

**INTERIM
FINANCIAL
REPORT**

FIRST QUARTER
ENDED 31ST MARCH 2018



METROPOLITAN LIFESTYLE
ON THE BANKS OF THE
'RIVER OF LIFE'

INTERIM FINANCIAL REPORT

THIRD QUARTER | ENDED 31ST MARCH 2018



TITIJAYA LAND BERHAD

(Company No. 1009114-M)

(Incorporated in Malaysia under the Companies Act, 2016)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND THREE MONTHS ENDED 31 MARCH 2018 (UNAUDITED)⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2018 TO 31.03.2018 RM'000	01.01.2017 TO 31.03.2017 RM'000	01.07.2017 TO 31.03.2018 RM'000	01.07.2016 TO 31.03.2017 RM'000
Revenue	79,968	70,476	326,542	258,700
Costs of sales	(38,871)	(33,381)	(207,249)	(148,890)
Gross Profit	41,097	37,095	119,293	109,810
Other Income	839	1,802	4,107	9,709
Selling and distribution expenses	(4,054)	(3,371)	(10,203)	(13,480)
Administrative expenses	(7,762)	(4,020)	(21,591)	(13,113)
Other expenses	(934)	(1,330)	(3,676)	(7,410)
Operating Profit	29,186	30,176	87,930	85,516
Finance costs	(2,024)	(1,043)	(4,605)	(2,433)
Share of results of associates, net of tax	(5)	-	(16)	-
Profit before taxation	27,157	29,133	83,309	83,083
Income tax expense	(6,049)	(9,904)	(22,446)	(23,368)
Net profit for the period	21,108	19,229	60,863	59,715
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	21,108	19,229	60,863	59,715
Profit attributable to:				
- Owners of the Company	21,681	19,232	62,254	59,723
- Non-controlling interests	(573)	(3)	(1,391)	(8)
	21,108	19,229	60,863	59,715
Earnings per share (sen) attributable to owners of the Company				
- Basic ⁽²⁾	1.61	4.92	5.12	15.28
- Diluted ⁽³⁾	1.52	4.84	4.78	15.02

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND THREE MONTHS ENDED 31 MARCH 2018 (UNAUDITED)⁽¹⁾

Notes:

- (1) *The unaudited 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 June 2017 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (a)).*
- (3) *Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (b)).*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018
(UNAUDITED) ⁽¹⁾**

	UNAUDITED As At 31.03.2018 RM'000	AUDITED As At 30.06.2017 RM'000
Non-current assets		
Property, plant and equipment	16,537	12,115
Land held for property development	574,409	330,439
Investment in an associate	474	391
Investment properties	132,507	72,893
Goodwill on consolidation	3,706	3,706
Deferred tax assets	692	-
Total non-current assets	728,325	419,544
Current assets		
Property development costs	545,810	467,468
Inventories	150,912	174,648
Other investments	-	6
Trade and other receivables	474,251	262,432
Accrued billings in respect of property development costs	48,938	13,656
Tax recoverable	8,926	8,498
Fixed deposits placed with licensed banks	45,672	24,708
Cash and bank balances	180,517	112,064
Total current assets	1,455,026	1,063,480
TOTAL ASSETS	2,183,351	1,483,024

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018
(UNAUDITED) ⁽¹⁾**

	UNAUDITED As At 31.03.2018 RM'000	AUDITED As At 30.06.2017 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	769,252	352,695
ICPS	71,365	-
Reserve arising from reverse acquisition	(47,426)	(47,426)
Treasury Shares	(122)	-
Retained earnings	430,278	371,601
Equity attributable to equity holders of the Company	1,223,347	676,870
Non-controlling interest	49,625	4,016
Total equity	1,272,972	680,886
Non-current liabilities		
Hire purchase payables	1,397	1,453
Bank borrowings	291,386	279,895
Deferred tax liabilities	80,819	32,039
Total non-current liabilities	373,602	313,387
Current liabilities		
Trade and other payables	196,706	331,239
Progress billings in respect of property development costs	43,569	14,295
Hire purchase payables	295	302
Bank borrowings	262,415	110,161
Current tax payables	33,792	32,754
Total current liabilities	536,777	488,751
Total liabilities	910,379	802,138
TOTAL EQUITY AND LIABILITIES	2,183,351	1,483,024
Net assets per share attributable to owners of the Company (RM)	0.91	1.65

Notes:

- (1) *The unaudited 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 June 2017 and the accompanying explanatory notes attached to these interim financial statements.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (UNAUDITED) ⁽¹⁾

