

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

THIRD QUARTER ENDED 31 DECEMBER 2018

Interim Financial Statements for the financial period ended 31 December 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 | % |
| | 31/12/2018 RM' 000 | 31/12/2017 RM' 000 Restated | + /(-) | 31/12/2018 RM' 000 | 31/12/2017 RM' 000 Restated | + /(-) |
| Revenue | 68,424 | 49,912 | 37.1 | 199,511 | 141,296 | 41.2 |
| Cost of Sales | (49,562) | (34,481) | | (146,296) | (99,057) | |
| Gross Profit | 18,862 | 15,431 | 22.2 | 53,215 | 42,239 | 26.0 |
| Other Income | 456 | 430 | | 1,560 | 1,075 | |
| Selling and Marketing Expenses | (2,627) | (2,470) | | (8,241) | (7,347) | |
| Administrative and General Expenses | (7,066) | (6,350) | | (23,990) | (20,831) | |
| Operating Profit | 9,625 | 7,041 | 36.7 | 22,544 | 15,136 | 48.9 |
| Finance Costs | (3,399) | (3,133) | | (11,335) | (6,967) | |
| Share of Profits/(Losses) of Associate | 1,637 | (2,528) | | 3,748 | (1,545) | |
| Profit Before Tax | 7,863 | 1,380 | 469.9 | 14,957 | 6,624 | 125.8 |
| Income Tax Expense | (2,195) | (2,195) | | (6,377) | (4,853) | |
| Profit/(Loss) For The Period | 5,668 | (815) | (795.5) | 8,580 | 1,771 | 384.4 |
| Profit attributable to: | | | | | | |
| Owners of the Company | 5,772 | (815) | (808.3) | 8,684 | 1,771 | 390.3 |
| Non-controlling Interests | (104) | - | | (104) | - | |
| | 5,668 | (815) | | 8,580 | 1,771 | |
| Earnings Per Share Attributable To Owners Of The Company (sen) | | | | | | |
| Basic, for profit for the period | 1.64 | (0.23) | (808.3) | 2.47 | 0.50 | 390.3 |

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 31 December 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 | % |
| | 31/12/2018 RM' 000 | 31/12/2017 RM' 000 Restated | + / (-) | 31/12/2018 RM' 000 | 31/12/2017 RM' 000 Restated | + / (-) |
| Profit/(Loss) For The Period | 5,668 | (815) | (795.5) | 8,580 | 1,771 | 384.4 |
| Other Comprehensive Income For The Period, Net Of Income Tax | (1,546) | 223 | (793.3) | (3,141) | 267 | (1,276.4) |
| Total Comprehensive Income For The Period, Net Of Income Tax | 4,122 | (592) | | 5,439 | 2,038 | |
| Total Comprehensive Income Attributable To : | | | | | | |
| Owners of the Company | 4,226 | (592) | (813.9) | 5,543 | 2,038 | 171.9 |
| Non-controlling Interests | (104) | - | | (104) | - | |
| | 4,122 | (592) | | 5,439 | 2,038 | |

