A Explanatory Notes in compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2017.

A2. Changes in Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 31 December 2017.

The financial statements of the Group for the financial period ended 31 March 2018 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") Framework. The date of transition to the MFRS Framework was on 1 January 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 January 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from FRS in Malaysia to MFRS as disclosed as follows:

MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

In order to measure the consequences of this new standard, the Group has reviewed the business model corresponding to the different portfolios of financial assets and of the characteristics of these financial assets.

In respect of impairment of financial assets, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with an "expected credit loss" (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

A2. Changes in Accounting Policies (Cont'd)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The following reconciliations provide an estimate of the expected impact upon initial application of new MFRS Framework, MFRS 15 and MFRS 9 on the financial position, profit or loss and other comprehensive income of the Group.

(a) Reconciliation of financial position and equity

Group 1 January 2017	**Previously reported under FRSs RM'000**	**Effect on adoption of MFRSs RM'000**	**Effects of MFRS 15 RM'000**	**Effects of MFRS 9 RM'000**	**Restated under MFRSs RM'000**
Non-current assets					
Property, plant and equipment	43,583	-	-	-	43,583
Land held for development	60,439	(60,439)	-	-	-
Investment property	37,782	-	-	-	37,782
Investment in a joint venture	225	-	-	-	225
Investment in an associate	3,526	-	-	-	3,526
Deferred tax assets	3,223	-	-	-	3,223
	148,778	(60,439)	-	-	88,339
Current assets					
Property development cost	244,973	(244,973)	-	-	-
Inventories	25,116	305,412	-	-	330,528
Trade and other receivables	522,376	-	(17,816)	(7,142)	497,418
Other investments	2,512	-	-	-	2,512
Current tax assets	335	-	-	-	335
Short term funds	952	-	-	-	952
Cash and bank balances	31,980	-	-	-	31,980
	828,244	60,439	(17,816)	(7,142)	863,725
Total assets	977,022	-	(17,816)	(7,142)	952,064
Equity					
Share capital	97,730	-	-	-	97,790
Share premium	85,545				85,545
Treasury shares	(510)	-	-	-	(510)
Retained earnings	160,966	-	(30,397)	(7,142)	123,427
	343,731	-	(30,397)	(7,142)	306,192
Non-controlling interests	6,893	-	-	-	6,893
Total equity	350,624	-	(30,397)	(7,142)	313,085
Non-current liabilities					
Borrowings	72,526	-	-	-	72,526
Deferred tax liabilities	2,932	-	-	-	2,932
	75,458	-	-	-	75,458

A2. Changes in Accounting Policies (Cont'd)

(a) Reconciliation of financial position and equity (Cont'd)

Group **1 January 2017**	**Previously reported under FRSs**	**Effect on adoption of MFRSs**	**Effects of MFRS 15**	**Effects of MFRS 9**	**Restated under MFRSs**
Current liabilities					
Trade and other payables	342,242	-	12,581	-	354,823
Borrowings	195,890	-	-	-	195,890
Current tax liabilities	12,808	-	-	-	12,808
	550,940	-	12,581	-	563,521
Total liabilities	626,398	-	12,581	-	638,979
Total equity and liabilities	977,022	-	(17,816)	(7,142)	952,064

Group **31 December 2017**	**Previously reported under FRSs**	**Effect on adoption of MFRSs**	**Effects of MFRS 15**	**Effects of MFRS 9**	**Restated under MFRSs**
Non-current assets					
Property, plant and equipment	32,253	-	-	-	32,253
Land held for development	37,931	(37,931)	-	-	-
Investment property	33,701	-	-	-	33,701
Investment in a joint venture	378	-	-	-	378
Investment in an associate	3,387	-	-	-	3,387
Deferred tax assets	2,938	-	-	-	2,938
Intangible assets	29,783	-	-	-	29,783
	140,371	(37,931)	-	-	102,440
Current assets					
Property development cost	193,140	(193,140)	-	-	-
Inventories	31,635	231,071	-	-	262,706
Trade and other receivables	616,876	-	(17,816)	(7,142)	591,918
Other investment	8,123	-	-	-	8,123
Current tax assets	922	-	-	-	922
Short term funds	86,054	-	-	-	86,054
Cash and bank balances	50,337	-	-	-	50,337
	987,087	37,931	(17,816)	(7,142)	1,000,060
Total assets	1,127,458	-	(17,816)	(7,142)	1,102,500
Equity					
Share capital	267,081	-	-	-	267,081
Treasury shares	(510)	-	-	-	(510)
Retained earnings	200,125	-	(30,397)	(7,142)	162,586
	466,696	-	(30,397)	(7,142)	429,157
Non-controlling interests	8,454	-	-	-	8,454
Total equity	475,150	-	(30,397)	(7,142)	437,611

