

# INTERIM FINANCIAL REPORT

FOURTH QUARTER  
ENDED 30<sup>TH</sup> JUNE 2018



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## **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 FOURTH QUARTER AND THREE MONTHS ENDED 30 JUNE 2018 (UNAUDITED)<sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.04.2018 TO 30.06.2018 RM'000	01.04.2017 TO 30.06.2017 RM'000	01.07.2017 TO 30.06.2018 RM'000	01.07.2016 TO 30.06.2017 RM'000
Revenue	72,488	122,052	399,030	380,752
Costs of sales	(32,859)	(86,197)	(240,108)	(235,087)
<b>Gross Profit</b>	<b>39,629</b>	<b>35,855</b>	<b>158,922</b>	<b>145,665</b>
Other Income	12,380	1,571	16,487	11,280
Selling and distribution expenses	(8,139)	(718)	(18,342)	(14,198)
Administrative expenses	(8,631)	(6,740)	(30,222)	(19,853)
Other expenses	(11,090)	(1,299)	(14,766)	(8,709)
<b>Operating Profit</b>	<b>24,149</b>	<b>28,669</b>	<b>112,079</b>	<b>114,185</b>
Finance costs	(413)	(1,152)	(5,018)	(3,585)
Share of results of associates, net of tax	(18)	-	(34)	-
<b>Profit before taxation</b>	<b>23,718</b>	<b>27,517</b>	<b>107,027</b>	<b>110,600</b>
Income tax expense	(13,089)	(10,849)	(35,535)	(34,217)
<b>Net profit for the period</b>	<b>10,629</b>	<b>16,668</b>	<b>71,492</b>	<b>76,383</b>
Other comprehensive income for the financial period	-	-	-	-
<b>Total comprehensive income for the financial period</b>	<b>10,629</b>	<b>16,668</b>	<b>71,492</b>	<b>76,383</b>
<b>Profit attributable to:</b>				
- Owners of the Company	10,646	17,012	72,900	76,735
- Non-controlling interests	(17)	(344)	(1,408)	(352)
	<b>10,629</b>	<b>16,668</b>	<b>71,492</b>	<b>76,383</b>
<b>Earnings per share (sen) attributable to owners of the Company</b>				
- Basic <sup>(2)</sup>	0.79	4.31	4.84	19.46
- Diluted <sup>(3)</sup>	0.74	4.31	4.58	19.46

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER AND THREE MONTHS ENDED 30 JUNE 2018 (UNAUDITED)<sup>(1)</sup>**

**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 30 JUNE 2018**  
**(UNAUDITED) <sup>(1)</sup>**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As At</b>	<b>As At</b>
	<b>30.06.2018</b>	<b>30.06.2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	12,039	12,115
Land held for property development	694,791	330,439
Investment in an associate	456	391
Investment properties	136,197	72,893
Goodwill on consolidation	2,063	3,706
Deferred tax assets	692	-
<b>Total non-current assets</b>	<b>846,238</b>	<b>419,544</b>
<b>Current assets</b>		
Property development costs	487,921	467,468
Inventories	123,461	174,648
Other investments	-	6
Trade and other receivables	554,331	262,432
Accrued billings in respect of property development costs	56,081	13,656
Tax recoverable	8,251	8,498
Fixed deposits placed with licensed banks	49,053	24,708
Cash and bank balances	169,135	112,064
<b>Total current assets</b>	<b>1,448,233</b>	<b>1,063,480</b>
<b>TOTAL ASSETS</b>	<b>2,294,471</b>	<b>1,483,024</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018  
(UNAUDITED) <sup>(1)</sup>**

	UNAUDITED As At 30.06.2018 RM'000	AUDITED As At 30.06.2017 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	773,239	352,695
ICPS	71,365	-
Reserve arising from reverse acquisition	(47,426)	(47,426)
Treasury Shares	(134)	-
Retained earnings	440,816	371,601
<b>Equity attributable to equity holders of the Company</b>	<b>1,237,860</b>	<b>676,870</b>
<b>Non-controlling interest</b>	<b>49,728</b>	<b>4,016</b>
<b>Total equity</b>	<b>1,287,588</b>	<b>680,886</b>
<b>Non-current liabilities</b>		
Hire purchase payables	1,329	1,453
Bank borrowings	264,942	279,895
Deferred tax liabilities	80,658	32,039
<b>Total non-current liabilities</b>	<b>346,929</b>	<b>313,387</b>
<b>Current liabilities</b>		
Trade and other payables	304,524	331,239
Progress billings in respect of property development costs	38,304	14,295
Hire purchase payables	296	302
Bank borrowings	279,013	110,161
Current tax payables	37,817	32,754
<b>Total current liabilities</b>	<b>659,954</b>	<b>488,751</b>
<b>Total liabilities</b>	<b>1,006,883</b>	<b>802,138</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,294,471</b>	<b>1,483,024</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<b>0.92 <sup>(2)</sup></b>	<b>1.65</b>