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

| | | | | | | |
|--|---------|-------|--|---------|-------|--|
| Interest Income | 309 | 165 | | 451 | 395 | |
| Other Income Including Investment Income | 147 | 265 | | 1,109 | 680 | |
| Interest Expense | 3,399 | 3,133 | | 11,335 | 6,967 | |
| Depreciation & Amortization | 680 | 389 | | 2,032 | 1,148 | |
| Provision For/Write Off of Receivables | 3 | 4 | | (421) | 165 | |
| 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 | - | 538 | | - | 538 | |
| Gain/Loss on Foreign Exchange | (1,546) | 223 | | (3,141) | 267 | |
| 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 31 December 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | (UNAUDITED) As at 31/12/2018 RM' 000 | (AUDITED) As at 31/3/2018 RM' 000 Restated |
|--|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 15,437 | 16,611 |
| Concession assets | 8,086 | 8,559 |
| Inventories - Land held for property development | 543,040 | 456,353 |
| Investment properties | 1,705 | 1,739 |
| Investment in associate | 190,047 | 189,440 |
| Other receivables | 7,685 | 8,753 |
| Fixed deposit with licenced bank | 3,233 | 3,188 |
| Intangible assets | 28,969 | 15,182 |
| Deferred tax assets | 15,679 | 14,405 |
| | <u>813,881</u> | <u>714,230</u> |
| Current assets | | |
| Inventories - Completed properties | 75,646 | 106,069 |
| Inventories - Property development costs | 215,314 | 239,308 |
| Contract assets | 53,534 | 45,489 |
| Trade and other receivables | 62,338 | 76,888 |
| Other current assets | 94 | 311 |
| Tax recoverable | 1,873 | 5,784 |
| Cash and bank balances | 30,296 | 16,280 |
| | <u>439,095</u> | <u>490,129</u> |
| TOTAL ASSETS | <u>1,252,976</u> | <u>1,204,359</u> |
| EQUITY AND LIABILITIES | | |
| Current liabilities | | |
| Contract liabilities | 3,222 | 1,361 |
| Trade and other payables | 137,662 | 132,110 |
| Short term borrowings | 105,813 | 211,715 |
| | <u>246,697</u> | <u>345,186</u> |
| Net current assets | <u>192,398</u> | <u>144,943</u> |
| Non-current liabilities | | |
| Trade and other payables | 17,485 | 18,988 |
| Deferred tax liabilities | 31,382 | 19,248 |
| Long term borrowings | 340,330 | 230,106 |
| | <u>389,197</u> | <u>268,342</u> |
| TOTAL LIABILITIES | <u>635,894</u> | <u>613,528</u> |
| Net assets | <u>617,082</u> | <u>590,831</u> |
| Total equity attributable to owners of the Company | | |
| Share capital | 352,000 | 352,000 |
| Reserves | 244,374 | 238,831 |
| | <u>596,374</u> | <u>590,831</u> |
| Non-controlling interests | 20,708 | - |
| TOTAL EQUITY | <u>617,082</u> | <u>590,831</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,252,976</u> | <u>1,204,359</u> |
| Net Assets Attributable to Owners of the Company | <u>617,082</u> | <u>590,831</u> |
| Net Assets Per Share Attributable to Owners of the Company (RM) | <u>1.75</u> | <u>1.68</u> |

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 31 December 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 | Sub-Total | Non-controlling Interests | Total Equity |
| | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 | RM' 000 |
| <u>9 months ended 31 December 2017</u> | | | | | | |
| Balance as at 1 April 2017 | 352,000 | - | 243,398 | 595,398 | - | 595,398 |
| Effects of adoption of the MFRS Framework | - | - | 75 | 75 | - | 75 |
| Balance as at 1 April 2017 (restated) | 352,000 | - | 243,473 | 595,473 | - | 595,473 |
| Total comprehensive income for the period | - | - | 1,771 | 1,771 | - | 1,771 |
| Balance as at 31 December 2017 (restated) | 352,000 | - | 245,244 | 597,244 | - | 597,244 |
| <u>9 months ended 31 December 2018</u> | | | | | | |
| Balance as at 1 April 2018 | 352,000 | - | 238,188 | 590,188 | - | 590,188 |
| Effects of adoption of the MFRS Framework | - | - | 643 | 643 | - | 643 |
| Balance as at 1 April 2018 (restated) | 352,000 | - | 238,831 | 590,831 | - | 590,831 |
| Profit for the period | - | - | 8,684 | 8,684 | (104) | 8,580 |
| Other comprehensive income for the period | - | (3,141) | - | (3,141) | - | (3,141) |
| Total comprehensive income for the period | - | (3,141) | 8,684 | 5,543 | (104) | 5,439 |
| Changes in ownerships interests in subsidiary | - | - | - | - | 20,812 | 20,812 |
| Balance as at 31 December 2018 | 352,000 | (3,141) | 247,515 | 596,374 | 20,708 | 617,082 |

