

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter (3 rd quarter)		Changes (%)	Cumulative Quarter		Changes (%)
	Current quarter ended	Corresponding quarter ended		Current period-to-date ended	Corresponding period-to-date ended	
	30.09.2018 (RM'000)	30.09.2017 (RM'000)		30.09.2018 (RM'000) (UNAUDITED)	30.09.2017 (RM'000) (UNAUDITED)	
1 Revenue	269,892	229,941	17.4%	803,428	703,362	14.2%
2 Cost of sales	(215,246)	(188,800)	14.0%	(649,671)	(566,571)	14.7%
3 Gross profit	54,646	41,141	32.8%	153,757	136,791	12.4%
4 Other income	1,857	6,786	-72.6%	9,666	13,814	-30.0%
5 Administrative expenses	(8,560)	(5,747)	65.4%	(23,145)	(19,515)	36.2%
5A Other operating expenses	(947)			(3,441)		
6 Profit from operations	46,996	42,180	11.4%	136,837	131,090	4.4%
7 Finance cost	300	(636)	-147.2%	(760)	(3,408)	-77.7%
8 Profit before tax	47,296	41,544	13.8%	136,077	127,682	6.6%
9 Taxation	(10,367)	(6,800)	52.5%	(31,594)	(30,623)	3.2%
10 Profit after tax ("PAT") for the period	36,929	34,744	6.3%	104,483	97,059	7.6%
Attributable to :						
Owners of the Company	36,876	34,411	7.2%	104,390	96,161	8.6%
Non-controlling Interests ("NCI")	53	333	-84.1%	93	898	-89.6%
	36,929	34,744	6.3%	104,483	97,059	7.6%
11 Profit per share attributable to owners of the Company:						
(i) Basic earnings per ordinary share ("EPS")(sen)*	2.97	3.49**		8.41	9.83**	
(ii) Diluted earnings per ordinary share (sen)*	2.61	3.44**		7.40	9.68**	

* Basic earnings per share for the quarter and cumulative financial period is calculated based on the profit for the period divided by the weighted average number of ordinary shares in issue for the quarter and financial period respectively. Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. Please refer to Note B11 for further details.

** For comparison purpose, the Earning Per Share for the quarter and the period ended 30 September 2017 had been adjusted to reflect the bonus issues of six bonus shares for every five existing ordinary shares which had completed on 27 February 2018.

(The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements)

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30
SEPTEMBER 2018**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2018 (RM'000)	Corresponding quarter ended 30.09.2017 (RM'000)	Current period-to-date ended 30.09.2018 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 30.09.2017 (RM'000) (UNAUDITED)
1 PAT for the period	36,929	34,744	104,483	97,059
2 Other Comprehensive Expense:				
- Foreign currency translation differences	198	908	(99)	908
3 Total comprehensive income for the period	<u>37,127</u>	<u>35,652</u>	<u>104,384</u>	<u>97,967</u>
Attributable to :				
Owners of the Company	37,074	35,319	104,291	97,069
Non-controlling Interests ("NCI")	53	333	93	898
	<u>37,127</u>	<u>35,652</u>	<u>104,384</u>	<u>97,967</u>

(The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements)

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30
SEPTEMBER 2018**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2018 (RM'000) (UNAUDITED)	As at 31.12.2017 (RM'000) (AUDITED)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	164,266	145,325
Investment Properties	2,602	5,142
Other Investments	12,986	13,069
Intangible Assets	353,163	353,186
Trade Receivables	172,069	135,358
Deferred tax assets	407	313
	705,493	652,393
Current Assets		
Inventories	78,017	71,805
Trade and other receivables	248,179	238,516
Accrued billings in respect of property development	-	-
Tax Recoverables	3,914	2,989
Other current assets	9,133	33,848
Fixed Deposits and Quoted Unit Trusts	110,519	134,732
Cash and Bank Balances	154,224	50,683
	603,986	532,573
TOTAL ASSETS	1,309,479	1,184,966
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	642,658	642,658
Other Reserves	(263)	724
Retained Profits	307,666	234,367
	950,061	877,749
Non-controlling Interests	1,955	1,862
Total Equity	952,016	879,611