**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) *The net assets per share attributable to Owners of the Company are calculated based on the enlarged issued share capital of 1,344,424,610 ordinary shares pursuant to the completion of share split exercise.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (UNAUDITED) <sup>(1)</sup>

Group	Share	Share	Treasury	RCPS -	Irredeemable	Reserve	Retained	Total	Non-	Total
	Capital	Premium	Shares	Equity	Convertible	arising from	Earnings		Controlling	
	RM'000	RM'000	RM	RM'000	Shares	Reverse	RM'000	RM	Interest	RM'000
					RM'000	Acquisition			RM	
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 (2)	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	119,599	-	-	-	101,475	-	-	221,074	-	221,074
Conversion of ICPS	301,092	-	-	-	(30,110)	-	-	270,982	-	270,982
Utilisation of share premium	(147)	-	-	-	-	-	-	(147)	-	(147)
Purchase of treasury shares	-	-	(134)	-	-	-	-	(134)	-	(134)
Dividend paid	-	-	-	-	-	-	(3,577)	(3,577)	-	(3,577)
Issuance of redeemable ordinary Class A Shares	-	-	-	-	-	-	-	-	47,000	47,000
NCI shares of purchase of subsidiaries	-	-	-	-	-	-	(108)	(108)	108	-
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	12	12
Total comprehensive income for the financial year	-	-	-	-	-	-	72,900	72,900	(1,408)	71,492
<b>Balance at 30 June 2018</b>	<b>773,239</b>	<b>-</b>	<b>(134)</b>	<b>-</b>	<b>71,365</b>	<b>(47,426)</b>	<b>440,816</b>	<b>1,237,860</b>	<b>49,728</b>	<b>1,287,588</b>



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2018 (UNAUDITED) <sup>(1)</sup>****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 YEAR ENDED 30 JUNE 2018 (UNAUDITED) <sup>(1)</sup>**

	<b>01.07.2017 TO 30.06.2018 RM'000</b>	<b>01.07.2016 TO 30.06.2017 RM'000</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Profit Before Tax	107,027	110,079
Adjustments for:		
Non cash item	7,629	(2,015)
Operating Profit Before Working Capital Changes	<u>114,656</u>	<u>108,064</u>
Net changes In working capital		
Property development costs	(47,762)	123,329
Inventories	16,202	(153,697)
Receivables	(273,035)	10,420
Payables	(133,008)	(42,450)
Net Cash Used In Operations	<u>(322,947)</u>	<u>45,666</u>
Interest paid	(5,017)	(3,586)
Interest received	692	3,145
Tax paid	(30,758)	(10,897)
Net Operating Cash Flows	<u>(358,030)</u>	<u>34,328</u>
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(823)	(102)
Proceeds from disposal of motor vehicle	48	90
Other investment	6	1
Land held for property development costs incurred	(38,376)	(142,623)
Acquisition of subsidiaries	(70,947)	(4,459)
Acquisition of associate	(99)	(400)
Net Investing Cash Flows	<u>(110,191)</u>	<u>(147,493)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,577)	(2,017)
Payment for share issue expenses	(147)	-
Proceeds from treasury shares	(134)	4,880
Fixed deposits pledged as security values	-	(4,813)
Changes in hire purchase payables	(130)	(200)
Changes in bank borrowings	163,157	99,194
Proceeds for issuance of shares	376,676	49,500
Proceeds from issuance of preference shares	-	235
Proceeds for issuance of ordinary class A shares	47,000	-
Net Financing Cash Flows	<u>582,845</u>	<u>146,779</u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL YEAR ENDED 30 JUNE 2018 (UNAUDITED) <sup>(1)</sup>**

	<b>01.07.2017 TO 30.06.2018 RM'000</b>	<b>01.07.2016 TO 30.06.2017 RM'000</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	114,624	33,614
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	79,691	46,077
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	194,315	79,691
<b>Cash and cash equivalents at end of financial year comprises:</b>		
Cash and bank balances	169,135	112,064
Fixed deposit placed with licensed banks	49,053	24,708
Bank overdrafts	-	(33,208)
	218,188	103,564
Less: Fixed deposit pledged to licensed banks	(23,873)	(23,873)
	194,315	79,691

**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>		<b>Effective for financial periods beginning on or after</b>
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 30,000 of its ordinary shares from the open market price at average RM 0.40 per shares.