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 31 December 2018

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 9 months ended 31/12/2018 RM' 000 | 9 months ended 31/12/2017 RM' 000 Restated |
|---|--|---|
| OPERATING ACTIVITIES | | |
| Profit before taxation | 14,957 | 6,624 |
| Adjustments for : | | |
| Non-cash items | (2,138) | 3,379 |
| Non-operating items | 10,885 | 6,572 |
| Operating profit before changes in working capital | 23,704 | 16,575 |
| <i>Net change in current assets</i> | | |
| Receivables | 8,212 | 42,723 |
| Inventories | 30,422 | (68,227) |
| Inventories - property development costs | 23,994 | 56,619 |
| <i>Net change in current liabilities</i> | | |
| Payables | 5,723 | (17,660) |
| Cash generated from operations | 92,055 | 30,030 |
| Tax paid | (4,779) | (13,993) |
| Interest received | 451 | 395 |
| Net cash from operating activities | 87,727 | 16,432 |
| INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment and intangible assets | (351) | (2,361) |
| Net cash outflow on acquisition of a subsidiary | (69,386) | - |
| Net cash outflow on acquisition of an associate | - | (124,007) |
| Proceeds from disposal of shares in subsidiary | 21,000 | - |
| Additions to inventories - land held for future development | (17,916) | (57,574) |
| Net cash used in investing activities | (66,653) | (183,942) |
| FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 250,122 | 180,880 |
| Repayment of borrowings | (248,052) | (44,394) |
| Change in pledged deposits | (45) | - |
| Dividend paid | - | (7,040) |
| Interest paid | (11,335) | (6,967) |
| Net cash (used in)/from financing activities | (9,310) | 122,479 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 11,764 | (45,031) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 478 | 44,629 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 12,242 | (402) |
| Cash and cash equivalents comprise of : | | |
| Deposits, bank and cash balances | 30,296 | 13,575 |
| Bank overdrafts | (18,054) | (13,977) |
| | 12,242 | (402) |

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 | 456,353 | - | 456,353 |
| 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 | (203) | 14,405 |
| | <u>714,433</u> | <u>(203)</u> | <u>714,230</u> |
| Current assets | | | |
| Inventories - Completed properties | 106,069 | - | 106,069 |
| Inventories - Property development costs | 239,308 | - | 239,308 |
| Contract assets | - | 45,489 | 45,489 |
| Trade and other receivables | 76,888 | - | 76,888 |
| Other current assets | 44,954 | (44,643) | 311 |
| Tax recoverable | 5,784 | - | 5,784 |
| Cash and bank balances | 16,280 | - | 16,280 |
| | <u>489,283</u> | <u>846</u> | <u>490,129</u> |
| TOTAL ASSETS | <u>1,203,716</u> | <u>643</u> | <u>1,204,359</u> |
| EQUITY AND LIABILITIES | | | |
| Current liabilities | | | |
| Contract liabilities | - | 1,361 | 1,361 |
| Trade and other payables | 132,110 | - | 132,110 |
| Other current liabilities | 1,361 | (1,361) | - |
| Short term borrowings | 211,715 | - | 211,715 |
| | <u>345,186</u> | <u>-</u> | <u>345,186</u> |
| Net current assets | <u>144,097</u> | <u>846</u> | <u>144,943</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>613,528</u> | <u>-</u> | <u>613,528</u> |
| Net assets | <u>590,188</u> | <u>643</u> | <u>590,831</u> |
| Total equity attributable to owners of the Company | | | |
| Share capital | 352,000 | - | 352,000 |
| Reserves | 238,188 | 643 | 238,831 |
| TOTAL EQUITY | <u>590,188</u> | <u>643</u> | <u>590,831</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,203,716</u> | <u>643</u> | <u>1,204,359</u> |

1 Basis of Preparation (continued)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017

| | As previously stated RM' 000 | Adjustments RM' 000 | As restated RM' 000 |
|---|---------------------------------|------------------------|------------------------|
| Revenue | 143,951 | (2,655) | 141,296 |
| Cost of Sales | (99,057) | - | (99,057) |
| Gross Profit | <u>44,894</u> | <u>(2,655)</u> | <u>42,239</u> |
| Other Income | 1,075 | - | 1,075 |
| Selling and Marketing Expenses | (10,563) | 3,216 | (7,347) |
| Administrative and General Expenses | (20,831) | - | (20,831) |
| Operating Profit | <u>14,575</u> | <u>561</u> | <u>15,136</u> |
| Finance Costs | (6,967) | - | (6,967) |
| Share of Losses of Associate | (1,545) | - | (1,545) |
| Profit Before Taxation | <u>6,063</u> | <u>561</u> | <u>6,624</u> |
| Income Tax Expense | (4,718) | (135) | (4,853) |
| Profit For The Period | <u>1,345</u> | <u>426</u> | <u>1,771</u> |
| Other comprehensive income, net of tax: Items that will be reclassified subsequently to profit or loss | | | |
| Share of loss of equity accounted associate | 267 | - | 267 |
| Total comprehensive income for the period | <u><u>1,612</u></u> | <u><u>426</u></u> | <u><u>2,038</u></u> |
| Profit attributable to: | | | |
| Owners of the Company | 1,345 | 426 | 1,771 |
| Non-controlling Interests | - | - | - |
| | <u>1,345</u> | <u>426</u> | <u>1,771</u> |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | 1,612 | 426 | 2,038 |
| Non-controlling Interests | - | - | - |
| | <u>1,612</u> | <u>426</u> | <u>2,038</u> |