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	As at 30.09.2018 (RM'000) (UNAUDITED)	As at 31.12.2017 (RM'000) (AUDITED)
Non-Current Liabilities		
Trade and other payables	59,621	49,017
Deferred tax liabilities	7,713	8,359
	67,334	57,376
Current Liabilities		
Trade and other payables	157,320	145,944
Other current liabilities	39,837	76,980
Progress billings in respect of property development	1,230	14,915
Borrowings	84,355	-
Provision for Taxation	7,387	10,140
	290,129	247,979
Total Liabilities	357,463	305,355
TOTAL EQUITY AND LIABILITIES	1,309,479	1,184,966
Net assets per share attributable to owners of the Company (RM)	0.77	1.55
No. of ordinary shares (in thousand)	1,241,340	564,531

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company							Total Equity RM'000
	<----- Non-Distributable ----->							
	Share Capital RM'000	Share Premium ⁽¹⁾ RM'000	Other Reserves RM'000	RCPS RM'000	Treasury Shares RM'000	Retained Profits RM'000	Non Controlling Interests RM'000	
9 MONTHS PERIOD ENDED 30 SEPTEMBER 2018								
Balance as at 1 January 2018	642,658	-	724	-	-	234,367	1,862	879,611
Effect of adopting MFRS 9	-	-	-	-	-	(6,260)	-	(6,260)
Balance as at 1 January 2018 (restated)	642,658	-	724	-	-	228,107	1,862	873,351
Total Comprehensive Income for the period	-	-	(99)	-	-	104,390	93	104,384
Dividend declared	-	-	-	-	-	(24,831)	-	(24,831)
Shares repurchased	-	-	-	-	(888)	-	-	(888)
Balance as at 30 September 2018	642,658	-	625	-	(888)	307,666	1,955	952,016
9 MONTHS PERIOD ENDED 30 SEPTEMBER 2017								
Balance as at 1 January 2017	254,533	330,009	324	36,523	-	140,444	533	762,366
Total Comprehensive Income for the period	-	-	908	-	-	96,161	898	97,967
Dividend paid	-	-	-	-	-	(30,817)	-	(30,817)
Issuance of shares pursuant to								
- Warrants exercised	17,695	461	-	-	-	-	-	18,156
- Conversion of RCPS	38,680	-	-	(36,523)	-	-	-	2,157
Share issuance expenses	-	(30)	-	-	-	-	-	(30)
Balance as at 30 September 2017	310,908	330,440	1,232	-	-	205,788	1,431	849,799

Note

⁽¹⁾ Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised 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 the 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.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

CONSOLIDATED CASHFLOW STATEMENT

	Current period-to-date ended 30.09.2018 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 30.09.2017 (RM'000) (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	136,077	127,682
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	24,232	17,240
Non-cash items	2,788	(3,778)
Operating Profit Before Working Capital Changes	163,097	141,144
Changes in working capital :		
Net change in operating assets	(42,959)	(13,539)
Net change in operating liabilities	(28,540)	(5,365)
Net Cash Generated from Operations	91,598	122,240
Interest received	3,959	2,799
Interest paid	(166)	(73)
Income tax paid	(36,672)	(23,431)
Net Cash Generated from Operating Activities	58,719	101,535
CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipments	(43,599)	(40,006)
Acquisition of investment properties	-	(20,709)
Proceeds from disposal of property, plant and equipments	5,617	6,369
Net Cash Used In Investing Activities	(37,982)	(54,346)
CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	-	18,126
Purchase from treasury shares	(888)	-
Net repayment of short term borrowing	-	47,329
Dividend declared during the period	(24,832)	(30,817)
Net Cash (Used In)/Generated From Financing Activities	(25,720)	34,638
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(4,983)	81,827
EFFECT OF EXCHANGE RATE CHANGES	(45)	908
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	185,416	132,439
CASH AND CASH EQUIVALENTS AT END OF PERIOD	180,388	215,174
CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:		
Cash and Bank Balances	154,224	101,676
Fixed Deposits and Quoted Unit Trust	110,519	113,498
Less: Short term borrowing	(84,355)	-
	180,388	215,174

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2017 and the accompanying explanatory notes attached to the Interim Financial Statements)

NOTES TO THE REPORTS

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. Corporate Information

Kerjaya Prospek Group Berhad is a public limited company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office is located at No. 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor. The principal place of business is located at No.1, 2nd Floor, Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

A2. Malaysian Financial Reporting Standards ("MFRS")

A2.1 Basis of Preparations

The interim financial reports of the Group are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysia Accounting Standard Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial reports should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2017.