As at 30 June 2018, the Company held a total of 237,000 or RM 134,453 treasury shares at average price of RM 0.57 per share.

**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**

There were no changes in the composition of the Group under the quarter review.

**A12. Changes in Contingent Liabilities and Contingent Assets**Contingent Liabilities

	As At 30.06.2018 RM'000	As At 30.06.2017 RM'000
Corporate guarantees for credit facilities granted to subsidiaries	443,748	250,465

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 30 June 2018.

**A EXPLANATORY NOTES PURSUANT TO FRS 134****A13. Capital Commitments**

	As At 30.06.2018 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)
	<u>-</u>	<u>4,539</u>

**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 year 30 June 2018 was as follows.

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding RM'000	Total RM'000
<b>Segment profit</b>	<u>183,178</u>	<u>54,432</u>	<u>237,610</u>
Included in the measure of segment profit are:-			
Revenue from external customers	397,772	1,258	399,030
Inter-segment revenue	137,166	64,756	201,922
Interest income	2,272	568	2,840
Interest expense	929	4,088	5,017
Depreciation	787	893	1,680
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	34,963	572	35,535
<b>Segment assets</b>	<u>2,249,061</u>	<u>1,338,278</u>	<u>3,587,339</u>
<b>Segment liabilities</b>	<u>1,715,684</u>	<u>372,101</u>	<u>2,087,785</u>

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

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

	<b>Total RM'000</b>
Total revenue for reportable segments	600,952
Elimination of inter-segment revenue	<u>(201,922)</u>
Consolidated total	<u>399,030</u>
Total profit or loss for reportable segment	237,610
Elimination of inter-segment profits	<u>(130,583)</u>
Consolidated profit before taxation	<u>107,027</u>
Total reportable segments assets	3,587,339
Elimination of inter-segment transactions or balances	<u>(1,292,868)</u>
Consolidated total	<u>2,294,471</u>
Total reportable segments liabilities	2,087,785
Elimination of inter-segment transactions or balances	<u>(1,080,902)</u>
Consolidated total	<u>1,006,883</u>



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

### B1. Review of Group Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.04.2018 TO 30.06.2018 RM'000	01.04.2017 TO 30.06.2017 RM'000	01.07.2017 TO 30.06.2018 RM'000	01.07.2016 TO 30.06.2017 RM'000
<b>Revenue</b>				
Property Development	72,120	122,558	397,772	380,466
Other Operations	368	(506)	1,258	286
	72,488	122,052	399,030	380,752
<b>Profit / (Loss) before tax</b>				
Property Development	24,672	30,384	117,352	116,378
Other Operations	(954)	(2,867)	(10,325)	(5,778)
	23,718	27,517	107,027	110,600

#### Performance of the fourth quarter against the same quarter in the preceding year (Q4 FY2018 vs Q4 FY2017)

##### (a) Property Development

The Group's revenue of RM 72 million for the current quarter was lower by 58.85% or RM 50 million as compared with the revenue of RM 122.6 million registered in the previous year's corresponding quarter. The lower revenue was attributable to the project H2O near completion.

Group's profit before tax of RM 24.7 million for the current quarter decreased by RM5.7 million or 18.80% compared to the previous year's corresponding quarter. The decreases in profit before tax was due to RM 8 million marketing expenses incurred mainly for the construction of show units and sales gallery in preparation of project launches namely 3rd Nvenue Jalan Ampang, The Shore at Kota Kinabalu, Riveria City at KL Sentral and Damaisuria in Subang.

##### (b) Other Operation

Revenue from Other Operation mainly resulted from rental collection. Losses before tax were mainly resulted from depreciation expenses and financing cost for investment property.

#### Performance of the fourth quarter cumulative period against the same period in the preceding year (Q4 YTD FY2018 vs Q4 YTD FY2017)

##### (a) Property Development

For the financial year under review, the Group recorded a revenue of RM 397.77 million, RM 17.31 million or 4.55% higher than RM 380.47 million reported in last financial year. The increase in revenue was largely contributed from project H2O and Primrose project work done, sales of completed stock in Zone Innovation and proceed received from partial land compulsory acquisition for the purpose of road widening work by Ministry of Works.

Consequently, the Group recorded a slight increases profit before tax of RM 117.35 million for financial year as compared to RM 116.38 million in the previous financial year.