A2. Changes in Accounting Policies (Cont'd)

(a) Reconciliation of financial position and equity (Cont'd)

Group 31 December 2017	**Previously reported under FRSs RM'000**	**Effect on adoption of MFRSs RM'000**	**Effects of MFRS 15 RM'000**	**Effects of MFRS 9 RM'000**	**Restated under MFRSs RM'000**
Non-current liabilities					
Borrowings	29,183	-	-	-	29,183
Deferred tax liabilities	373	-	-	-	373
	29,556	-	-	-	29,556
Current liabilities					
Trade and other payables	430,773	-	12,581	-	443,354
Borrowings	158,977	-	-	-	158,977
Current tax liabilities	33,002	-	-	-	33,002
	622,752	-	12,581	-	635,333
Total liabilities	652,308	-	12,581	-	664,889
Total equity and liabilities	1,127,458	-	(17,816)	(7,142)	1,102,500

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but not yet effective and have not applied by the Group:

• MFRS 16, Leases	Effective 1 January 2019
• MFRS 128, Long term Interest in Associates and Joint Ventures (Amendments to MFRS 128)	Effective 1 January 2019
• MFRS 17, Insurance Contracts	Effective 1 January 2021
• Amendments to MFRS 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A3. Qualification of Financial Statements

The auditors' report for the preceding audited financial statements was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's operations were not materially affected by any seasonal or cyclical factors.

A5. Nature and Amount of Unusual Items

There were no unusual items for the current quarter.

A6. Nature and Amount of Changes in Estimates

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

A7. Issuance and Repayment of Debt and Equity Securities

During the current quarter, the Company increased its issued and paid up ordinary share capital by way of issuance of 15,363,000 ordinary shares of RM1.30 each pursuant to the exercise of warrants.

Save for the above, there was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter.

As at the end of the current quarter, a total of 535,502 shares were held as treasury shares.

A8. Dividend Paid

On 12 February 2018, Prestige Field Development Sdn Bhd, a 52%-owned subsidiary the subsidiary of the Company paid an interim single tier dividend of RM26.50 per ordinary share to the non-controlling interests, amounting to RM6,360,000 in respect of the financial year ended 31 December 2018.

A9. Segmental Information

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.

3 months ended 31 March 2018	Construction RM'000	Property Development RM'000	Other RM'000	Total RM'000
Segment Revenue				
Total revenue	138,246	14,835	11,923	165,004
Inter segment revenue	(28,426)	-	(9,085)	(37,511)
Revenue from external customers	109,820	14,835	2,838	127,493
Interest income	116	1,820	393	2,329
Finance cost	(868)	(686)	(507)	(2,061)
Net finance expense	(752)	1,134	(114)	268
Segment profit/(loss) before taxation	**23,876**	**(1,404)**	**8,379**	**30,851**
Share of profit of an associate, net of tax	8	-	-	8
Share of profit of a joint venture, net of tax	-	-	553	553
Taxation	(4,196)	-	(1,192)	(5,388)
Other material non-cash item:				
- Depreciation	(2,680)	(57)	(547)	(3,284)
Additions to non-current assets other than financial instruments and deferred tax assets	2,012	-	20	2,032
Segment assets	**899,586**	**554,432**	**419,043**	**1,873,061**
Segment liabilities	**636,552**	**574,809**	**88,831**	**1,300,192**