A2.2 Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in these quarterly financial reports are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2017, except for the adoption of the following new and revised Standards and Amendments.

As of 1 January 2018, the Group has adopted the following new and revised MFRSs and amendments to MFRS and IC interpretation (collectively referred to as "pronouncements") which are effective for annual years beginning on or after 1 January 2018.

MFRS 9	Financial Instruments (2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 15	Revenue from Contracts with Customers: Clarifications to MFRS 15
Amendments to MFRS 128	Investment in Associates and Joint Ventures (Annual Improvements 2014 - 2016 Cycle)
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRS 140	Investment Property - Transfers of Investment Property

The initial application on the above pronouncements did not have any material impact to the condensed financial statements. The impacts for application of MFRS 9 of RM6.2 million has been adjusted against opening retained profits as disclosed in note A2.3.

A2.3 Adoption of MFRS 9 and MFRS 15

i. MFRS 9 Financial Instruments

The Group adopted MFRS 9, Financial Instruments on 1 January 2018. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

The three principal classifications categories for financial assets are: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

The impact on the accounting for the Group's financial assets upon initial application of the new classification requirements. The impacts of application of MFRS 9 are as discussed below.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12 month ECLs or Lifetime ECLs. As allowed by the transitional provision of MFRS 9, the Group elected not to restate the comparatives. Adjustments arising from the initial application of the new impairment model has been recognised in the opening balance of the retained earnings and the carrying amount of the financial assets as at 1 January 2018 as disclosed below:

	Impact of adoption of MFRS 9 to opening balance at 1 January 2018 In RM'000
<u>Non-current Assets</u>	
Decrease in trade receivables	(128)
<u>Current Assets</u>	
Decrease in trade and other receivables	(6,011)
Decrease in fixed deposits and quoted unit trusts	(88)
Decrease in cash and bank balances	(33)
<u>Equity</u>	
Decrease in retained profits	(6,260)

ii. MFRS 15 Revenue for Contracts with Customers

The Group adopted MFRS 15, Revenue from Contracts with Customers on 1 January 2018. MFRS 15 replaces the guidance in MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfer of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services. MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations.

The Group recognises revenue of each performance obligation when it transfers control of a product or service to a customer either at a point of time or over time. When revenue is recognised over time, the stage of completion for projects is measured (by reference to the cost incurred up to the reporting date as a percentage of total estimated cost or by reference to physical stage of completion. When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

A3. Audit Report

The audited financial statements for the preceding financial year ended 31 December 2017 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items in the current quarter under review that affecting the assets, liabilities, equity, net income or cashflow of the Group.

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30
SEPTEMBER 2018**

A6. Changes in Estimates

There were no significant changes in estimates that have a material effect to the current quarter under review.

A7. Debt and Equity Securities

During the financial period ended 31 March 2018, the issued and paid-up share capital was increased from 564,531,382 to 1,241,968,766 by issuance of six bonus shares on every existing five ordinary shares on 27 February 2018.

During the current quarter, the Company repurchased 628,700 units of its issued ordinary shares from the open market at price of RM1.38 to RM1.44 per share. Total consideration paid was RM0.89 million including transaction costs and this was financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of section 127 of the Companies Act, 2016. As at 30 September 2018, 628,700 units ordinary shares have been repurchased for RM0.89 million including transaction costs.

Other than the above, there were no issuance, cancellations, resale and repayment of debt and equity securities for the Group during the current quarter and financial period under review.

A8. Dividends Paid

On 26 April 2018, the Board of Directors, pursuant to the Company's Constitution, recommended a single-tier final dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2017 for approval of the shareholders at the Annual General Meeting on 28 May 2018, which thereon approval granted. The total amount of RM6.21 million has been paid on 10 July 2018.