	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM	RCPS - Equity Component RM'000	Convertible Preference Shares RM'000	Reverse Acquisition RM'000	Retained Earnings RM'000	Total RM	Non- Controlling Interest RM	Total Equity RM'000
Group										
At 30 June 2016	180,000	100,451	(4,742)	4,980	-	(47,426)	297,517	530,780	514	531,294
Conversion of RCPS	6,667	16,556	-	(4,980)	-	-	-	18,243	-	18,243
Disposal of treasury shares	-	138	4,742	-	-	-	-	4,880	-	4,880
Dividend paid	-	-	-	-	-	-	(2,017)	(2,017)	-	(2,017)
Issuance of ordinary shares	18,333	31,167	-	-	-	-	-	49,500	-	49,500
Utilisation of share premium	-	(617)	-	-	-	-	-	(617)	-	(617)
Issuance of redeemable preference shares of a subsidiary	-	-	-	-	-	-	-	-	235	235
NCI shares of purchase of subsidiaries	-	-	-	-	-	-	258	258	3,298	3,556
Reclassification	-	-	-	-	-	-	(169)	(169)	169	-
Transition to non-par value regime under Companies Act, 2016	147,695	(147,695)	-	-	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-	-	76,012	76,012	(200)	75,812
Balance at 30 June 2017	352,695	-	-	-	-	(47,426)	371,601	676,870	4,016	680,886
Issuance of shares	115,612	-	-	-	101,475	-	-	217,087	-	217,087
Conversion of ICPS	301,092	-	-	-	(30,110)	-	-	270,982	-	270,982
Utilisation of share premium	(147)	-	-	-	-	-	-	(147)	-	(147)
Purchase of treasury shares	-	-	(122)	-	-	-	-	(122)	-	(122)
Dividend Paid	-	-	-	-	-	-	(3,577)	(3,577)	-	(3,577)
Issuance of redeemable preference shares of a subsidiary	-	-	-	-	-	-	-	-	47,000	47,000
Total comprehensive income for the financial period	-	-	-	-	-	-	62,254	62,254	(1,391)	60,863
Balance at 31 March 2018	769,252	-	(122)	-	71,365	(47,426)	430,278	1,223,347	49,625	1,272,972

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (UNAUDITED) ⁽¹⁾**Notes:**

- (1) *The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *With effective from 31 January 2017, the new Companies Acts 2016 (“The Act”) abolished the concept of authorized share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company’s share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 31 MARCH 2018 (UNAUDITED) ⁽¹⁾

	01.07.2017 TO 31.03.2018 RM'000	01.07.2016 TO 31.03.2017 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit Before Tax	83,309	83,083
Adjustments for:		
Non cash item	4,537	2,964
Operating Profit Before Working Capital Changes	<u>87,846</u>	<u>86,047</u>
Net changes In Current Assets		
Property development costs	(15,024)	51,970
Inventories	(11,249)	(72,041)
Receivables	(44,582)	(39,709)
Net changes In Current Liabilities		
Payables	(389,395)	(6,674)
Net Cash Used In Operations	<u>(372,404)</u>	<u>19,593</u>
Interest paid	(4,605)	(2,170)
Interest received	692	718
Tax paid	(22,207)	(9,716)
Net Operating Cash Flows	<u>(398,524)</u>	<u>8,425</u>
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(591)	(771)
Proceeds from disposal of motor vehicle	28	12
Other investment	6	6
Proceeds from disposal of subsidiary	-	175
Land held for property development costs incurred	-	(134,941)
Acquisition of subsidiaries	(70,919)	(7,000)
Acquisition of associate	(99)	-
Net Investing Cash Flows	<u>(71,575)</u>	<u>(142,519)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(3,577)	(2,017)
Payment for share issue expenses	(147)	-
Proceeds from treasury shares	(122)	5,401
Changes in hire purchase payables	(63)	552
Changes in bank borrowings	168,952	96,968
Proceeds for issuance of shares	376,630	49,335
Proceeds for issuance of preferences shares	47,000	-
Net Financing Cash Flows	<u>588,673</u>	<u>150,239</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL YEAR ENDED 31 MARCH 2018 (UNAUDITED) ⁽¹⁾

	01.07.2017	01.07.2016
	To	To
	31.03.2018	31.03.2017
	RM'000	RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	118,574	16,145
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	79,691	60,944
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>198,265</u>	<u>77,089</u>
Cash and cash equivalents at end of period comprises :		
Cash and bank balances	180,517	89,873
Fixed deposit placed with licensed banks	45,672	22,525
Bank overdrafts	(4,051)	(31,115)
	<u>222,138</u>	<u>81,283</u>
Less: Fixed deposit placed with licensed banks	(23,873)	(4,194)
	<u>198,265</u>	<u>77,089</u>

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2017 and the accompanying explanatory notes attached to these interim financial statements*

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board, and paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2017 and the explanatory notes attached therein.