##### (b) Other Operation

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

**B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES****B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter**

	INDIVIDUAL QUARTER		CHANGES RM'000
	01.04.2018 TO 30.06.2018 RM'000	01.01.2018 TO 31.03.2018 RM'000	
Revenue	72,488	79,968	(7,480)
Gross Profit	39,629	41,097	(1,468)
Profit before interest and tax	24,149	29,186	(5,037)
Profit before tax	23,718	27,157	(3,439)
Profit after tax	10,629	21,108	(10,479)
Profit attributable to owners of the Company	10,646	21,681	(11,035)

For the current quarter under review, the Group's revenue was RM 7.48 million or 9.35% lower when compared to the preceding quarter ended 31 March 2018. The lower revenue in the current quarter was mainly due to the recognition of proceeds received from partial land acquisition for the purpose of road widening work by Ministry of work in previous quarter.

The Group's profit after tax was RM 10.63 million or 49.65% lower when compared to the preceding quarter. The lower profit after tax mainly resulted losses of certain subsidiaries of the Group where deferred tax asset were not recognized.

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

The Group's long-term growth prospect remains positive based on a strong competitive position and consistent demand for the type of residential properties the Group has offered.

Moving forward into FY 2019, barring any unforeseen circumstances, the Group is cautiously 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 Board proposed the following: -

- a final single-tier dividend of 0.25 sen per ordinary share for the financial year ended 30 June 2018, subject to the shareholders' approval at the forthcoming Annual General Meeting; and
- a non-cumulative dividend payment to the holder of Irredeemable Convertible Preference Shares ("ICPS") at a dividend rate of 0.025 sen per share.

**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	
	01.04.2018 TO 30.06.2018	01.04.2017 TO 30.06.2017	01.07.2017 TO 30.06.2018	01.07.2016 TO 30.06.2017
	RM'000	RM'000	RM'000	RM'000
<b>After charging:</b>				
Auditor's remuneration	438	303	438	303
Accretion of interest on RCPS	-	-	-	533
Depreciation of investment properties	686	23	756	93
Depreciation of property, plant and equipment	338	186	924	687
Directors' remuneration	392	813	1,711	1,940
Interest expenses	412	1,411	5,017	3,581
Rental of sales office	98	98	462	378
Rental of equipment	14	-	43	20
Staff costs	3,838	2,569	12,675	10,311
Liquidated ascertain damages	9,072	-	9,072	-
<b>After crediting:</b>				
Bank interest income	(565)	(1,217)	(1,195)	(2,247)
Fixed deposit interest income	(277)	(118)	(469)	(397)
Other interest income	(2,479)	(428)	(1,176)	(2,190)
Liquidated ascertain damages income	(4,094)	(610)	(11,785)	(5,755)
Gain on disposal of motor vehicle	(5)	(78)	(53)	(90)
Rental income	-	(468)	(1,425)	(1,648)

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

**B8. Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.04.2018 TO 30.06.2018	01.04.2017 TO 30.06.2017	01.07.2017 TO 30.06.2018	01.07.2016 TO 30.06.2017
	RM'000	RM'000	RM'000	RM'000
Current tax expense	13,250	11,943	35,724	35,693
Deferred taxation	(161)	(1,094)	(189)	(1,476)
	13,089	10,849	35,535	34,217

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 under provision of tax liabilities in previous year and deferred tax assets not recognized by subsidiary companies.

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

### B9. Status of Corporate Proposal

There were no material transaction or events subsequent to the current quarter ended 30 June 2018 until 28 August 2018 (the latest practicable date which is not earlier than 7 days from the date of issues of this quarterly report).

### B10. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 30 June 2018 were as follows:-

	<b>Secured RM'000</b>
Short Term Bank Borrowings	279,013
Long Term Bank Borrowings	264,942
	<u>543,955</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	
	01.04.2018 TO 30.06.2018	01.04.2017 TO 30.06.2017	01.07.2017 TO 30.06.2018	01.07.2016 TO 30.06.2017
Profit attributable to owners of the company (RM'000)	10,646	17,012	72,900	76,735
Weighted average number of ordinary shares in issue ('000)	1,344,188	394,301	1,504,926	394,301
Basic earnings per share (sen)	0.79	4.31	4.84	19.46

## 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 financial year 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	
	01.04.2018 TO 30.06.2018	01.04.2017 TO 30.06.2017	01.07.2017 TO 30.06.2018	01.07.2016 TO 30.06.2017
Profit attributable to owners of the Company (RM'000)	10,646	17,012	72,900	76,735
Weighted average number of ordinary shares in issue ('000)	1,344,188	394,301	1,504,926	394,301
Effect of dilution: Irredeemable Convertible Preference Shares ('000)	86,502	-	86,502	-
Adjusted weighted average number of ordinary shares ('000)	1,430,690	394,301	1,591,428	394,301
Diluted earnings per share (sen)	0.74	4.31	4.58	19.46