On 30 August 2018, The Board of Directors has approved an interim dividend of 1.5 sen per ordinary share (based on the enlarged share capital after completion of the bonus issues of six bonus shares for every five existing ordinary shares on 27 February 2018) in respect of the financial year ending 31 December 2018. The approved interim dividend payable represent approximately 27.6% of profit after tax for financial period ended 30 June 2018. The total amount of RM18.62 million has been paid on 30 October 2018.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

A9. Segmental Information

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

	Construction	Manufacturing	Property	Investment	Others	Elimination	Total
	(RM'000)	(RM'000)	Development	(RM'000)	(RM'000)	(RM'000)	(RM'000)
			(RM'000)				
External Revenue	741,384	1,417	60,627	-	-	-	803,428
Inter Group Revenue	159,746	9,505	-	80,000	-	(249,251)	-
	901,130	10,922	60,627	80,000	-	(249,251)	803,428

RESULTS

Segmental Results	86,096	2,522	11,312	82,108	(1)	(77,647)	104,390
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OTHER INFORMATION

Segmental Assets	854,336	114,345	89,257	752,374	46	(500,879)	1,309,479
Segmental Liabilities	595,115	111,734	51,993	42,187	4,623	(448,189)	357,463

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Construction	Manufacturing	Property	Investment	Others	Elimination	Total
	(RM'000)	(RM'000)	Development	(RM'000)	(RM'000)	(RM'000)	(RM'000)
			(RM'000)	(Restated)			
				(RM'000)			
External Revenue	653,491	1,398	48,473	-	-	-	703,362
Inter Group Revenue	182,985	(122)	-	-	-	(182,863)	-
	836,476	1,276	48,473	-	-	(182,863)	703,362

RESULTS

Segmental Results	88,704	(2,183)	8,673	41,497	(10)	(40,520)	96,161
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OTHER INFORMATION

Segmental Assets	773,109	104,187	85,458	662,816	48	(401,472)	1,224,146
Segmental Liabilities	533,301	108,504	64,175	19,922	5,235	(356,790)	374,347

As the business of the Group is engaged entirely in Malaysia, no reporting by geographical location of operation is presented.

A9. Segmental Information (contd.)

For management purposes, the Group is organised into business units based on their products and services, and has four (4) reportable operating segments as follow:

- (i) Construction - Main building construction works, provision of contract workmanship and other related services.
- (ii) Manufacturing - Manufacture, assemble, installation and sale of light fittings, furniture, kitchen cabinetry and related products.
- (iii) Property Development - Development of residential and/or commercial properties.
- (iv) Investment - Investment holding companies.
- (v) Others -Other dormant companies.

Segment performance for the financial period ended 30 September 2018 as compared to corresponding preceding period ended 30 September 2017

(i) Construction

The construction segment has achieved a total revenue of RM901.13 million in the current financial period representing an increase of approximately 8% as compared to its corresponding preceding financial period of RM836.48 million. Segmental profit was recorded at RM86.10 million on current financial period compare to corresponding preceding financial period of RM88.7 million. The increase in revenue was mainly due to steady progress construction work on-site. The segmental profit was slightly decrease mainly due to slightly increase in cost. The construction segment is expected to continue to deliver positive results and improve the Group's overall turnover and profitability moving forward.

(ii) Manufacturing

The revenue on manufacturing segment has increased to RM10.92 million in current financial year compared to its corresponding preceding financial year of RM1.28 million. The segmental profit has increased from loss RM2.18 million to RM2.52 million. Revenue was recognised from the progress work of projects that were secured.

(iii) Property Development

The property development division continues to recognise its revenues of RM60.63 million and a profit of RM11.31 million for the current financial year on the project with higher development progress being registered for the project.

(iv) Investment

Profit for the segment mainly due to dividend income from its subsidiary and interest income earned.

A10. Profit Before Tax

	Individual Quarter 30.09.2018 (RM'000)	Cumulative Quarter 30.09.2018 (RM'000)
Net fair value loss	2,006	524
Interest income	(1,139)	(3,959)
Amortisation and depreciation of property, plant and equipment	8,410	24,232
Interest expenses	81	166
Gain on disposal of property, plant and equipment	(226)	(21)
Written off property, plant and equipment	-	54

A11. Subsequent Events

There were no subsequent events as at 19 November 2018, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A12. Changes in Composition of the Group

On 11 October 2018, Bazarbayu Sdn Bhd, a wholly-owned subsidiary of the Company has inked a Share Sale Agreement with Yakin Land Sdn Bhd ("YLSB") in acquiring 90% stake in YLSB for the consideration sum of RM1.35 million.

