

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	3 months ended		Year ended	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
	RM'000	RM'000	RM'000	RM'000
Revenue	105,450	74,258	105,450	74,258
Operating expenses	(79,081)	(59,577)	(79,081)	(59,577)
Other income	199	117	199	117
Finance costs	(903)	(131)	(903)	(131)
Profit before taxation	25,665	14,667	25,665	14,667
Taxation	(8,076)	(3,908)	(8,076)	(3,908)
Profit after taxation	17,589	10,759	17,589	10,759
Other comprehensive income	-	-	-	-
Total comprehensive income	17,589	10,759	17,589	10,759
Profit after taxation attributable to:				
Equity holders of the parent	17,589	10,759	17,589	10,759
Non-controlling interests	-	-	-	-
	17,589	10,759	17,589	10,759
Total comprehensive income attributable to:				
Equity holders of the parent	17,589	10,759	17,589	10,759
Non-controlling interests	-	-	-	-
	17,589	10,759	17,589	10,759
Earning per share				
Basic (sen):	11.18	6.84	11.18	6.84

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group As at 31.03.2019 Unaudited RM'000	Group As at 31.12.2018 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	2,199	3,800
Land held for development	302,497	332,864
Goodwill	4,161	4,161
Rights-of-use assets	1,423	-
Deferred tax assets	5,567	7,043
Total non-current assets	315,847	347,868
Current assets		
Property development cost	177,955	159,059
Inventories	9,973	9,090
Trade and other receivables	83,110	95,402
Current tax assets	2,452	4,175
Fixed deposits with licensed banks	4,191	2,724
Cash and bank balances	26,180	37,621
Total current assets	303,861	308,071
TOTAL ASSETS	619,708	655,939
EQUITY AND LIABILITIES		
Share capital	125,248	125,248
Retained profits	122,623	109,913
Total equity	247,871	235,161
Non-current liabilities		
Borrowings	73,861	82,221
Deferred tax liabilities	-	193
Trade payables	58,036	58,922
Lease liabilities	1,057	-
Total non-current liabilities	132,954	141,336
Current liabilities		
Trade and other payables	192,512	236,788
Borrowings	40,187	36,745
Lease liabilities	349	-
Current tax liabilities	5,835	5,909
Total current liabilities	238,883	279,442
Total liabilities	371,837	420,778
TOTAL EQUITY AND LIABILITIES	619,708	655,939
Net Assets Per Share (RM)	1.58	1.49

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group Year Ended 31.03.2019 RM'000	Group Year Ended 31.03.2018 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation	24,581	14,667
Adjustments for non-cash and non-operating items	17	787
Net change in land held for future development	30,367	(5,350)
Net change in property development cost	(18,925)	(8,058)
Net change in inventories and receivables	(2,403)	54,656
Net change in payables	(36,156)	(71,156)
Interest expense	21	34
Taxation paid	(4,031)	(6,040)
Net cash flow for operating activities	(6,529)	(20,460)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		
Proceed from disposal of property, plant and equipment	-	3,504
Purchase of property, plant and equipment	(58)	(264)
(Increase)/decrease in fixed deposits pledged to bank	(1,468)	-
Interest received	148	43
Net cash flow (for)/from investing activities	(1,378)	3,283
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings	6,450	27,008
Repayment of borrowings	(9,897)	(31,015)
Repayment of lease liabilities	(66)	-
Interest paid	(21)	(34)
Net cash flow for financing activities	(3,534)	(4,041)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,441)	(21,218)
Opening cash and cash equivalents	37,626	42,618
Closing cash and cash equivalents	26,185	21,400

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Retained profits	Total
	RM'000	RM'000	RM'000
Balance as at 01.01.2018	125,248	69,715	194,963
Profit after taxation/Total comprehensive income for the financial year	-	51,057	51,057
Dividends	-	(10,859)	(10,859)
Balance as at 31.12.2018 / 01.01.2019	125,248	109,913	235,161
Profit after taxation/Total comprehensive income for the financial period	-	17,589	17,589
Dividends	-	(4,878)	(4,878)
Balance as at 31.03.2019	125,248	122,624	247,872

The above Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation and Accounting Policies

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2018.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 : Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 101 and MFRS 108: Definition of Material.	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of MFRS 16: Leases did not have any material impact and the Group has adopted "Modified Retrospective Approach".

A2. Auditors’ Report

The auditors’ report of the preceding annual financial statements for the financial year ended 31 December 2018 was not subject to any audit qualification.

A3. Seasonal/Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors.

A4. Unusual Items

There were no unusual and extraordinary items for the financial period under review.

A5. Changes in Estimates

There were no changes in estimates of amounts reported in the prior financial period which have a material effect in the financial period under review.

A6. Debt or Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for current quarter.

A7. Dividend Paid

An interim single-tier dividend of 6.9 sen per ordinary share for the financial year ended 31 December 2018 was paid on 27 February 2019.

A8. Segmental Reporting

Segmental information for the financial year ended 31 March 2019 :-

	Property Development				Total
	Construction	Others	Elimination		
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External Sales	105,450	-	-	-	105,450
Inter-segment Sales	-	50,929	-	(50,929)	-
Total	105,450	50,929	-	(50,929)	105,450
Results					
Finance Cost	26,712	6,200	(144)	(6,200)	26,568
Taxation					(903)
Profit for financial year					(8,076)
					17,589

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A9. Material Subsequent Events

There were no material events subsequent to the current quarter ended 31 March 2019 up to date of this announcement which is likely to substantially affect the results of the Group.

A10. Changes in Composition of the Group

On 28 March 2019, the entire issued and paid up capital of MB Max Sdn Bhd comprising of 600,000 ordinary shares were transferred from MB World Properties Sdn Bhd, a wholly-owned subsidiary of the Company to the Company, resulting in MB Max Sdn Bhd becoming a direct wholly-owned subsidiary of the Company.

A11. Contingent Liabilities

The Group does not have any material contingent liabilities and contingent assets to be disclosed as at 31 March 2019.

A12. Capital Commitments

The Group does not have any capital commitment to be disclosed as at 31 March 2019.

A13. Related Party Transactions

The Group's related party transactions in the current quarter and the financial year ended 31 March 2019 are as follows:

	3 months ended	Year to date
	31.03.2019	31.03.2019
	RM '000	RM '000
Security services provider	136	136
Rental of office, hostel, car park and utilities charges	55	55
Purchase of building materials	9,481	9,481

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B1. Review of Performance

Performance of the current quarter against the same quarter in the preceding year (1Q, 2019 vs 1Q 2018)

	Individual Quarter		
	Current Year Quarter	Preceding Year Corresponding Quarter	Change (%)
	31.03.2019 RM' million	31.03.2018 RM' million	
Revenue	105.45	74.26	42.00%
Profit before tax	25.67	14.67	74.98%

The Group recorded revenue and profit before taxation ("PBT") of RM 105.45 million and RM 25.67 million respectively for current quarter under review as compared to the revenue and PBT of RM 74.26 million and RM 14.67 million respectively in the preceding year corresponding quarter.

The Group achieved higher revenue and PBT in current quarter as compared to preceding year corresponding quarter due to Property Development Division ("PDD") has achieved higher percentage of completion for projects in Taman Sri Penawar.

B2. Changes in the quarterly results compared to the results of the immediate preceding quarter (Q1, 2019 vs. Q4, 2018)

	Individual Quarter		
	Current Year Quarter	Preceding Quarter	Change (%)
	31.03.2019 RM' million	31.12.2018 RM' million	
Revenue	105.45	77.93	35.31%
Profit before tax	25.67	6.04	325.00%

For the current quarter under review, the Group recorded revenue and PBT of RM 105.45 million and RM 25.67 million respectively as compared to the revenue and PBT of RM 77.93 million and RM 6.04 million respectively in the immediate preceding quarter.

The increase of revenue was mainly due to the Group has achieved higher percentage of completion for projects in Taman Sri Penawar.

B3. Prospects

The Group expects its performance for the current financial year to be sustainable with the positive contribution over its launches of new phases and completion of some existing residential projects in Taman Sri Penawar and NOVO 8, Melaka.

B4. Profit Forecast

Not applicable for the Group.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B5. Taxation	Year ended 31.03.2019 RM '000	Year ended 31.03.2018 RM '000
Income tax expenses		
- Current financial year	6,794	3,604
- Overprovision in previous financial year	-	-
	<u>6,794</u>	<u>3,604</u>
Deferred Taxation	<u>1,282</u>	<u>304</u>
Total tax expenses	<u><u>8,076</u></u>	<u><u>3,908</u></u>

The Group's overall effective tax rate for the current financial period was 31.50%. The effective tax rate is higher than statutory tax rate of 24% is mainly due to taxable profit is higher than accounting profit as a result of different method for revenue recognition.

B6. Status of Corporate Proposals

There is no corporate proposal during the quarter under review.

B7. Borrowings

The Group's borrowings were as follows:

	Year ended 31.03.2019		
	Long term RM '000	Short term RM '000	Total borrowings RM '000
Secured			
Term loan	55,111	25,138	80,249
Bridging loan	-	7,128	7,128
Revolving credit	18,750	7,921	26,671
	<u>73,861</u>	<u>40,187</u>	<u>114,048</u>
	Year ended 31.12.2018		
	Long term RM '000	Short term RM '000	Total borrowings RM '000
Secured			
Hire purchase	1,231	241	1,472
Term loan	59,210	24,540	83,750
Bridging loan	-	7,344	7,344
Revolving credit	21,780	4,620	26,400
	<u>82,221</u>	<u>36,745</u>	<u>118,966</u>

- (i) Hire purchase
 Hire purchase was used for financing motor vehicles. Interest rates for hire purchase range from 2.28% to 5.63% per annum. Upon adoption of MFRS -16 Leases on 1 January 2019, hire purchase was to reclass to lease liabilities.
- (ii) Term loan
 The term loan was used for the financing of Taman Sri Penawar projects by its subsidiary. Interest rate for term loan is at 7.01% per annum.
- (iii) Bridging loan
 The bridging loan was used for the financing of Taman Sri Penawar projects by its subsidiary. Interest rate for the bridging loan is at 7.26% per annum.
- (iv) Revolving credit
 The revolving credit was used for financing of acquisition of Crystal Faber Sdn Bhd, a wholly-owned subsidiary and settlement of the Development Right Entitlement of the project at Taman Sierra Perdana, Masai, Johor. Interest rate for the revolving credit is at 7.08% per annum.

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B8. Material Litigation

There were no material litigation as at 22 May 2019 being a date not later than 7 days prior to the date of this announcement.

B9. Dividend

	Current Year To Date	Preceding Year Corresponding Period
	31.03.2019	31.12.2018
	RM '000	RM '000
Interim single-tier dividend of 6.9 sen per share for the financial year ended 31 December 2018, declared on 28 November 2018 and paid on 27 February 2019 in respect of deposited securities based on the record of depositors as at 28 January 2019.	-	10,859
Interim single-tier dividend of 3.1 sen per share for the financial year ended 31 December 2018, declared on 26 February 2019 and paid on 24 May 2019 in respect of deposited securities based on the record of depositors as at 25 April 2019.	-	4,878
	<u>-</u>	<u>15,737</u>

B10. Earnings Per Share

Basic earnings per share of the Group is calculated by dividing the net profit for the financial period by the weighted average number of shares in issue during the period.

	<u>3 months ended</u>		<u>Year ended</u>	
	<u>31.03.2019</u>	<u>31.03.2018</u>	<u>31.03.2019</u>	<u>31.03.2018</u>
Profit attributable to equity holders of the parent (RM'000)	17,589	10,759	17,589	10,759
Weighted average number of shares in issue ('000)	157,377	157,377	157,377	157,377
Basic earnings per ordinary share (sen)	11.18	6.84	11.18	6.84

* The Company does not have convertible securities at the end of the reporting periods and therefore, there is no diluted earning per ordinary share in the Company.

B 11. Profit for the year

	3 month ended	Year to date
	31.03.2019	31.03.2019
	RM ' 000	RM ' 000
This is arrived at after (charging)/crediting:		
Interest Income	148	148
Other Income	50	50
Interest Expenses	(21)	(21)
Depreciation and amortisation	(236)	(236)
Recovery/(impairment) losses on receivable	71	71

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019
ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA'S
LISTING REQUIREMENTS

B 12. Industry Specific Information

- (a) Cocoa Valley Development Sdn Bhd, a wholly-owned subsidiary, is currently having four active projects at Taman Sri Penawar, which contribute total Gross Development Value ("GDV") as below:

<u>Projects</u>	<u>GDV (RM'000)</u>	<u>Type of Development</u>	<u>% of Completion up to 31.03.2019</u>
320 units Single Storey Terrace House	107,082	Residential	99.99%
256 units Double Storey Terrace House	173,507	Residential	93.83%
332 units Double Storey Terrace House	227,430	Residential	62.45%
166 units Single Storey Terrace House	56,925	Residential	55.41%

- (b) Crystal Faber Sdn Bhd, a wholly-owned subsidiary, is currently having a project at Melaka, called NOVO 8, which contribute total Gross Development Value ("GDV") as below:

<u>Projects</u>	<u>GDV (RM'000)</u>	<u>Type of Development</u>	<u>% of Completion up to 31.03.2019</u>
412 units of apartment	190,720	Residential	10.58%