

SENTORIA GROUP BERHAD (Company No : 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 MARCH 2018
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 31/03/2018 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31/03/2017 RM'000	UNAUDITED CURRENT YEAR TO DATE 31/03/2018 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31/03/2017 RM'000
Revenue	75,257	53,225	162,599	113,257
Cost of sales	(54,990)	(33,178)	(114,904)	(70,305)
Gross profit	20,267	20,047	47,695	42,952
Other income	165	214	635	368
Distribution expenses	(222)	(372)	(664)	(876)
Administration expenses	(10,341)	(9,862)	(19,634)	(18,450)
Amortisation and depreciation	(2,575)	(2,734)	(5,157)	(5,518)
Profit from operations	7,294	7,293	22,875	18,476
Finance income	296	182	477	297
Finance costs	(666)	(735)	(1,730)	(1,448)
Profit before taxation	6,924	6,740	21,622	17,325
Taxation	5,240	(2,585)	1,606	(4,694)
Net profit from operations	12,164	4,155	23,228	12,631
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income	12,164	4,155	23,228	12,631
Net profit from operations attributable to:				
Owners of the Company	12,150	4,159	23,232	12,640
Non-controlling interests	14	(4)	(4)	(9)
	12,164	4,155	23,228	12,631
Total comprehensive income attributable to:				
Owners of the Company	12,150	4,159	23,232	12,640
Non-controlling interests	14	(4)	(4)	(9)
	12,164	4,155	23,228	12,631
Profit per share attributable to owners of the Company:				
Basic (sen)	2.15	0.77	4.15	2.36
Diluted (sen)	2.14	0.77	4.11	2.34

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial report.

SENTORIA GROUP BERHAD (Company No : 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 MARCH 2018
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 31/03/2018 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 30/09/2017 RM'000
Non-Current Assets		
Property, plant and equipment	448,057	419,245
Biological assets	3,514	3,657
Property development costs	22,972	22,972
Investment properties	38,037	38,155
Fixed deposits with licensed banks	9,017	7,005
Investment in short term funds	7,904	7,524
Goodwill on consolidation	3	3
Deferred tax assets	58,062	50,361
Total Non-Current Assets	587,566	548,922
Current Assets		
Property development costs	224,710	185,032
Amount due from customers	36,867	15,270
Amount due from holding company	600	3,179
Inventories	2,158	1,734
Trade and other receivables	257,467	222,891
Tax recoverable	258	4
Investment in short term funds	-	8,000
Cash and bank balances	30,336	38,038
Total Current Assets	552,396	474,148
Total Assets	1,139,962	1,023,070
Equity and Liabilities		
Share capital	161,783	152,566
Treasury shares	(3,988)	(862)
Revaluation reserves	65,886	66,175
Warrant reserve	51,467	-
Retained earnings	252,110	228,589
	527,258	446,468
Non-controlling interests	949	953
Total Equity	528,207	447,421
Non-Current Liabilities		
Deferred tax liabilities	4,091	4,107
Borrowings	265,856	222,483
Total Non-Current Liabilities	269,947	226,590
Current Liabilities		
Trade and other payables	187,280	178,944
Borrowings	149,668	166,188
Tax payable	4,860	3,927
Total Current Liabilities	341,808	349,059
Total Liabilities	611,755	575,649
Total Equity and Liabilities	1,139,962	1,023,070
Net assets per share (RM)	0.94	0.90