These explanatory notes attached to these 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 financial year ended 30 June 2017.

A2. Accounting Policies

The accounting policies and methods of computation adopted by the Group for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2017.

New FRS, Amendments/Improvements to FRSs and new IC Interpretation (“IC Int”) that have been issued, but yet to be effective

MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standard as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs (“MFRS Framework”) for application in the annual period beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate (“Transitioning Entities”). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 30 June 2019. The main effects arising from the transition to the MFRSs Framework are as below.

The effect is based on the Group’s and the Company’s best estimate at the reporting date. The financial affects may change or additional effects may be identified, prior to the completion of the Group’s and the Company’s first MFRSs based financial statements

Application of MFRS 1: First –time Adoption of Malaysia Financial Reporting Standards (“MFRS 1)

MFRS 1 required comparative information to be restated as if the requirements of MFRSs have always been applied, except when MRFS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including the identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorization of issue of the financial statements, accounting policy decisions or lections have not been finalized. Thus, the impact of adoption of MRFS 1 cannot be determined and estimated reliably until the process is completed.

A EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Accounting Policies (Continued)

MFRS 15 Revenue from Contracts with Customer

The core principle of MFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods and 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. An entity recognizes revenue in accordance with the core principle by applying the following steps:

- (i) Identify the contracts with a customer ;
- (ii) Identify the performance obligation in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations in the contract;
- (v) Recognize revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognizes on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and lower value asset leases.

New FRS and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted

The Group has not adopted the following new FRS and amendments/improvements to FRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”):-

<u>New FRS</u>		Effective for financial periods beginning on or after
FRS 9	Financial Instruments	1 January 2018
<u>Amendments/Improvements to FRSs</u>		
FRS 107	Statement of Cash Flows	1 January 2017
FRS 112	Income Taxes	1 January 2017

The financial effects of their adoption are currently still being assessed by the Group.

A3. Auditors’ Report on Preceding Annual Financial Statements

There was no audit qualification reported in the Auditors’ Report on the financial statements for the financial year ended 30 June 2017.

A4. Seasonality or Cyclicity of Operations

The Group’s operations were not significantly affected by any seasonal or cyclical factors.

A EXPLANATORY NOTES PURSUANT TO FRS 134**A5. Unusual Items**

There were no significant items affecting the assets, liabilities, equity, net income or cash flows for the current financial period to-date.

A6. Changes in Estimates

There were no changes in the estimates that have had a material effect in the current quarter and current financial period to-date results.

A7. Debt and Equity Securities

Save for the following, there was no issuance, cancellation, share buyback, resale or repayment of debt and equity securities during the current financial period under review.

Repurchase of shares

During the quarter under review, the Company has repurchased 207,000 of its ordinary shares from the open market price at average RM 0.59 per shares.

As at 31 March 2018, the Company held a total of 207,000 or RM 122,453 treasury shares at average price of RM 0.59 per share.

The issuance of Islamic Commercial Paper (“ICP”)

During the quarter under review, the Company had made an issuance of ICP of RM 30.0 million.

A8. Dividend Paid

There was no dividend paid in the current quarter under review.

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the previous audited financial statements.

A10. Material Events subsequent to the End of the Interim Period

There was no material events subsequent to the end of the financial period reported that have not been reflected in the financial statement.

A11. Changes in Composition of the Group

On 21 March 2018, the Company has entered into a Share Sales Agreement with Bina Puri Construction Sdn Bhd (“BPCSB”) for the acquisition of 900,000 ordinary shares, representing 30% equity interest in Prosperous Hectares Sdn Bhd (“PHSB”) from BPCSB for a purchase consideration of RM 900,000. Pursuant to the acquisition, PHSB is a wholly owned subsidiary of the Company.

On 29 March 2018, the Company’s wholly owned subsidiary, Tulus Lagenda Sdn Bhd (“TLSB”) had subscribed 95,000 new ordinary shares in the enlarged issued share capital of BJ Propeorties Properties Sdn Bhd (“BJPSB”), for a total consideration for RM 95,000. Following the Subscription, the Company’s effective interest in BJPSB through TLSB is 48.72%. As a result, BJPSB has become an indirect associate of the Company.