1 Basis of Preparation (continued)
**CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

| | As previously stated | Adjustments | As restated |
|---|----------------------|-------------|-------------|
| | RM' 000 | RM' 000 | RM' 000 |
| Net cash from operating activities | 16,433 | - | 16,433 |
| Net cash used in investing activities | (183,942) | - | (183,942) |
| Net cash from financing activities | 122,478 | - | 122,478 |
| Net decrease in cash and cash equivalents | (45,031) | - | (45,031) |
| Cash and cash equivalents at 1 April 2017 | 44,629 | - | 44,629 |
| Cash and cash equivalents at 31 December 2017 | (402) | - | (402) |

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 | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|------------------------------|-----------------------|---------------------------------------|-----------------------|
| | 31/12/2018 RM' 000 | 31/12/2017 RM' 000 | 31/12/2018 RM' 000 | 31/12/2017 RM' 000 | 31/12/2018 RM' 000 | 31/12/2017 RM' 000 | 31/12/2018 RM' 000 | 31/12/2017 RM' 000 |
| Revenue: | | | | | | | | |
| External customers | 198,720 | 139,784 | 791 | 1,512 | - | - | 199,511 | 141,296 |
| Inter-segment | 5,701 | 6,391 | - | - | (5,701) | (6,391) | - | - |
| | 204,421 | 146,175 | 791 | 1,512 | (5,701) | (6,391) | 199,511 | 141,296 |
| Results: | | | | | | | | |
| Interest income | 10,067 | 6,999 | - | - | (9,616) | (6,604) | 451 | 395 |
| Depreciation and amortisation | (1,554) | (684) | (475) | (461) | (3) | (3) | (2,032) | (1,148) |
| Other non-cash income / (expenses) | (0) | (673) | 421 | (13) | - | - | 421 | (686) |
| Share of results from associated company | 3,748 | (1,545) | - | - | - | - | 3,748 | (1,545) |
| Interest expenses | (22,062) | (13,337) | (262) | (234) | 10,989 | 6,604 | (11,335) | (6,967) |
| Segment profit / (loss) | 15,335 | 6,936 | (378) | (312) | - | - | 14,957 | 6,624 |
| Assets: | | | | | | | | |
| Additions to non-current assets | 34,344 | 66,588 | 234 | - | - | - | 34,578 | 66,588 |
| Segment assets | 1,821,122 | 1,634,817 | 10,338 | 9,776 | (578,484) | (440,234) | 1,252,976 | 1,204,359 |
| Segment liabilities | 1,159,776 | 995,267 | 13,318 | 12,552 | (537,200) | (394,291) | 635,894 | 613,528 |

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 23 January 2019, being the latest practicable date from the date of issuance of this Interim Financial Report.

11 Changes in the Composition of the Group

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 31 December 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 31/12/2018 RM' 000 | Preceding Year Corresponding Quarter 31/12/2017 RM' 000 Restated | Current Year to Date 31/12/2018 RM' 000 | Preceding Year Corresponding Year to Date 31/12/2017 RM' 000 Restated |
| Malaysian income tax | (5,035) | (2,484) | (8,880) | (4,989) |
| Deferred tax | 3,126 | 494 | 2,789 | 341 |
| | <u>(1,909)</u> | <u>(1,990)</u> | <u>(6,091)</u> | <u>(4,648)</u> |
| Over/(Under) provision of Malaysian income tax in prior years | (286) | (205) | (286) | (205) |
| | <u>(2,195)</u> | <u>(2,195)</u> | <u>(6,377)</u> | <u>(4,853)</u> |

15 Corporate Proposals

As of 23 January 2019, the Company has not announced any corporate proposal.