A9. Segmental Information (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

3 months ended 31 March 2017	Construction RM'000	Property Development RM'000	Other RM'000	Total RM'000
Segment Revenue				
Total revenue	61,906	95,712	5,399	163,017
Inter segment revenue	(1,516)	-	(2,561)	(4,077)
Revenue from external customers	60,390	95,712	2,838	158,940
Interest income	48	24	54	126
Finance cost	(1,185)	(1,177)	(1,523)	(3,885)
Net finance expense	(1,137)	(1,153)	(1,469)	(3,759)
Segment profit before taxation	**8,630**	**16,650**	**1,471**	**26,751**
Share of loss of an associate, net of tax	(83)	-	-	(83)
Share of loss of a joint venture, net of tax	-	-	(40)	(40)
Taxation	(2,730)	(4,220)	(381)	(7,331)
Other material non-cash item:				
- Depreciation	(2,644)	(108)	(1,518)	(4,270)
Additions to non-current assets other than financial instruments and deferred tax assets	131	-	-	131
Segment assets	**688,817**	**686,893**	**342,945**	**1,718,655**
Segment liabilities	**523,776**	**649,538**	**123,679**	**1,296,993**

A9. Segmental Information (Cont'd)

Reconciliations of reportable segment revenues and profit or loss to the corresponding amounts of the Group are as follows:

	As at 31 Mar 18 RM'000	As at 31 Mar 17 RM'000
Revenue		
Total revenue for reportable segments	165,004	163,017
Elimination of inter-segmental revenues	(37,511)	(4,077)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	127,493	158,940
Profit for the financial period		
Total profit for reportable segments	30,851	26,751
Share of profit/(loss) of an associate, net of tax	8	(83)
Share of profit/(loss) of a joint venture, net of tax	553	(40)
Elimination of consolidation adjustments	(9,434)	(776)
Profit before tax	21,978	25,852
Tax expense	(5,388)	(7,331)
Profit for the financial period of the Group per consolidated statement of profit or loss and other comprehensive income	16,590	18,521

	As at 31 Mar 18 RM'000	As at 31 Mar 17 RM'000
Assets		
Total assets for reportable segments	1,873,061	1,718,655
Elimination of investment in subsidiaries and consolidation adjustments	(97,189)	(92,686)
Elimination on inter-segment balances	(620,861)	(587,780)
Total assets of the Group per consolidated statement of financial position	1,155,011	1,038,189
Liabilities		
Total liabilities for reportable segments	1,300,192	1,296,993
Elimination of consolidation adjustments	(5,466)	(5,978)
Elimination on inter-segment balances	(607,527)	(584,432)
Total liabilitiess of the Group per consolidated statement of financial position	687,199	706,583

A10. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment performed in the current quarter.

A11. Acquisition/Disposal of Property, Plant and Equipment

There was no material acquisition or disposal of property, plant and equipment during the current quarter.

A12. Material Subsequent Event

There were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13. Changes in the Composition of the Group

There were no changes to the composition of the Group for the current quarter.

A14. Capital Commitment

	As at 31 Mar 18 RM'000	**As at 31 Dec 17 RM'000**
Contracted but not provided for:		
- Freehold land held under development	39,250	42,250

A15. Contingent Liabilities

	As at 31 Mar 18 RM'000	**As at 31 Dec 17 RM'000**
Bank guarantees given by financial institutions in respect of construction and property projects	177,301	180,726

B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia

B1. Review of Performance

Performance of current quarter against the preceding year corresponding quarter

	Individual Period (1st Quarter)			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year To-date	Preceding Year Corresponding Period	Changes
	31/3/2018	31/3/2017		31/3/2018	31/3/2017	
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	127,493	158,940	(19.79)	127,493	158,940	(19.79)
Profit Before Tax	21,978	25,852	(14.98)	21,978	25,851	(14.98)
Profit After Taxation	16,590	18,521	(10.43)	16,590	18,521	(10.43)

During the current quarter, the Group recorded revenue of RM127.5 million, a 19.8% decrease compared to the previous corresponding quarter of RM158.9 million. The decrease in revenue is due to the absence of land sale revenue of RM90.4 million that was recorded in the previous corresponding quarter.

Meanwhile, our reported PATNCI improved by 2.1% to RM16.5 million or 3.54 sen per share in 1Q18 compared to RM16.1 million or 4.13 sen in 1Q17. Our reported PATNCI improved in spite of the absence of land sale gains that were reported in 1Q17 amounting to RM16.1 million.

The Group remains efficient on a cost structure basis. Our operating expenses to revenue, a measure of group efficiency, stood at 9.4% for 1Q18.

Construction segment:

The Group's construction division reported a higher revenue of RM138.2 million in 1Q18 compared to RM61.9 million in 1Q17. Revenue for the current quarter was mainly contributed from the work progress for the Sungai Besi – Ulu Kelang (SUKE) Highway, Pusat Pentadbiran Sultan Ahmad Shah (PPSAS) and Light Rail Transit 3 (LRT3) projects.

