

**CAELY HOLDINGS BHD.
(COMPANY NO. 408376-U)**

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 30 JUNE 2018**



Caely

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Current Year Quarter 30.06.2018 RM (unaudited)	Preceding Year Corresponding Quarter 30.06.2017 RM (restated)	Current Year to Date 30.06.2018 RM (unaudited)	Preceding Corresponding Year to Date 30.06.2017 RM (restated)
Revenue	19,829,966	21,854,151	19,829,966	21,854,151
Operating expenses	(19,472,595)	(21,117,657)	(19,472,595)	(21,117,657)
Other operating income	355,915	411,467	355,915	411,467
Profit from operations	713,286	1,147,961	713,286	1,147,961
Finance costs	(363,655)	(293,956)	(363,655)	(293,956)
Profit before taxation	349,631	854,005	349,631	854,005
Taxation	(260,066)	(226,606)	(260,066)	(226,606)
Profit from continuing operations	89,565	627,399	89,565	627,399
Other comprehensive income, net of tax	0	0	0	0
Total comprehensive income	89,565	627,399	89,565	627,399
Net profit attributable to:				
Owners of the Company	108,572	641,934	108,572	641,934
Non-controlling interest	(19,007)	(14,535)	(19,007)	(14,535)
Net profit	89,565	627,399	89,565	627,399
Total comprehensive income attributable to:				
Owners of the Company	108,572	641,934	108,572	641,934
Non-controlling interest	(19,007)	(14,535)	(19,007)	(14,535)
Total comprehensive income	89,565	627,399	89,565	627,399
Earnings per share: (Note 25)				
- basic (sen)	0.13	0.80	0.13	0.80
- diluted (sen)	0.10	0.80	0.10	0.80

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As At 30.06.2018 RM (unaudited)	As at 31.03.2018 RM (restated)	As at 01.04.2017 RM (restated)
NON CURRENT ASSETS			
Property, plant and equipment	25,039,946	25,255,998	25,266,920
Investment property	4,100,000	4,100,000	4,100,000
Deferred tax assets	839,332	834,560	1,092,658
	<u>29,979,278</u>	<u>30,190,558</u>	<u>30,459,578</u>
CURRENT ASSETS			
Property development costs	41,820,084	41,736,347	55,968,417
Inventories	22,920,370	25,898,335	15,107,274
Receivables, deposits and prepayments	40,469,576	37,394,760	42,237,215
Tax recoverable	2,820,854	2,379,626	458,601
Marketable securities	13,819	16,523	598,757
Derivative financial instruments	0	0	6,401
Deposits with licensed banks	3,986,586	3,955,112	3,840,992
Deposits, bank and cash balances	511,876	1,040,341	1,121,654
	<u>112,543,165</u>	<u>112,421,044</u>	<u>119,339,311</u>
TOTAL ASSETS	<u>142,522,443</u>	<u>142,611,602</u>	<u>149,798,889</u>
EQUITY AND LIABILITIES			
Share capital	49,419,626	49,419,360	49,419,360
Reserves	10,300,415	10,300,415	10,300,415
Retained profits	28,603,550	28,494,978	27,284,521
	<u>88,323,591</u>	<u>88,214,753</u>	<u>87,004,296</u>
Non-controlling interest	(1,044,422)	(1,025,415)	(960,496)
Equity attributable to owners of the Company	<u>87,279,169</u>	<u>87,189,338</u>	<u>86,043,800</u>
NON CURRENT LIABILITIES			
Hire-purchase creditors	226,002	258,676	359,813
Term loan	8,703,259	9,027,390	10,318,750
Deferred tax liabilities	908,606	874,248	1,009,732
	<u>9,837,867</u>	<u>10,160,314</u>	<u>11,688,295</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Continued)