A EXPLANATORY NOTES PURSUANT TO FRS 134**A12. Changes in Contingent Liabilities and Contingent Assets****Contingent Liabilities**

	As At 31.03.2018 RM'000	As At 30.06.2017 RM'000
Corporate guarantees for credit facilities granted to subsidiaries	483,754	250,465

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 31 March 2018.

A13. Capital Commitments

	As At 31.03.2018 RM'000	As At 30.06.2017 RM'000
Approved and contracted but not provided for:		
- Land held for property development		
Purchase consideration	-	5,570
Less: Deposits paid	-	(1,031)
	-	4,539

A14. Significant Related Party Transactions

There was no significant related party transaction in the current quarter under review.

A15. Segmental Information

The segmental analysis for the financial period 31 March 2018 was as follows.

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding RM'000	Total RM'000
Segment profit	128,151	27,157	155,309
Included in the measure of segment profit are:-			
Revenue from external customers	325,652	890	326,542
Inter-segment revenue	39,079	36,528	75,607
Interest income	1,972	153	2,125
Interest expense	794	3,811	4,605
Depreciation	578	78	656
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	22,128	318	22,446
Segment assets	2,272,255	1,108,293	3,380,548
Segment liabilities	1,815,518	173,129	1,988,647

A EXPLANATORY NOTES PURSUANT TO FRS 134**A15. Segmental Information**

Reconciliation of reportable segment revenues, profit and loss, assets and other material items.

	Total RM'000
Total revenue for reportable segments	402,149
Elimination of inter-segment revenue	<u>(75,607)</u>
Consolidated total	<u>326,542</u>
Total profit or loss for reportable segment	155,309
Elimination of inter-segment profits	<u>(72,000)</u>
Consolidated profit before taxation	<u>83,309</u>
Total reportable segments assets	3,380,548
Elimination of inter-segment transactions or balances	<u>(1,197,197)</u>
Consolidated total	<u>2,183,351</u>
Total reportable segments liabilities	1,988,647
Elimination of inter-segment transactions or balances	<u>(1,078,268)</u>
Consolidated total	<u>910,379</u>

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2018 TO 31.03.2018	01.01.2017 TO 31.03.2017	01.07.2017 TO 31.03.2018	01.07.2016 TO 31.03.2017
	RM'000	RM'000	RM'000	RM'000
Revenue				
Property Development	79,618	70,451	325,652	258,624
Other Operations	350	25	890	76
	79,968	70,476	326,542	258,700
Profit / (Loss) before tax				
Property Development	30,747	30,286	92,680	89,195
Other Operations	(3,590)	(1,153)	(9,371)	(6,112)
	27,157	29,133	83,309	83,083

Performance of the third quarter against the same quarter in the preceding year (Q3 FY2018 vs Q3 FY2017)

(a) Property Development

The Group achieved higher revenue for the quarter by 13% compared to previous corresponding quarter. The increase in revenue resulted from project H2O progress work done, project completion in Primrose during the quarter, and the proceeds received from land partially acquired by Ministry of Works in Penang for the purpose of road widening work.

The Group continues to achieve consistent results with slight increase in profit before taxation as compared to previous corresponding quarter.

(b) Other Operation

Revenue from Other Operation mainly resulted from rental collection. Losses before tax were mainly resulted from professional fees incurred for corporate collaboration and other corporate exercise.

Performance of the third quarter cumulative period against the same period in the preceding year (Q3 YTD FY2018 vs Q3 YTD FY2017)

(a) Property Development

The Group's recorded an increase in revenue by 26% compared to corresponding period in the preceding year. Major contributors to the revenue were from the project H2O progress work done, sales of completed stock Zone Innovation, project Primrose completion and partial land compulsory acquisition in Penang for the purpose of road widening work by Ministry of Works.

Correspondingly, the Group reported a higher profit before tax of RM 92.7 million for current year to-date as compared to RM 89 million in the corresponding period in preceding year.

(b) Other Operation

Revenue from Other Operation mainly resulted from rental collection. Losses before tax were mainly resulted from the administrative expenses for untenanted investment property, corporate exercise, banking facilities and professional fees.

B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

	INDIVIDUAL QUARTER		CHANGES RM'000
	01.01.2018 TO 31.03.2018 RM'000	01.10.2017 TO 31.12.2017 RM'000	
Revenue	79,968	143,511	(63,543)
Gross Profit	41,097	42,995	(1,898)
Profit before interest and tax	29,186	29,399	(213)
Profit before tax	27,157	27,867	(710)
Profit after tax	21,108	19,504	1,604
Profit attributable to owners of the Company	21,681	20,009	1,672

The decrease in revenue during the quarter by RM 63.5 million compared to preceding quarter mainly due to the proceed received from temporary occupation in previous quarter. The slight increase in profit attributable to owners of the Company in current quarter was mainly contributed from project completion in Primrose during current quarter, and H2O project progress recognition.

