</u>	<u>(1,135)</u>

15 Corporate Proposals

As of 18 July 2018, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 30/6/2018 RM' 000	As at 31/3/2018 RM' 000
Short Term Bank Borrowings	182,679	211,715
Long Term Bank Borrowings	300,706	230,106
	<u>483,385</u>	<u>441,821</u>

17 Changes in Material Litigation

There were no material litigation since the date of the last annual statement of financial position to the date of this report.

18 Dividends Payable

No dividend has been declared for the quarter under review.

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

19 Earnings Per Share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the company by the weighted average number of ordinary shares in issue during the period.

		3 months ended 30/6/2018	3 months ended 30/6/2017 Restated
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>1,012</u>	<u>1,858</u>
Weighted average number of ordinary shares ('000)		<u>352,000</u>	<u>352,000</u>
Basic earnings per share	(sen)	0.29	0.53
(b) Diluted earnings per share	(sen)	N/A	N/A

20 Review of Group Performance

For the quarter under review, the Group achieved profit after tax of RM1.01 million, representing a decrease of RM0.85 million (46%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM66.54 million was RM19.49 million (41%) higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM201.35 million. The Group's has undeveloped landbank of 466 acres across key regions with an estimated GDV of RM5.2 billion.

The Group's earnings per share for the period ended 30 June 2018 was 0.29 sen.

The performance of the respective operating business segments is analysed as follows:

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/6/2018 RM' 000	Preceding Year Corresponding Quarter 30/6/2017 RM' 000 Restated	% + / (-)	Current Year to Date 30/6/2018 RM' 000	Preceding Year Corresponding Year to Date 30/6/2017 RM' 000 Restated	% + / (-)
Revenue						
Property Development	66,273	46,547	42.4	66,273	46,547	42.4
Other Operation	269	507	(47.0)	269	507	(47.0)
	<u>66,542</u>	<u>47,054</u>	41.4	<u>66,542</u>	<u>47,054</u>	41.4
Profit before tax						
Property Development	3,257	3,004	8.4	3,257	3,004	8.4
Other Operation	173	(11)	(1,673.9)	173	(11)	(1,673.9)
	<u>3,430</u>	<u>2,993</u>	14.6	<u>3,430</u>	<u>2,993</u>	14.6

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

20 Review of Group Performance (contd.)

(a) Property development:

For the quarter under review, revenue and profit before tax increased by 42% and 8% respectively as compared to the previous financial year corresponding quarter. The lower profit before tax was mainly due to higher finance costs.

(b) Other operations:

Revenue and profit from other operations mainly consist of rental income derived from the operation of commercial properties under the "build, operate and transfer" concession with local authorities.

21 Material Changes in the Quarterly Results compared to the Results of the Immediate Preceding Quarter

The Group's profit before tax for the quarter under review of RM3.43 million was RM2.28 million or 40% lower than the immediate preceding quarter ended 31 March 2018 of RM5.71 million.

	Quarter Ended		%
	30/6/2018	31/3/2018	
	RM' 000	RM' 000	+ / (-)
		Restated	
Revenue	66,542	85,855	(22.5)
Cost of Sales	(48,323)	(62,826)	
Gross Profit	18,219	23,029	(20.9)
Other Income	692	582	
Selling and Marketing Expenses	(2,605)	(6,275)	
Administrative and General Expenses	(9,948)	(10,393)	
Operating Profit	6,358	6,943	(8.4)
Finance Costs	(3,916)	(4,092)	
Share of Profit of Associate	988	2,858	
Profit Before Tax	3,430	5,709	(39.9)
Income Tax Expense	(2,418)	(2,501)	
Profit After Tax	1,012	3,208	(68.5)

22 Current Year Prospects

The outlook for the property industry remains challenging. The Board and Management will continue to strives to deliver improved financial performance for the financial year ending 31 March 2019.

23 Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee

Not applicable.

24 Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 18 July 2018.