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

SENTORIA GROUP BERHAD (Company No : 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 MARCH 2018
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Distributable Treasury Shares RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Warrant Reserve RM'000	Distributable Retained Earnings RM'000			
Unaudited									
Financial quarter ended 31 March 2018									
As at 1 October 2017	152,566	(862)	-	66,175	-	228,589	446,468	953	447,421
Crystallisation of revaluation reserves	-	-	-	(289)	-	289	-	-	-
Net profit from operations	-	-	-	-	-	23,232	23,232	(4)	23,228
Total comprehensive income	-	-	-	(289)	-	23,521	23,232	(4)	23,228
Transactions with owners									
Exercise of Warrants-A	10,013	-	-	-	-	-	10,013	-	10,013
Share issue expenses written off against share premium in accordance with Section 618(3) of Companies Act 2016	(796)	-	-	-	-	-	(796)	-	(796)
Own shares bought	-	(3,126)	-	-	-	-	(3,126)	-	(3,126)
Issuance of Warrants-B	-	-	-	-	51,467	-	51,467	-	51,467
Total transactions with owners	9,217	(3,126)	-	-	51,467	-	57,558	-	57,558
As at 31 March 2018	161,783	(3,988)	-	65,886	51,467	252,110	527,258	949	528,207
Unaudited									
Financial quarter ended 31 March 2017									
As at 1 October 2016	97,822	-	48,744	66,298	-	189,853	402,717	475	403,192
Crystallisation of revaluation reserves	-	-	-	(288)	-	288	-	-	-
Net profit from operations	-	-	-	-	-	12,640	12,640	(9)	12,631
Total comprehensive income	-	-	-	(288)	-	12,928	12,640	(9)	12,631
Transactions with owners									
Additional investment in a subsidiary company	-	-	-	-	-	-	-	475	475
Own shares bought	-	(712)	-	-	-	-	(712)	-	(712)
Total transactions with owners	-	(712)	-	-	-	-	(712)	475	(237)
Transition to no par value regime	48,744	-	(48,744)	-	-	-	-	-	-
As at 31 March 2017	146,566	(712)	-	66,010	-	202,781	414,645	941	415,586

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

SENTORIA GROUP BERHAD (Company No : 463344-K)
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 MARCH 2018
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR TO DATE 31/03/2018 RM'000	UNAUDITED PRECEDING YEAR YEAR TO DATE 31/03/2017 RM'000
Operating Activities		
Profit before taxation	21,622	17,325
Adjustments for :		
Amortisation and depreciation	5,780	5,763
Interest and commission expenses	1,730	1,448
Gain on disposal of investment properties	(29)	-
Interest income	(477)	(297)
Operating profit before changes in working capital	28,626	24,239
Property development costs	(39,678)	(7,821)
Inventories	(424)	(38)
Amount due from customers	(21,597)	5,866
Receivables	(31,997)	(11,811)
Payables	8,336	(8,317)
Cash generated from operations	(56,734)	2,118
Interest and commission expense paid	(1,730)	(1,448)
Interest income received	477	297
Net tax paid	(5,431)	(4,979)
Net cash used in operating activities	(63,418)	(4,012)
Investing Activities		
Proceeds from subscription of shares in a subsidiary by non-controlling interest	-	475
Net movement in fixed deposits with licensed banks	(2,012)	(2,581)
Net movement in short term funds	7,620	(114)
Purchase of biological assets	(185)	(155)
Purchase of property, plant and equipment	(32,663)	(24,884)
Net movement in investment properties	122	-
Net cash used in investing activities	(27,118)	(27,259)
Financing Activities		
Proceeds from issuance of shares	10,013	-
Share issue expenses	(796)	-
Proceeds from issuance of Warrants-B	51,467	-
Own shares bought	(3,126)	(712)
Repayment of finance lease liabilities	(1,175)	(622)
Repayment of borrowings	(87,094)	(66,031)
Drawdown of borrowings	111,267	111,268
Net cash from financing activities	80,556	43,903
Net change in cash and cash equivalents	(9,980)	12,632
Cash and cash equivalents at beginning of financial quarter	10,581	(11,673)
Cash and cash equivalents at end of financial quarter	601	959
Cash and cash equivalents at the end of the financial quarter comprise the following:		
Cash and bank balances	30,336	19,269
Bank overdrafts	(29,735)	(18,310)
	601	959

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies and basis of preparation

The interim financial report is unaudited and is prepared in accordance with Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”).

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and these explanatory notes.

These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2017.

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial year ended 30 September 2017 except for the changes in accounting policies and presentation resulting from the adoption of new and revised Financial Reporting Standards (“FRS”) and Amendments to FRSs that are effective for the financial periods beginning on or after 1 October 2017.

The Group has not adopted the following new FRSs and Amendments to FRSs issued by Malaysian Accounting Standards Board (“MASB”):

FRS, Amendments to FRSs and Interpretation effective 1 January 2018

FRS 9	Financial Instruments (International Financial Reporting Standard (“IFRS”) 9 issued by International Accounting Standards Board (“IASB”) in July 2014)
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to FRS 4	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts*
Amendments to FRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to FRS Standards 2016-2016 Cycle (except for Amendments to FRS12 Disclosure of Interests in Other Entities)	

* See FRS 4 Paragraphs 46, 47A and 48 for the effective date

Amendments to FRS and Interpretation effective 1 January 2019

Amendments to FRS 128	Long-term interest in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to FRS Standards 2015-2017 Cycle	

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
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NOTES TO THE FINANCIAL STATEMENTS

Amendments to FRSs (deferred effective dates to be announced by MASB):

FRS 10 and 128 Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

FRS 128 and Amendments to FRSs 2, 4 and 128 are not applicable to the Group's existing operations.

The adoption of the above FRSs and Amendments to FRSs (except for FRS 9) are not expected to have any significant financial impact to the Group. As for FRS 9, the financial impacts in the period of initial application cannot be determined at present.

New MASB Approved Accounting Standards

To converge with IFRSs in 2012, MASB had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and MFRS 15 Revenue from Contracts with Customers for Construction, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRSs. Consequently, adoption of MFRSs by Transitioning Entities will be mandatory for annual financial periods beginning on or after 1 January 2018.

The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of MFRSs. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 September 2019.

In presenting its first MFRS financial statements, the Group will be required to restate its comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed their quantification of the financial effects of the differences between FRSs and MFRSs and as such, are unable to assess the said differences. Accordingly, the Group's financial performance and position as disclosed in the interim financial statements could be different if prepared under the MFRS Framework.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
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NOTES TO THE FINANCIAL STATEMENTS

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 September 2019. In addition to the adoption of the MFRS Framework, the following new MFRS that have been issued by MASB but not yet effective are:

MFRS effective 1 January 2018

MFRS 15 Revenue from Contracts with Customers

Clarification to MFRS 15

MFRS effective 1 January 2019

MFRS 16 Leases

MFRS effective 1 January 2021

MFRS 17 Insurance Contracts

MFRS 17 is not applicable to the Group's existing operations.

A2 Auditors' report on preceding annual financial statements

The auditors' report on the audited financial statements for the financial year ended 30 September 2017 was not subject to any qualification.

A3 Seasonality or cyclicity of operations

The operations of the property development segment were not subjected to seasonal or cyclical factors. As for the leisure and hospitality segment, its operations normally peak during major festivities, and public and school holiday seasons.

A4 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow for the current financial year to-date.

A5 Changes in estimates

There were no changes in estimates of amounts reported in a prior financial quarter of the current financial year or a prior financial year, which have material impact on the current financial year to-date.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 MARCH 2018**

NOTES TO THE FINANCIAL STATEMENTS

A6 Changes in debt and equity securities

During the current financial year to-date, the Company:

- (a) increased its issued ordinary share capital from RM152,565,976 to RM162,578,768 by the issuance of 16,687,986 new shares on the exercise of Warrants-A pursuant to the Warrants-A deed poll of 27 March 2014 at the exercise price of 60 sen per share;
- (b) issued 51,466,801 million bonus ordinary shares on the basis of one bonus share for every ten existing shares held at an issue price of 20 sen per share by the capitalisation of the share premium account pursuant to Section 618(3) of the Companies Act 2016 ("Bonus Issue"). As a consequence of the Bonus Issue, the Company issued 1,219,957 additional Warrants-A pursuant to the Warrants-A deed poll of 27 March 2014;
- (c) issued 205,867,236 million new Warrants-B at an issue price of 25 sen per warrant on the basis of four Warrants-B for every ten existing shares held. Each Warrant-B entitled the registered holder to subscribe for one new ordinary share in the Company at 60 sen per share during the exercise period expiring on 9 January 2025; and
- (d) bought 5,023,100 of its own ordinary shares from the open market at an average price of 62.2 sen per share. The total consideration paid for the purchased shares including transaction costs amounting to RM3,125,890 was financed by internally generated funds. These purchased shares were dealt with as treasury shares in accordance with Section 127 of the Companies Act 2016.