	As at 30.06.2018 RM (unaudited)	As at 31.03.2018 RM (restated)	As at 01.04.2017 RM (restated)
CURRENT LIABILITIES			
Payables and accruals	26,893,893	26,853,404	34,221,442
Amount owing to a director	2,503,000	2,350,000	0
Provisions	1,804,864	2,255,590	4,192,251
Derivative financial instruments	5,453	0	0
Current tax liabilities	0	0	718,705
Hire-purchase creditors	104,546	100,610	125,018
Term loan	1,299,534	1,303,516	1,289,056
Short term bank borrowings			
- bank overdrafts	10,449,121	10,163,869	8,933,781
- others	2,344,996	2,234,961	2,586,541
	<u>45,405,407</u>	<u>45,261,950</u>	<u>52,066,794</u>
TOTAL LIABILITIES	<u>55,243,274</u>	<u>55,422,264</u>	<u>63,755,089</u>
TOTAL EQUITY AND LIABILITIES	<u>142,522,443</u>	<u>142,611,602</u>	<u>149,798,889</u>
Net Assets per share	<u><u>1.09</u></u>	<u><u>1.09</u></u>	<u><u>1.08</u></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non- controlling interest	Total equity
	Share capital	Share premium	Reserve on consolidation	Revaluation reserve	Retained profits	Total		
	RM	RM	RM	RM	RM	RM		
As at 1 April 2017 (as previously stated)	49,419,360	0	80,344	10,220,071	28,339,482	88,059,257	(960,496)	87,098,761
Prior year adjustment (Note 26)	0	0	0	0	(1,054,961)	(1,054,961)	0	(1,054,961)
As at 1 April 2017 (restated)	49,419,360	0	80,344	10,220,071	27,284,521	87,004,296	(960,496)	86,043,800
Net profit for the financial period	0	0	0	0	641,934	641,934	(14,535)	627,399
Total Comprehensive income (restated)	0	0	0	0	641,934	641,934	(14,535)	627,399
At 30 June 2017 (restated)	49,419,360	-	80,344	10,220,071	27,926,455	87,646,230	(975,031)	86,671,199

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non- controlling interest	Total equity
	Share capital	Share premium	Reserve on consolidation	Revaluation reserve	Retained profits	Total		
	RM	RM	RM	RM	RM	RM		
As at 1 April 2018 (as previously stated)	49,419,360	0	80,344	10,220,071	28,919,262	88,639,037	(1,025,415)	87,613,622
Prior year adjustment (Note 26)	0	0	0	0	(424,284)	(424,284)	0	(424,284)
As at 1 April 2018 (restated)	49,419,360	0	80,344	10,220,071	28,494,978	88,214,753	(1,025,415)	87,189,338
Net profit for the financial period	0	0	0	0	108,572	108,572	(19,007)	89,565
Total Comprehensive income	0	0	0	0	108,572	108,572	(19,007)	89,565
Exercise of Warrants	266	0	0	0	0	266	0	266
At 30 June 2018	49,419,626	0	80,344	10,220,071	28,603,550	88,323,591	(1,044,422)	87,279,169

The Condensed Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	30.06.2018 RM (unaudited)	30.06.2017 RM (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	89,565	627,399
Adjustments for:		
Property, plant and equipment		
- depreciation	250,199	259,575
- losses / (gains) on disposal	0	0
- write off	0	0
- impairment	0	0
Fair value gain on revaluation of investment property	0	0
Allowance for doubtful debts		
- charge for the financial year	0	0
- write back	(7,050)	0
Liquidated damages receivable from contractors		
Provision for liquidated damages	0	0
Interest expense	406,134	359,366
Interest income	(35,277)	(28,819)
Gross dividend income from marketable securities	0	(3,868)
Gain on disposal of marketable securities	0	(5,481)
Fair Value (gain) / loss on marketable securities	2,704	(2,518)
Fair value (gain) / loss on derivative financial instruments	5,453	14,627
Net unrealised foreign exchange loss	0	0
Taxation	260,066	226,606
	<u>971,794</u>	<u>1,446,887</u>
Net movements in working capital:		
Inventories	2,977,965	1,588,204
Property development cost	(83,737)	1,323,509
Receivables	(3,065,221)	(3,602,677)
Payables	27,746	(3,133,917)
	<u>828,547</u>	<u>(2,377,994)</u>
Cash flows generated from / (used in) operations		
Liquidated damages and compensation paid	(447,983)	0
Interest paid	(408,679)	(359,366)
Tax refund	0	9,483
Income tax paid	(671,708)	(741,089)
	<u>(699,823)</u>	<u>(3,468,966)</u>
Net operating cash flow		

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (Continued)

	30.06.2018	30.06.2017
	RM	RM
	(unaudited)	(restated)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment		
- payments for acquisition	(34,147)	(11,251)
- proceeds from disposals	0	0
Interest income received	3,803	28,819
Dividend income received	0	3,868
Marketable securities		
- payments for investments	0	0
- proceeds from disposals	0	569,312
Net Investing cash flow	<u>(30,344)</u>	<u>590,748</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits released / (pledged) under lien for credit facilities with licensed banks	0	0
(Repayments of)/ Receipts of short term bank borrowings	110,035	(244,584)
Repayment of advances to a director	163,000	0
Repayments of hire-purchase creditors	(28,738)	(28,732)
Repayments of term loan	(328,113)	(332,233)
Dividend paid	0	0
Receipt from warrants exercised	266	0
Net financing cash flow	<u>(83,550)</u>	<u>(605,549)</u>
Net movement in cash and cash equivalents	(813,717)	(3,483,767)
Effects of exchange rate changes on cash and cash equivalents	278	(630)
Cash and cash equivalent at beginning of the financial period	<u>(9,123,806)</u>	<u>(7,811,497)</u>
Cash and cash equivalent at end of the financial period	<u><u>(9,937,245)</u></u>	<u><u>(11,295,894)</u></u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 March 2018.

1. Basis of Preparation

The interim financial statements are unaudited and are prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's financial statements for the financial year ended 31 March 2018.

The Group is adopting the new IRFS-compliant framework, MFRS for the current financial year beginning 1 April 2018. In adopting the new framework, the Group is applying MFRS 1 'First-time Adoption of MFRS'. The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2017, being the transition date, and throughout all years presented, as if these policies had always been in effect.

A number of new standards and amendments to standards and interpretation are effective for the current financial year beginning on 1 April 2018. None of these is expected to have a significant effect on the consolidated financial statements of the Group except the following set out below:

- a) MFRS 1 'First-time Adoption of MFRS';
- b) MFRS 9 'Financial Instruments', replaces FRS 139 'Financial Instruments: Recognition and Measurement'; and
- c) MFRS 15 'Revenue from contracts with Customers', replaces FRS 118 'Revenue' and FRS 111 'Construction contract' and related interpretations.

The initial application of the accounting standards, amendments or interpretations above does not have any material impact to the financial results of the Group for the current period and prior periods, other than as disclosed below:-

- a) MFRS 9: Financial Instruments

The Group has assessed all the three aspects of the accounting for the financial assets and liabilities for classification and measurement, impairment and hedge accounting. In respect of impairment of financial assets, MFRS 9 replaces the "incurred loss" model in MFRS 139 with an "expected credit loss" model. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

b) MFRS 15: Revenue from Contracts with Customers

Change in accounting policies

(i) Revenue from construction contracts

A construction contract is specifically negotiated for the construction of an asset or a combination of assets with multiple deliverables which include a significant integration service and are therefore recognised as a single performance obligation. Revenue is recognised progressively based on the percentage of completion determined by the stage of completion method, which is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

(ii) Liquidated Ascertained Damages

The Group would take the necessary steps to assess of impairment of liquidated ascertained damages (“LAD”) payable when the developer fails to deliver vacant possession within the stipulated period. LAD payable to customers is presented as a reduction of the transaction price which would then be accounted for in the profit or loss over the tenure of the respective property development project instead of being accounted for as a direct charge to the profit or loss when the obligation arises.

(iii) Contract asset and contract liability

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of construction contracts, contract asset is the excess of cumulative revenue earned over cumulative billings to-date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset’s carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

The impact of the adoption of the MFRSs 9 and 15 and amendments to MFRSs to the Group’s reported financial position and comprehensive income are disclosed in Noted 26 below.

2. Qualification of Auditors’ Report

The auditors’ report of the preceding financial statements ended 31 March 2018 was not subject to any qualification.

3. Seasonal or Cyclical Factors

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial quarter under review.

4. Extraordinary or Exceptional Items

There were no extraordinary or exceptional items for the current financial period under review.

5. Changes in Estimates

There were no material changes in the estimates that have had a material effect in the current financial quarter ended 30 June 2018.

6. Debts and Equity or Securities

Warrants

On 26 April 2018, the Company undertook a bonus issue of 40,000,000 free warrants on the basis of one warrant for every two existing ordinary shares in the Company. The expiry date of warrants is 22 April 2021.

The exercise price of the warrants is RM0.38 per share. The warrants exercised by the registered warrants holders to new ordinary shares during the financial period are as follows:

Date of exercise	Exercise price	No. of warrants exercised	Balance no. of warrants outstanding
13 June 2018	RM0.38	700	39,999,300

7. Dividend Paid

No dividend has been paid during the current financial quarter.

8. Segmental Reporting

Financial period ended 30.06.2018	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	625,986	2,486,008	16,802,576	0	95,286	20,009,856
Intersegment sales	0	0	(179,890)	0	0	(179,890)
External sales	<u>625,986</u>	<u>2,486,008</u>	<u>16,622,686</u>	<u>0</u>	<u>95,286</u>	<u>19,829,966</u>
<u>Results</u>						
Profit / (Loss) from operations	(134,154)	178,994	853,131	(144,855)	(39,830)	713,286
Finance costs	(9,331)	(4,840)	(349,185)	0	(299)	(363,655)
Profit before tax						<u>349,631</u>
Taxation						(260,066)
Net profit for the financial period						<u>89,565</u>
Segment assets	4,754,971	87,849,540	45,340,016	83,155	4,494,761	142,522,443
Segment liabilities	587,156	24,714,541	29,001,894	271,093	668,590	55,243,274
Interest income	0	1,302	33,975	0	0	35,277
Capital expenditure	0	0	34,147	0	0	34,147
Depreciation and amortisation	7,938	32,498	186,634	4,535	18,594	250,199

8. Segmental Reporting (Continued)

Financial period ended 30.06.2017	Direct Selling/Retail RM	Property development & construction RM	Manufacturing Sales RM	Investment Holding RM	Others RM	Total RM
<u>Sales</u>						
Total sales	1,299,500	6,287,144	14,371,729	0	124,711	22,083,084
Intersegment sales	0	0	(228,933)	0	0	(228,933)
External sales	<u>1,299,500</u>	<u>6,287,144</u>	<u>14,142,796</u>	<u>0</u>	<u>124,711</u>	<u>21,854,151</u>
<u>Results</u>						
Profit / (Loss) on operations	82,202	482,547	691,417	(77,735)	(30,470)	1,147,961
Finance costs	(4,319)	16,275	(305,571)	0	(341)	(293,956)
Profit before tax						854,005
Taxation						(226,606)
Net profit for the financial period						<u>627,399</u>
Segment assets	4,386,181	95,204,809	45,498,834	4,316,489	171,072	149,577,385
Segment liabilities	1,653,979	32,823,805	27,437,728	644,438	346,236	62,906,186
Interest income	0	1,236	26,555	1,028	0	28,819
Capital expenditure	0	0	10,189	0	1,062	11,251
Depreciation and amortisation	8,864	37,615	183,029	4,535	25,532	259,575

9. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without any amendments from the financial statements for the financial year ended 31 March 2018.

10. Subsequent Events

There were no other material events subsequent to the end for the financial period ended 30 June 2018 except for the exercise of warrants as follows:-

Date of exercise	No. of warrants exercised	Consideration received (RM)
31 July 2018	438,900	166,782
07 August 2018	142,000	53,960
14 August 2018	135,000	51,300
21 August 2018	207,000	78,660

11. Changes in Composition of the Group

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

12. Contingent Liabilities and Contingent Assets

There are no contingent liabilities nor contingent assets to be disclosed as at the date of these interim financial statements.

13. Performance Review

Current Quarter versus Preceding Corresponding Quarter

For the first quarter ended 30 June 2018, the Group recorded revenue of RM19.8 million, a decline of RM2.1 million compared to RM21.9 million for the preceding corresponding quarter. The decrease in revenue was primarily due to the lower revenue generated for the Property and Construction segment and Direct Selling and Retail segment of RM3.6 million and RM0.7 million respectively while Manufacturing segment improved by RM2.4 million.

In line with the decrease in revenue, the Group posted a profit after tax of RM0.1 million, a decrease of RM0.5 million compared to RM0.6 million for the preceding corresponding quarter. The decrease in profit after tax was also attributable to loss allowance of inventories for the Manufacturing segment and higher operational costs for Direct Selling and Retail segment.

13. Performance Review (Continued)

(i) Property and Construction Segment

Revenue for the Property and Construction segment for the current quarter was RM2.5 million as compared to RM6.3 million for the preceding corresponding financial quarter. The decline in revenue of RM3.8 million was due to the completion of construction contract works at the end of the previous financial year.

In line with the decline in revenue, the segment profit before interest and tax (PBIT) decreased accordingly by RM0.3million.

(ii) Manufacturing Segment

Revenue for the Manufacturing segment for the current financial quarter was RM16.6 million, an increase of RM2.5 million compared to the preceding financial corresponding financial quarter of RM14.1 million. The improved revenue was mainly due to higher contribution from our export markets.

Segmental PBIT for the current financial quarter was RM0.9 million compared to RM0.7 million for the preceding corresponding financial quarter. Despite the increase of revenue, the incurrence of loss allowance for inventories and higher operational costs had affected the segment's overall profitability.

(iii) Direct Selling and Retail Segment

Revenue for the Direct Selling and Retail segment for the current financial quarter declined by RM0.7 million compared to RM1.3 million for the preceding corresponding financial quarter. The decrease in revenue was mainly due to the lower contribution from retail market.

In line with the decrease in revenue, this segmental reported a loss of RM0.1 million in PBIT compared to a segmental profit before interest and tax of RM82,202 for the preceding corresponding financial quarter.

14. Quarterly Results Comparison

For the current financial quarter under review, the Group registered revenue of RM19.8 million compared to RM29.7 million for the immediate preceding financial quarter. The decline in revenue of RM9.9 million was mainly due to lower contribution from both the Property and Construction segment and Direct Selling and Retail segment. However, the decrease in revenue is partially mitigated by the improvement of export sales in Manufacturing segment.

In line with the decrease in revenue, the Group posted a profit after tax of RM0.1 million compared to RM0.7 million for the immediate preceding financial quarter.

15. Prospects

The Group expects the global and local business conditions and environment to remain uncertain and challenging. Operational costs such as levy and the proposed increase in minimum wages will certainly affect the Group's margin. Nevertheless, the Group will exercise prudent measures to mitigate these challenges. Barring any unforeseen circumstances, the Board is cautiously optimistic that the financial performance for the coming financial period to be satisfactory.

16. Profit Forecast and Profit Guarantee

For the current financial quarter there was no profit forecast or profit guarantee issued.

17. Taxation

	Current Year Quarter 30.06.2018 RM	Preceding Year Corresponding Quarter 30.06.2017 RM	Current Year to Date 30.06.2018 RM	Preceding Corresponding Year to Date 30.06.2017 RM
Taxation				
- current period	230,480	231,600	230,480	231,600
- prior year	0	0	0	0
Deferred taxation				
- current period	29,586	(4,994)	29,586	(4,994)
Tax charge	<u>260,066</u>	<u>226,606</u>	<u>260,066</u>	<u>226,606</u>

The Group's effective tax rates were higher than the statutory tax rate mainly due to certain expenses being disallowed for taxation purposes.

18. Unquoted Investments and Properties

There were no other material transactions involving unquoted investments and properties during the financial quarter under review.

19. Corporate Proposal

The following is the status of corporate proposal that has been announced by the Company:-

On 16 January 2018, the Company (“Caely”) has proposed to undertake a bonus issue of 40,000,000 free detachable Warrants (“Proposed Bonus Issue of Warrants”) on the basis of one (1) Warrant for every two (2) existing ordinary shares in Caely held by the entitled shareholders of Caely on an entitlement date to be determined later.

On 12 February 2018, the Company announced that Bursa Malaysia Securities Berhad (“Bursa Securities”) had, vide its letter dated 9 February 2018, approved the followings:-

1. Admission to the Official List and the listing of and quotation for 40,000,000 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and
2. Listing of and quotation for up to 40,000,000 new Caely Shares to be issued pursuant to the exercise of *Warrants*.

The approval granted by Bursa Securities for the Proposed Bonus Issue of Warrants is subject to the following conditions:-

1. Caely and M&A Securities Sdn Bhd (“M&A Securities” or “Advisers”) must fully comply with the relevant provisions under the Main Market Listing Requirements of Bursa Securities pertaining to the implementation of the Proposed Bonus Issue of Warrants;
2. Caely and M&A Securities to inform Bursa Securities upon the completion of the Proposed Bonus Issue of Warrants;
3. Caely and M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Bonus Issue of Warrants is completed;
4. Caely is to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable; and

To incorporate Bursa Securities' comments in respect of the circular to shareholders to be issued pertaining the Proposed Bonus Issue of Warrants.

The Bonus Issue of Warrants had been completed following the listing of and quotation for 40,000,000 warrants on the Main Market Bursa Securities Berhad on 26 April 2018.

20. Borrowings and Debts Securities

There were no debts securities for the current financial period to date. Particulars of the Group's borrowings as at 30 June 2018 are as follows:

	Current RM	Non-current RM	Total RM
<u>Ringgit Malaysia</u>			
Secured	9,047,027	8,929,261	17,976,288
Unsecured	3,437,620	0	3,437,620
	<u>12,484,647</u>	<u>8,929,261</u>	<u>21,413,908</u>
<u>US Dollar</u>			
Secured	1,713,550	0	1,713,550
	<u>14,198,197</u>	<u>8,929,261</u>	<u>23,127,458</u>

21. Derivative Financial Instruments

There is no derivative instruments for foreign currency forward contracts and option forward as at the end of the financial period ended 30 June 2018.

22. Fair Value Changes of Financial Liabilities

As at the end of the current financial period, the Group does not have any financial liabilities measured at fair value through profit or loss.

23. Changes in Material Litigation

There is no material litigation as at the date of these interim financial statements.

24. Proposed Dividend

The Directors have proposed a single-tier tax exempt final dividend of RM0.01 per share for the financial year ended 31 March 2018 payable on 25 October 2018 subject to shareholders' approval at the forthcoming Annual General Meeting.

25. Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.06.2018 (unaudited)	30.06.2017 (restated)	30.06.2018 (unaudited)	30.06.2017 (restated)
<u>Basic EPS</u>				
Profit attributable to equity holders of the Company (RM)	108,572	641,934	108,572	641,934
Weighted average no. of ordinary shares in issue	80,000,131	80,000,000	80,000,131	80,000,000
Basic EPS (sen)	<u>0.13</u>	<u>0.80</u>	<u>0.13</u>	<u>0.80</u>

For the financial period ended 30 June 2018, diluted EPS was calculated by dividing the profit attributable to owners of the Company by the weighted average diluted number of ordinary shares outstanding during the period and after accounting for the effect of all dilutive potential ordinary shares arising from the exercise of outstanding warrants.

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	30.06.2018 (unaudited)	30.06.2017 (restated)	30.06.2018 (unaudited)	30.06.2017 (restated)
<u>Diluted EPS</u>				
Profit attributable to equity holders of the Company (RM)	108,572	641,934	108,572	641,934
Adjusted weighted average no. of ordinary shares	<u>105,408,153</u>	<u>80,000,000</u>	<u>105,408,153</u>	<u>80,000,000</u>
Diluted EPS (sen)	<u>0.10</u>	<u>0.80</u>	<u>0.10</u>	<u>0.80</u>

26. Prior Year Adjustment

During the financial quarter under review, the Group made prior year adjustments in relation to:

- (i) MFRS 1 'First-time Adoption of MFRS';
- (ii) MFRS 9 'Financial Instruments'; and
- (iii) MFRS 15 'Revenue from contracts with customers'.

The financial effects arising from the Group's prior year adjustments are as follows:

	As previously reported RM	Prior year adjustments RM	As restated RM
At 1 April 2017			
Consolidated statement of financial position			
<u>Assets</u>			
Property development costs	55,988,476	(20,059)	55,968,417
<u>Liabilities</u>			
Retained earnings	28,339,482	(1,054,961)	27,284,521
Payables and accruals	34,266,399	(44,957)	34,221,442
Provisions	3,112,392	1,079,859	4,192,251
As 31 March 2018			
Consolidated statement of financial position			
<u>Assets</u>			
Property development costs	42,175,461	(439,114)	41,736,347
Deferred tax assets	749,368	85,192	834,560
<u>Liabilities</u>			
Retained earnings	28,919,262	(424,284)	28,494,978
Payables and accruals	27,393,280	(499,387)	26,893,893
Provisions	1,685,841	569,749	2,255,590

26. Prior Year Adjustment (continued)

**Consolidated statement of comprehensive income
Financial period ended 30 June 2017**

	As previously reported RM	Prior year adjustments RM	As restated RM
Revenue	21,632,786	221,365	21,854,151
Operating expenses	(21,117,657)		(21,117,657)
Other operating income	411,467		411,467
Profit from operations	926,596		1,147,961
Finance costs	(293,956)		(293,956)
Profit before tax	632,640		854,005
Taxation	(226,606)		(226,606)
Profit from continuing operations	406,034		627,399
Other comprehensive income, net of tax	0		0
Total comprehensive income	<u>406,034</u>		<u>627,399</u>
Net profit attributable to:			
Owner of the Company	420,569		641,934
Non-controlling interest	(14,535)		(14,535)
Net profit	<u>406,034</u>		<u>627,399</u>
Total comprehensive income attributable to:			
Owner of the Company	420,569		641,934
Non-controlling interest	(14,535)		(14,535)
Total comprehensive income	<u>406,034</u>		<u>627,399</u>

Certain comparative figures in the notes to the interim report above have been adjusted or extended to conform with changes in presentation and to comply with the additional disclosures requirements of the MFRS that are applicable for the financial year ended 31 March 2018

27. Capital Commitments

As at 30 June 2018, there was no material capital commitment for the purchase of property, plant and equipment not provided for in the interim financial statements.

28. Profit Before Taxation

The profit before taxation is arrived at after crediting / (charging) the following income / (expenses):

	Current Year Quarter 30.06.2018 RM	Current Year to Date 30.06.2018 RM
(a) Interest income	35,277	35,277
(b) Other income including investment income	0	0
(c) Interest expense	406,134	406,134
(d) Depreciation and amortisation	250,199	250,199
(e) Allowance of receivables	0	0
(f) Loss allowance of inventories	(163,292)	(163,292)
(g) Gain / (Loss) on disposal of quoted or unquoted investments or properties	0	0
(h) Impairment of assets	0	0
(i) Foreign exchange gain / (loss)	251,189	251,189
(j) Gain / (Loss) on derivatives	5,453	5,453
(k) Exceptional items	0	0

29. Authorisation for issue

The Board of Directors has authorised the release of the unaudited interim financial statements for the first quarter ended 30 June 2018 pursuant to a resolution dated 30 August 2018.