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Contingent Liabilities	Cumulative Quarter 30.09.2018 (RM'000)
Corporate guarantee given to banks for facilities granted to subsidiaries	217,089
Corporate guarantee given to third parties for the benefit of the Group's subsidiaries	153,223
	<u>370,312</u>
(b) Contingent Assets	

As at the date of this report, there were no contingent assets.

A14. Capital Commitments

As at the date of this report, the Group has no material capital commitments.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

For the current financial year under review, the Group posted a revenue of RM269.89 million as compared to its corresponding preceding financial year quarter of RM229.94 million. The Profit After Tax ("PAT") in the current quarter of RM36.93 million, representing an increase of RM2.19 million from its corresponding preceding year quarter of RM34.74 million.

Overall, the increase in revenue was mainly attributed to the construction segment of the Group which currently has a substantial orderbook comprising of projects awarded by premier property developers in Malaysia. There is improvement on the manufacturing segment performance. The property development segment is also expected to contribute positively to the Group's earnings moving forward with the encouraging take up rate in the Group's property development project in Genting Permai.

B2. Change in Results of Current Quarter Compared to Preceding Quarter

	Current Quarter ended 30.09.2018 (RM'000)	Immediate Preceding Quarter ended 30.06.2018 (RM'000)	Changes (%)
Revenue	269,892	278,396	-3.1%
Operating Profit	46,996	46,925	0.2%
Profit Before Tax	47,296	46,019	2.8%
Profit After Tax	36,929	35,087	5.3%
Profit Attributable to Owners of the Company	36,876	35,166	4.9%

For the current quarter, the Group recorded a revenue and PBT of RM269.89 million and RM47.30 million respectively as compared to RM278.40 million and RM46.02 million respectively in its immediate preceding quarter due to timing of delivery of works on construction segment which all on going projects were at their planned progression. On the property development segment, the maiden property project; Vista Residences, has also recorded encouraging result with a good take-up rate and progress.

B3. Current Year Prospects

The Group is pleased that it has delivered growth in both revenue and profit. During the current financial quarter and period-to-date ended 30 September 2018, the Group has secured a building contract worth RM357.3 million and on 5 June 2018 accepted a letter of award amounting to RM138.6 million for execution and completion of marine bridge, embankment at grade and all other associated civil engineering works for the proposed Seri Tanjung Pinang (Phase 2) Development. The Group's outstanding order book stands at RM2.67 billion as at financial period ended 30 September 2018.

On the Group's maiden project, Vista Residences has also recorded an encouraging take-up rate with its current unbilled sales of approximately RM52 million.

Moving forward, the Group aims to focus on the construction segment to be the main revenue driver of the Group.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

The Group will continue to exercise vigilance and prudence in achieving its objectives of expansion.

Notwithstanding the Group's objective to expand its core business in construction, it will maintain the manufacturing segment as part of its integrated business objective and strategy and complete the existing property development project.

As announced in Budget 2019 on 2 November 2019, Malaysia will be revising downwards the projected GDP growth rate from the previously announced 5.0-5.5% to 4.8% in 2018 and 4.9% in 2019 against the backdrop of an increasing challenging external environment. The market would be challenging but sustainable. Barring any unforeseen circumstances, the Group is cautiously optimistic on its overall businesses moving forward and will continue to sharpen its competitive edge to achieve sustainable growth in the market.

B4. Profit Forecast

There were no profit forecast prepared or profit guarantee made by the Group.

B5. Taxation

	Individual Quarter 30.09.2018 (RM'000)	Cumulative Quarter 30.09.2018 (RM'000)
Malaysia income tax		
- current year	9,993	31,628
- under provided in prior year	(385)	703
	<u>9,608</u>	<u>32,331</u>
Deferred tax		
- current year	759	(737)
	<u>10,367</u>	<u>31,594</u>

Effective tax rates for the current quarter and period-to-date ended 30 September 2018 is lower than statutory tax rate of 24% mainly due to inclusion of certain non-taxable items in the income statement.