In terms of pre-tax profit, the division contributed about RM23.9 million, a 176.7% increase compared to the previous corresponding quarter of RM8.6 million in 1Q17. PBT margins from the division also improved to 17.3% from 13.8% in the previous corresponding quarter due to more advanced stages of construction.

Property development segment:

Our property development division reported a revenue of RM14.8 million in 1Q18, an 84.5% drop from the previous corresponding quarter of RM95.7 million. The decrease in revenue is mainly due to the fact that land sales were recognised in the previous corresponding quarter amounting to RM90.4 million. In terms of loss before tax, the property development division reported a LBT of RM1.4 million, a 108.4% drop compared to the previous corresponding year due to the abovementioned reason.

The Group is currently in the midst of completing an ongoing project in Johor Bahru. The development, dubbed "The Peak", currently has a take-up rate of about 30.1% as at 31 March 2018. The Group is in the midst of gearing up to launch its E'Island Residence Development in Puchong, with a total GDV of RM491 million, offering 1,104 units of affordably priced apartments.

B2. Material Changes in the Result for the Current Quarter Compared With the Results for the Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes
	31/03/2018	31/12/2017	
	RM'000	RM'000	(%)
Revenue	127,493	150,241	(15.14)
Profit Before Tax	21,978	30,220	(27.27)
Profit After Taxation ('PAT')	16,590	15,830	4.80

The Group's revenue for the current quarter of RM127.5 million is 15.1% lower compared to the immediate preceding quarter of RM150.2 million. While revenue took a dip, the Group's PAT staged a 4.8% increase compared to the immediate preceding quarter of RM15.8 million.

The decrease in revenue is due to the absence of a substantial sum of additional claims that was certified for the Group's already completed project, MRT Line 1, that were recognised in the immediate preceding quarter amounting to RM58 million. However, if we exclude the aforesaid certified amounts recognised in 4Q17, our revenue would have risen by 38.2% on a quarter-on-quarter basis. The higher progress for its ongoing construction jobs including SUKE, PPSAS and LRT3 were the key contributors to revenue.

In terms of profit before tax, the large variation compared to the immediate preceding quarter is due to recognition of profits from the aforesaid certified amount for MRT Line 1 amounting to RM47 million. However, at a PATNCI level, our earnings inched up due to a more favourable effective tax rate compared to the immediate preceding quarter.

The Group's balance sheet continues to see improvements compared to the immediate preceding quarter. As at 31 March 2018, the Group has further strengthened its balance sheet, with its net gearing being lowered further to 0.06x (compared to 0.11x in 4Q17). The Group's cash balance continues to be healthy, with a cash pile of RM138.2 million. Going forward, we continue to expect the balance sheet to further strengthen.

	FYE 2016	FYE 2017	1Q 2018
	RM'000	RM'000	RM'000
Cash and bank balances	32,932	136,391	137,243
Gearing (Times)			
- Gross	0.77	0.40	0.36
- Net	0.67	0.11	0.06

B3. Prospects

With the GE14 Elections just over and the market is adjusting to the reactions as to the new government potentially reviewing the present mega infrastructure projects, the Group remain focused to deliver its 2018 targeted progress of current projects.

The Group believes that the recent change in government will create a more prosperous country that will create opportunities of growth to the Group. With the government's policy of transparently awarding contracts, the Group believes that it could be a beneficiary given its proven track record and merits.

Meanwhile, the Group anticipates a better financial performance in FYE 2018 compared to FYE 2017 as the construction progress for its ongoing construction jobs picks up the pace. We also expect further improvements to our property development division, led by the ongoing progress of The Peak, the inaugural launch of its latest property development, project E'Island Residence and anticipated partial monetisation of the One Jesselton Waterfront development in Kota Kinabalu, Sabah.

B3. Prospects (Cont'd)

The Group continues to envision a RM1.5 billion rise in new construction order book in Financial Year 2018 which will continue to positively contribute to the Group's revenue and profit sustainability.

(a) Construction division

The outlook for the construction industry is robustly driven by various government infrastructure initiates. The Board is optimistic that construction order book growth for the division to be promising.

As at 31 March 2018, The Group's construction order book stood at RM2.7 billion, which would easily sustain our earnings momentum till the year 2020. Looking ahead, The Group targets to secure more infrastructure related jobs.