16 Borrowings - Secured

| | As at 31/12/2018 RM' 000 | As at 31/3/2018 RM' 000 |
|----------------------------|--------------------------------|-------------------------------|
| Short Term Bank Borrowings | 105,813 | 211,715 |
| Long Term Bank Borrowings | 340,330 | 230,106 |
| | <u>446,143</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.

| | | 9 months ended 31/12/2018 | 9 months ended 31/12/2017 Restated |
|--|-----------|--------------------------------------|---|
| (a) Basic earnings per share | | | |
| Profit for the period | (RM' 000) | <u>8,684</u> | <u>1,771</u> |
| Weighted average number of ordinary shares | ('000) | <u>352,000</u> | <u>352,000</u> |
| Basic earnings per share | (sen) | 2.47 | 0.50 |
| (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 RM5.67 million, representing an increase of RM6.48 million (796%) as compared to the preceding year's corresponding quarter.

Revenue achieved for the quarter under review of RM68.42 million was RM18.51 million (37%) higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM217.25 million. The Group's has undeveloped landbank of 472 acres across key regions with an estimated GDV of RM5.3 billion.

The Group's earnings per share for the period ended 31 December 2018 was 2.47 sen.

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

| | Individual Quarter | | | Cumulative Quarter | | |
|--------------------------|--|---|----------------------|--|--|----------------------|
| | Current Year Quarter 31/12/2018 RM' 000 | Preceding Year Corresponding Quarter 31/12/2017 RM' 000 Restated | % + / (-) | Current Year to Date 31/12/2018 RM' 000 | Preceding Year Corresponding Year to Date 31/12/2017 RM' 000 Restated | % + / (-) |
| Revenue | | | | | | |
| Property Development | 68,170 | 49,413 | 38.0 | 198,720 | 139,784 | 42.2 |
| Other Operation | 254 | 499 | (49.2) | 791 | 1,512 | (47.7) |
| | <u>68,424</u> | <u>49,912</u> | 37.1 | <u>199,511</u> | <u>141,296</u> | 41.2 |
| Profit before tax | | | | | | |
| Property Development | 8,195 | 1,432 | 472.4 | 15,335 | 6,936 | 121.1 |
| Other Operation | (332) | (52) | 539.3 | (378) | (312) | 21.3 |
| | <u>7,863</u> | <u>1,380</u> | 469.9 | <u>14,957</u> | <u>6,624</u> | 125.8 |

**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 38% and 472% respectively as compared to the previous financial year corresponding quarter. The improved results were mainly driven by higher sales contribution from Astetica Residence, Seri Kembangan and Bandar Universiti Seri Iskandar.

(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 and newly established franchising food and beverage outlet, namely "Kluang Station" at One South.

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 RM7.86 million was RM4.20 million or 115% higher than the immediate preceding quarter ended 30 September 2018 of RM3.66 million.

| | Quarter Ended | | % |
|-------------------------------------|---------------|-----------|--------------|
| | 31/12/2018 | 30/9/2018 | |
| | RM' 000 | RM' 000 | + / (-) |
| | | Restated | |
| Revenue | 68,424 | 64,545 | 6.0 |
| Cost of Sales | (49,562) | (48,411) | |
| Gross Profit | 18,862 | 16,134 | 16.9 |
| Other Income | 456 | 412 | |
| Selling and Marketing Expenses | (2,627) | (3,009) | |
| Administrative and General Expenses | (7,066) | (6,976) | |
| Operating Profit | 9,625 | 6,561 | 46.7 |
| Finance Costs | (3,399) | (4,020) | |
| Share of Profits of Associate | 1,637 | 1,123 | |
| Profit Before Tax | 7,863 | 3,664 | 114.6 |
| Income Tax Expense | (2,195) | (1,764) | |
| Profit After Tax | 5,668 | 1,900 | 198.3 |

22 Current Year Prospects

The outlook for the property sector remains challenging. The Board and Management continue to take steps to improve the performance of the financial year ending 31 March 2019.

Barring unforeseen circumstances, the Company expects to see improvement in the financial results for the remaining period of this financial year.

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 23 January 2019.