B3. Current prospects and progress on previously announced financial estimate**(a) Current Year Prospects**

The Group's long term growth prospect remain positive based on a strong competitive position and solid demand for the type of residential properties the Group has offered. Moving forward into FY 2018, the Group will scout for joint-venture or land swap project opportunities with reputable government agencies.

The Group is optimistic and confident of the future performance, given that most of the land banks are located in prime growth areas which are well-developed and connected with public transportation facilities.

(b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group.

B4. Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable.

B5. Financial estimate, forecast or projection

No profit forecast has been issued by the Group previously in any public document.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B6 Dividend

There was no dividend declared for the current quarter under review.

B7. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The profit before taxation has been arrived at after charging / (crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2018 TO 31.03.2018	01.01.2017 TO 31.03.2017	01.07.2017 TO 31.03.2018	01.07.2016 TO 31.03.2017
	RM'000	RM'000	RM'000	RM'000
After charging:				
Accretion of interest on RCPS	-	176	-	533
Depreciation of investment properties	174	24	586	70
Depreciation of property, plant and equipment	24	162	70	501
Directors' remuneration	423	387	1,319	1,127
Interest expenses	2,024	1,043	4,605	2,433
Rental of sales office	149	98	364	280
Rental of equipment	10	7	29	20
Staff costs	3,649	2,935	8,837	7,742
After crediting:				
Bank interest income	(342)	(312)	(630)	(1,030)
Fixed deposit interest income	(72)	(24)	(192)	(279)
Other interest income	(1,018)	(972)	(1,303)	(1,762)
Liquidated ascertain damages income	(6,934)	-	(7,691)	(5,145)
Gain on disposal of motor vehicle	-	-	(48)	(12)
Rental income	(593)	(445)	(1,425)	(1,180)

There is no exception item for the current financial quarter under review.

B8. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2018 TO 31.03.2018	01.01.2017 TO 31.03.2017	01.07.2017 TO 31.03.2018	01.07.2016 TO 31.03.2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense	5,974	10,280	22,474	23,750
Deferred taxation	75	(376)	(28)	(382)
	6,049	9,904	22,446	23,368

The Group's effective tax rate for the current financial period is higher than the statutory tax rate of 24% by the Inland Revenue Board due to certain expenses not tax deductible and deferred tax assets not provided for subsidiary companies.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B9. Status of Corporate Proposal

On 21 March 2018, the Company has entered into a Share Sales Agreement with Bina Puri Construction Sdn Bhd for the proposed acquisition of 280,000 ordinary shares, representing 70% equity interest in Bina Puri Development Sdn Bhd for a purchase consideration of RM 28,000. (“Proposed Acquisition”)

The Proposed Acquisition was completed on 23 April 2018.

B10. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 March 2018 were as follows:-

	Secured RM'000
Short Term Bank Borrowings	262,415
Long Term Bank Borrowings	291,386
	<u>553,801</u>

The above borrowings were denominated in Ringgit Malaysia.

B11. Earnings per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2018 TO 31.03.2018	01.01.2017 TO 31.03.2017	01.07.2017 TO 31.03.2018	01.07.2016 TO 31.03.2017
Profit attributable to owners of the company (RM'000)	21,681	19,232	62,254	59,723
Weighted average number of ordinary shares in issue ('000)	1,344,237	390,924	1,216,199	390,924
Basic earnings per share (sen)	1.61	4.92	5.12	15.28

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B11. Earnings per Share

(b) Diluted Earnings Per Share

Dilutive earnings per share of current quarter have been calculated by dividing the profit attributable to owners of the company for the period by weighted average number of shares that would have been issued upon full conversion of the remaining Irredeemable Convertible Preference Shares on the basis of one (1) ordinary share for every ten (10) ICPS held.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2018 TO 31.03.2018	01.01.2017 TO 31.03.2017	01.07.2017 TO 31.03.2018	01.07.2016 TO 31.03.2017
Profit attributable to owners of the Company (RM'000)	21,681	19,232	62,254	59,723
Weighted average number of ordinary shares in issue ('000)	1,344,237	390,924	1,216,199	390,924
Effect of dilution: Irredeemable Convertible Preference Shares ('000)	86,502	6,666	86,502	6,666
Adjusted weighted average number of ordinary shares ('000)	1,430,739	397,590	1,302,701	397,590
Diluted earnings per share (sen)	1.52	4.84	4.78	15.02