We look forward to securing more construction jobs in Kota SAS, particularly State and Federal building related works. Presently, we are undertaking two key jobs in Kota SAS which are: a) the construction of the new Pahang State Assembly Complex (PPSAS) and b) a contract to design and build 1,004 units of landed homes together with its infrastructure.

Our 49% owned pre-cast manufacturing division, SEDCO Precast Sdn Bhd has begun receiving orders from the awarded contractors for pre-cast products that are to be used for the Pan Borneo Highway in Sabah.

(b) Property Development Division

Our property development division would continue to focus on achieving new milestones for our flagship development, One Jesselton Waterfront in Kota Kinabalu, complete our Johor Bahru development dubbed The Peak and undertake the inaugural launch of our E'Island Residence, an affordably price high rise development in Puchong, Selangor. As at 31 March 2018, our unbilled sales stood at RM129.8 million, while our unsold property units valued at RM485.7 million.

We expect to begin our soft-launch for E'Island Residence in 3Q18, a RM491 million GDV development with a total of 1,104 units of affordably-priced apartments across 4 towers. Developed on a 19-acre parcel of land and flanked by Elite Highway, SKVE, LDP, Mex Highway and Lingkaran Putrajaya, E'Island Residence is located in the hustle city of Puchong, Selangor. The development is located about 15 minutes to Bandar Puteri Puchong and 20 minutes to Cyberjaya and Putrajaya, with 9 shopping malls and hypermarkets and 7 higher education centres within 10km radius.

E'Island Residence is a product created to meet the market demand for affordably priced homes. Starting from RM280,000 per unit, with 80% of the products offered being priced at an average of RM350,000 to RM370,000 per unit, E'Island Residence is affordable priced home that is complemented with condominium living facilities. The development comes with lakefront play pool with slides, lakefront gymnasium, lakefront boardwalk/jogging and cycling track, indoor badminton courts, indoor futsal court, indoor basketball court, kindergarden and nursery, convenient stores and many more. It is also equipped with state of the art smart phone bluetooth access control and carpark storage area. All four blocks are designed with dedicated high ceiling main lobbies with covered drop-off. There are also 32 special garden units with private gardens and direct access to sheltered carpark in front of the units at ground floor. E'Island is scheduled to be officially launched in 4Q18 with anticipation of an overwhelming response from the market. Also, given that our E'Island Residence is a residential property development, it could potentially be positively impacted by the new Government's intention to abolish the Goods & Services Tax (GST).

B3. Prospects (Cont'd)

(b) Property Development Division (Cont'd)

We foresee that the Johor Bahru property market would start to turn positive from 2018 onwards. A significant catalyst that will spur up the market is the bilateral agreement between Malaysia and Singapore for the construction of Johor Bahru-Singapore Rapid Transit System (RTS) which was signed in Jan 2018. Upon the BRT's completion in 2024, the RTS will provide seamless public transportation from Johor Bahru Bukit Chagar Station to Singapore Woodlands North Station with a capacity of 10,000 passengers in each direction every hour.

To complement the RTS, a BRT system will be built in Johor Bahru with several stations, one of which will be located in front of The Peak. The BRT system will connect The Peak to the RTS Bukit Chagar Station with an estimated travelling time of 15 minutes. It would provide future residents of The Peak a hustle free integrated public transportation to Singapore. The BRT will also connect to the HSR station with an estimated travelling time of 25 minutes from The Peak. Aside from that, Eastern Dispersal Link (EDL), which passes in front of The Peak and connects to the JB City Centre is toll free effective 1 Jan 2018, saving the average motorist RM16.50 per roundtrip. With the seamless public transportation systems (BRT, RTS and HSR) in place with major highways close by, The Peak's connectivity would be greatly enhanced and be a well sought-after property.

B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate in any public document.