Other than the above, there were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial year to-date.

Subsequent to the end of the current financial year to-date and as of 18 May 2018, the Company bought a further 2,558,000 of its own ordinary shares from the open market at an average price of 59.3 sen per share. The total consideration paid for the purchased shares including transaction costs amounting to RM1,517,928 was also financed by internally generated funds. These purchased shares were dealt with as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 18 May 2018, out of the Company's total 567,265,891 issued ordinary shares, 8,712,100 are held as treasury shares by the Company.

A7 Dividends paid

No dividends were paid by the Company during the current financial year to-date.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS

A8 Segmental information

The Group has identified property development, leisure and hospitality and others as operating segments. These segments are monitored and strategic decisions are made on the basis of adjusted segment results.

Segment results for the current financial year to-date were as follows:

	Property Development RM'000	Leisure & Hospitality RM'000	Others RM'000	Elimination/ Adjustments RM'000	Consolidated RM'000
Revenue					
External	138,246	24,353	-	-	162,599
Inter-segment	-	853	-	(853)	-
	138,246	25,206	-	(853)	162,599
Results					
Segment profit/(loss)	25,062	(1,751)	(1,162)	726	22,875
Finance income	279	-	198	-	477
Finance costs	(776)	(854)	(100)	-	(1,730)
Profit/(loss) before taxation	24,565	(2,605)	(1,064)	726	21,622
Taxation	(6,023)	7,629	-	-	1,606
Net profit/(loss) from operations	18,542	5,024	(1,064)	726	23,228

The Group's business are operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

A9 Material events subsequent to the end of the current financial quarter

There were no material events subsequent to the end of the current financial quarter which have not been reflected in the interim financial statements.

A10 Changes in the composition of the Group

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

A11 Contingent assets and contingent liabilities

There were no material changes to the contingent assets and contingent liabilities of the Group since the end of the prior financial year.

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NOTES TO THE FINANCIAL STATEMENTS

A12 Capital commitments

The Group's capital commitments at the end of the current financial quarter were as follows:

	RM'000
Authorised and contracted for	52,404
Authorised but not contracted for	-

A13 Related party transactions

(a) The Group's significant related party transactions during the current financial year to-date were as follows:

	RM'000
<u>Transactions with companies in which certain Directors have interests:</u>	
Rental expenses paid/payable	173
Sales of food and beverages, room sales and provision of transportation services	10
Rental income received/receivable	161
<u>Transactions with holding company</u>	
Rental expenses paid/payable	12
<u>Transactions with persons connected with a Director</u>	
Rental expenses paid/payable	30
Commission paid/payable	99

(b) During the current financial year to-date:

- (i) the holding company's shares in the Company were pledged as security for the construction and completion of a joint venture development project of the Group. The market value of these shares as at the end of the current financial quarter was approximately RM15.8 million. The holding company also provided a corporate guarantee and indemnity to guarantee the payment by the Group of certain sums of up to RM30.0 million due to the land owner for the project concerned.
- (ii) certain Directors jointly and severally guaranteed banking facilities granted to a subsidiary company. The amount of these facilities outstanding as at the end of the current financial quarter was approximately RM1.5 million.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS

B1 Review of performance

	Individual Period		Changes +/(-) %	Cumulative Period		Changes +/(-) %
	Current Year Quarter	Preceding Year Quarter		Current Year To Date	Preceding Year To Date	
	31.3.2018	31.3.2017		31.3.2018	31.3.2017	
	RM'000	RM'000		RM'000	RM'000	
Revenue						
Property Development	65,663	45,373	+44.7	138,246	91,177	+51.6
Leisure & Hospitality	9,594	7,852	+22.2	24,353	22,080	+10.3
	75,257	53,225	+41.4	162,599	113,257	+43.6
Profit from operations	7,294	7,293	*	22,875	18,476	+23.8
Profit before taxation	6,924	6,740	+2.7	21,622	17,325	+24.8
Net profit from operations	12,164	4,155	+192.8	23,228	12,631	+83.9
Profit attributable to owners of the Company	12,150	4,159	+192.1	23,232	12,640	+83.8

* *Negligible*

The Group's revenue for current financial quarter ("CFQ") increased by 41.4% year-on-year ("YoY") to RM75.3 million from RM53.2 million in the preceding year's corresponding financial quarter. This increase in revenue was mainly due to higher billings for the development projects in Kuantan and Morib. Leisure & Hospitality Division ("LHD") also contributed to the higher revenue with a YoY increase of 22.2%. The improved LHD's performance was due to increased visitors to and rooms occupancy at Bukit Gambang Resort City. The contributions by Langkawi Nature Park (opened mid-January 2018) and Borneo Samariang Water Park (opened late March 2018) were insignificant during the CFQ.

NOTES TO THE FINANCIAL STATEMENTS

Despite the higher revenue, the quarterly profit from operations YoY was more or less unchanged while profit before taxation ("PBT") for the CFQ increased slightly by 2.7% YoY to RM6.9 million. The non-correlation between the quarterly revenue and profitability was caused by margin compression in the Property Development Division as a result of its higher costs of construction while keeping its properties affordable.

Net profit from operations and profit attributable to the owners of the Company for the CFQ of RM12.1 million and RM12.2 million respectively were significantly higher YoY. These surges were due to the recognition of the deferred tax asset of RM7.6 million in relation to the unutilised investment tax allowances of Borneo Samariang Water Park during the CFQ.

For current financial year to date ("CFY"), Group's revenue increased by 43.6% YoY to RM162.6 million from RM113.3 million in the preceding year's corresponding period. This increase was mainly contributed by higher billings for the Group's projects in Kuantan and Morib, and Kuching (in the immediate preceding financial quarter). LHD also contributed to the higher revenue with a 10.3% increase YoY.

The above higher revenue caused the Group's profit from operations and PBT for the CFY to increase by 23.8% and 24.8% respectively YoY. The marginal difference in these 2 percentages was due to finance costs.

The sharp increases in net profit from operations and profit attributable to owners of the Company for CFY were primarily due to the earlier mentioned deferred tax asset recognised by Borneo Samariang Water Park.

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NOTES TO THE FINANCIAL STATEMENTS

B2 Comparison with immediate preceding quarter's results

	Current Year Quarter	Immediate Preceding Quarter	Changes +/(-)
	31.3.2018	31.12.2017	
	RM'000	RM'000	%
Revenue			
Property Development	65,663	72,583	-9.5
Leisure & Hospitality	9,594	14,759	-35.0
	75,257	87,342	-13.8
Profit from operations	7,294	15,581	-53.2
Profit before taxation	6,924	14,698	-52.9
Net profit from operations	12,164	11,064	+9.9
Profit attributable to owners of the Company	12,150	11,082	+9.6

The Group's revenue of RM75.3 million for the CFQ decreased by 13.8% from that of RM87.3 million achieved in the preceding financial quarter. This decrease was mainly due to lower billings from the development projects in Kuantan and Kuching. Revenue of the LHD was also lower quarter-on-quarter ("QoQ") due to seasonality.

The reduced revenue coupled with higher construction costs QoQ caused the profit from operations and PBT for the CFQ to decline to RM7.3 million and RM6.9 million from those of RM15.5 million and RM14.7million respectively attained in the preceding financial quarter.

Despite the above declines in profit from operations and PBT QoQ, the net profit from operations and profit attributable to owners of the Company were 9.9% and 9.6% higher respectively QoQ. These increases were attributed to the deferred tax asset recognised by Borneo Samariang Water Park as disclosed in Note B1.

B3 Commentary on prospects

The Group opined that its residential properties, almost all of which are affordable homes and priced below RM300,000 will continue to be in demand despite the overall lack-lustre property market. This price threshold is in line with the selling price of RM282,000 for an affordable home estimated by Bank Negara Malaysia based on international standards using the Housing Cost Burden approach (*Edge Markets*).

The Group's unbilled sales from its on-going projects in Kuantan, Morib and Kuching stood at RM365.8 million as of 31 March 2018. These on-going projects together with planned launches (subject to obtaining all relevant regulatory approvals) with gross development value in excess of RM300 million for the rest of the current financial year is expected to positively impact the Group.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS

For the LHD, it has completed Langkawi Nature Park and Borneo Samariang Water Park during the current financial quarter. These new theme parks together with Bukit Gambang Resort City should add scale and improve the outlook of the division going forward.

B4 Profit forecast or profit guarantee

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

B5 Taxation

	Current Year Quarter RM'000	Current Year To- Date RM'000
Current income tax-Malaysian income tax	2,362	6,095
Deferred taxation	(7,602)	(7,701)
	(5,240)	(1,606)
Effective income tax rate	-	-

The deferred taxation is in respect of the unutilised investment tax allowances of a subsidiary company.

B6 Status of corporate proposals announced

There were no corporate proposals announced but not completed as of 18 May 2018.

The on-going post-completion matter arising from the issuance of Warrants-B referred to in Note A6 is in relation to the utilisation of the gross proceeds as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation up to 18 May 2018 RM'000	Estimated timeframe for utilisation from 12 January 2018
Working capital			
Property development projects	35,000	33,377	Within 12 months
General working capital	15,476	15,476	Within 6 months
Defrayment of estimated expenses	1,000	796	Immediate
Total	51,476	49,649	

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS

B7 Borrowings and debt securities

The Group's borrowings, all of which were secured and denominated in RM as at the end of the CFQ were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Bankers' acceptances	26,559	-	26,559
Bridging loan	16,790	27,907	44,697
Bank overdrafts	29,735	-	29,735
Revolving credit	34,070	-	34,070
Finance lease liabilities	1,043	1,454	2,497
Term loans	41,471	236,495	277,966
	149,668	265,856	415,524

B8 Changes in material litigation

The Group has no material litigation as of 18 May 2018.

B9 Dividends

No dividend has been declared or recommended for the current financial year to-date.

B10 Earnings per share

(i) Basic earnings per share

The basic earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period concerned.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2018	Preceding Year Quarter 31.3.2017	Current Year To-Date 31.3.2018	Preceding Year To-Date 31.3.2017
Profit attributable to owners of the Company (RM'000)	12,150	4,159	23,232	12,640
Weighted average number of ordinary shares in issue ('000)	563,878	539,206	560,067	536,567
Basic earnings per shares (sen)	2.15	0.77	4.15	2.36

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(ii) Diluted earnings per share

The diluted earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding and the assumed conversion of warrants outstanding during and as of the end of the financial period concerned respectively.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2018	Preceding Year Quarter 31.3.2017	Current Year To-Date 31.3.2018	Preceding Year To-Date 31.3.2017
Profit attributable to owners of the Company (RM'000)	12,150	4,159	23,232	12,640
Weighted average number of ordinary shares in issue ('000)	566,651	540,988	564,839	540,497
Diluted earnings per shares (sen)	2.14	0.77	4.11	2.34

The calculation of the weighted average number of ordinary shares in issue for the preceding year quarter and year to-date was adjusted for the Bonus Issue referred to in Note A6. Accordingly, the basic and diluted earnings per share for the said periods were adjusted retrospectively.

B11 Profit before taxation

Profit before taxation is arrived at after taking into account the following income/(expenses):

	Current Year Quarter RM'000	Current Year To-Date RM'000
Interest income	296	477
Other income	165	635
Interest and commission expense	(666)	(1,730)
Amortisation and depreciation	(2,575)	(5,157)
Gain on disposal of investment properties	29	29

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The following items which were not disclosed were not applicable:

- (a) Allowance and write off of receivables;
- (b) Allowance and write off of inventories;
- (c) Impairment of assets;
- (d) Foreign exchange gain or loss;
- (e) Gain or loss on derivatives; and
- (f) Exceptional items (with details).

By order of the Board

Datuk Tan Leh Kiah
Company Secretary

25 May 2018