B6 Group Borrowings and Debt Securities

Details of the group borrowings as at 30 September 2018 were as follows:

	Cumulative Quarter 30.09.2018 (RM'000)
<u>Short term borrowings - Unsecured</u>	
(i) Cashline facilities (denominated in RM)	<u>84,355</u>

B7. Status of Corporate Proposals

The following is the proposal previously announced by the Company that remained uncompleted as at 21 November 2018, the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report:-

On 11 October 2018, Bazarbayu Sdn. Bhd., a wholly owned subsidiary of the Company, has entered into a Share Sale Agreement to acquire 90,000 ordinary shares in Yakin Land Sdn. Bhd. ("YLSB") representing 90% equity interest in YLSB for a total purchase consideration of RM1,350,000.

The proposed acquisition was subject to fulfillment of completion documents and settlement of vendor's advances.

B8. Changes in Material Litigation

There were no material litigations for the Group as at the date of this report.

B9. Dividend

Total dividend for the financial year ending 31 December 2018 and financial year ended 31 December 2017 are summarised as follow:

	Net Per Share	Net Per Share
	FY2018	FY2017
	(sen)	(sen)
<u>Interim Dividend</u>		
Single-tier dividend	1.5 ***	5.5 *
<u>Final Dividend</u>		
Single-tier dividend	****	0.5**

* On 10 July 2017, the Board of Directors has approved a single-tier interim dividend of 5.5 sen per ordinary share in respect of the financial year ended 31 December 2017. The total amount of RM30.82 million has been paid on 29 August 2017.

** The final dividend for financial year ended 2017 was declared based on the enlarged share capital after completion of the bonus issues of six bonus shares for every five existing ordinary shares which had completed on 27 February 2018.

On 13 April 2018, the Board of Directors proposed the single-tier final dividend of 0.5 sen per ordinary share in respect of the financial year ended 31 December 2017 and has been tabled for approval at the AGM on 28 May 2018 .

The total amount of RM6.21 million has been paid on 10 July 2018.

The Company has declared a total dividend of RM37 million which is approximately 29.7% of the profit after taxation for the financial year ended 31 December 2017 which is above the Company dividend policy of 25% of profit after taxation.

*** The Board of Directors has approved an interim dividend of 1.5 sen per ordinary share (based on the enlarged share capital after completion of the bonus issues of six bonus shares for every five existing ordinary shares on 27 February 2018) in respect of the financial year ending 31 December 2018. The approved interim dividend payable represent approximately 27.6% of profit after tax for financial period ended 30 June 2018.

The total amount of RM18.62 million has been paid on 30 October 2018.

*** Not applicable for the current quarter under review.

B10. Derivatives and Fair Value Changes of Financial Liabilities

- (a) There were no derivatives as at the current quarter under review.
- (b) The fair value changes arising from discounting future retention sum receivables and retention sum payables to present value for the current quarter under review has been accounted accordingly. The net fair value loss for the financial period amounted to approximately RM0.52 million.

B11. Earnings Per Share

Individual Quarter Ended		Cumulative Quarter Ended	
30.09.2018	30.09.2017	30.09.2018	30.09.2017

Earnings

Profit attributable to owners of the Company (RM'000) 36,876 34,411 104,390 96,161

a) Basic

Weighted average number of ordinary shares ('000) 1,241,878 985,748 1,241,938 978,428 *

Basic Profit per share attributable to equity holders of the Company (Sen)

2.97 3.49 8.41 9.83

b) Diluted

For the purpose of calculating diluted earnings per share, the profit attributable to the equity holders of the Company and the weighted average number of ordinary shares issued during the year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. exercise of warrants

Earnings

Individual Quarter Ended		Cumulative Quarter Ended	
30.09.2018	30.09.2017	30.09.2018	30.09.2017

Profit attributable to owners of the Company (RM'000) 36,876 34,411 104,390 96,161

Weighted average number of ordinary shares ('000) 1,241,878 985,748 1,241,938 978,428 *

Effect of dilution of warrants ('000) 169,359 13,653 169,359 14,540 *

Effect of dilution of RCPS ('000) - - - - *

Adjusted weighted average number of ordinary shares in issue and issuable ('000) 1,411,237 999,401 1,411,297 992,968

Diluted Profit per share attributable to equity holders of the Company (Sen)

2.61 3.44 7.40 9.68

* For comparison purpose, the Earnings per Share for the quarter and period ended 30 September 2017 had been adjusted to reflect the bonus issues of six bonus shares for every five existing ordinary shares which had completed on 27 February 2018.