B5. Items included in the Statements of Comprehensive Income include:

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 18 RM'000	31 Mar 17 RM'000	31 Mar 18 RM'000	31 Mar 17 RM'000
Interest income	2,329	126	2,329	126
Other income	1,186	297	1,186	297
Interest expense (excluding interest capitalised)	(2,061)	(3,885)	(2,061)	(3,885)
Depreciation and amortisation	(3,284)	(4,270)	(3,284)	(4,270)
Provision for and write off of receivables	*	*	*	*
Provision for and write off of inventories	*	*	*	*
Property, plant and equipment written off	-	-	-	-
Gain on disposal of property, plant and equipment	288	40	288	40
Gain on disposal of investment property	*	*	*	*
Goodwill written off	*	*	*	*
Foreign exchange gain or loss	*	*	*	*
Gain or loss on derivatives	*	*	*	*
Exceptional items	*	*	*	*

* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

B6. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 18 RM'000	31 Mar 17 RM'000	31 Mar 18 RM'000	31 Mar 17 RM'000
Current taxation				
- Current year	5,430	7,331	5,430	7,331
Deferred taxation				
- Current year	(618)	-	(618)	-
- Prior years	576	-	576	-
	(43)	-	(43)	-
	5,388	7,331	5,388	7,331

The Group effective tax rate for the cumulative quarter is 24.5%.

B7. Status of Corporate Proposals Announced

There are no corporate proposals announced by the Company but not completed as at 7 May 2018, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

B8. Group Borrowings and Debt Securities

	As at 31 Mar 2018		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
- Term loan	25,966	13,479	39,445
- Hire purchase	3,260	914	4,174
- Revolving credit	-	3,500	3,500
- Bank overdrafts	-	120,827	120,827
	29,226	138,720	167,946

	As at 31 Mar 2017		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
- Term loan	69,197	139,230	208,427
- Hire purchase	709	3,122	3,831
- Revolving credit	-	5,040	5,040
- Bank overdrafts	-	85,101	85,101
	69,906	232,493	302,399

B9. Material Litigation

The Group does not have any material litigation which would materially and adversely affect the financial position of the Group as at the date of this report.

B10. Dividend

The Board of Directors has approved and declared an interim dividend of 2.0 sen per ordinary share, and a special dividend of 1.0 sen per ordinary share tax exempt under single-tier tax system amounting to RM14.23 million in respect of the financial year ending 31 December 2018.

B11. Status of Memorandum of Understanding announced

On 20 July 2017, the Company announced that it had entered into a Memorandum of Understanding ("MOU") with Tera Capital with intention to co-operate together to invest, construct, develop and operate a mixed integrated property development comprising of a hotel, serviced suites, residential apartments, retail shopping mall, office tower and ancillary services and facilities on 6.284 acres (Town Lease 017561974) One Jesselton Waterfront, Kota Kinabalu, Sabah, East Malaysia.

The Company and Tera Capital had on 16 January 2018, mutually agreed to an extension of the existing MOU for a further 3 months until 31 May 2018 pending the resolvent of the land covenant by Suria Capital Holdings. However, the amended land title for the One Jesselton project (TL 017561974) has been issued by Lands and Surveys Department Sabah on 4 April 2018 and received by the Company on 5 April 2018. The updated land title has captured the amendment of permission to extend Owner Covenants to complete construction of a building until January 2023 from the original January 2019.

The Company is now updating the land valuation report and subsequently initiate discussion with financial institution to charge the land. The collaboration between GBGAQRS and Tera Capital is in progress at advance stage and all the conditions in the MOU remained unchanged as at the latest practicable date of this report.

B12. Earnings Per Share

(a) Basic

The basic earnings per share are calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

	Current Quarter 3 months ended		**Cumulative Quarter 3 months ended**	
	31 Mar 18 RM'000	**31 Mar 17 RM'000**	**31 Mar 18 RM'000**	**31 Mar 17 RM'000**
Profit attributable to equity holders of the Company (RM'000)	16,473	16,142	16,473	16,142
Weighted average number of ordinary shares ('000)	464,834	390,384	464,834	390,384
Basic earnings per share (sen)	**3.54**	**4.13**	**3.54**	**4.13**

B12. Earnings Per Share (Cont'd)

(b) Diluted

Diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment for the effects of dilutive potential ordinary shares, calculated as follows:

	Current Quarter 3 months ended		**Cumulative Quarter 3 months ended**	
	31 Mar 18 RM'000	**31 Mar 17 RM'000**	**31 Mar 18 RM'000**	**31 Mar 17 RM'000**
Profit attributable to equity holders of the Company (RM'000)	16,473	16,142	16,473	16,142
Weighted average number of ordinary shares ('000)	587,937	390,384	587,937	390,384
Diluted earnings per share (sen)	**2.80**	**4.13**	**2.80**	**4.13**

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors.