

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Individual Quarter (4 <sup>th</sup> quarter)		Changes (%)	Cumulative Quarter		Changes (%)
	Current quarter ended	Corresponding quarter ended		Current period-to-date ended	Corresponding period-to-date ended	
	31.12.2018 (RM'000)	31.12.2017 (RM'000)		31.12.2018 (RM'000) (UNAUDITED)	31.12.2017 (RM'000) (AUDITED)	
1 Revenue	265,334	252,307	5.2%	1,068,762	955,669	11.8%
2 Cost of sales	(210,490)	(203,897)	3.2%	(860,161)	(770,468)	11.6%
3 Gross profit	54,844	48,410	13.3%	208,601	185,201	12.6%
4 Other income	5,667	6,067	-6.6%	15,333	19,881	-22.9%
5 Administrative expenses	(7,746)	(8,509)	-13.8%	(30,891)	(28,024)	21.1%
5A Other operating expenses	408	(8,509)		(3,033)		
6 Profit from operations	53,173	45,968	15.7%	190,010	177,058	7.3%
7 Finance cost	(6,819)	(5,079)	34.3%	(7,579)	(8,487)	-10.7%
8 Profit before tax	46,354	40,889	13.4%	182,431	168,571	8.2%
9 Taxation	(12,283)	(11,879)	3.4%	(43,877)	(42,502)	3.2%
10 Profit after tax ("PAT") for the period	34,071	29,010	17.4%	138,554	126,069	9.9%
<b>Attributable to :</b>						
Owners of the Company	34,025	28,579	19.1%	138,415	124,740	11.0%
Non-controlling Interests ("NCI")	46	431	-89.3%	139	1,329	-89.5%
	34,071	29,010	17.4%	138,554	126,069	9.9%
11 Profit per share attributable to owners of the Company:						
(i) Basic earnings per ordinary share ("EPS")(sen)*	2.75	2.55**		11.15	10.62**	
(ii) Diluted earnings per ordinary share (sen)*	2.42	2.55**		9.81	10.62**	

\* 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 year ended 31 December 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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2018 (RM'000)	Corresponding quarter ended 31.12.2017 (RM'000)	Current period-to-date ended 31.12.2018 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 31.12.2017 (RM'000) (AUDITED)
1 PAT for the period	34,071	29,010	138,554	126,069
2 Other Comprehensive Expense:				
- Foreign currency translation differences	51	(508)	(48)	400
3 Total comprehensive income for the period	<u>34,122</u>	<u>28,502</u>	<u>138,506</u>	<u>126,469</u>
<b>Attributable to :</b>				
Owners of the Company	34,076	28,071	138,367	125,140
Non-controlling Interests ("NCI")	46	431	139	1,329
	<u>34,122</u>	<u>28,502</u>	<u>138,506</u>	<u>126,469</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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at 31.12.2018 (RM'000) (UNAUDITED)</b>	<b>As at 31.12.2017 (RM'000) (AUDITED)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	160,618	145,325
Investment Properties	2,593	5,142
Other Investments	8,201	13,069
Intangible Assets	353,155	353,186
Trade Receivables	166,278	135,358
Deferred tax assets	-	-
	<b>690,845</b>	<b>652,080</b>
<b>Current Assets</b>		
Inventories	106,562	71,805
Trade and other receivables	243,193	238,516
Accrued billings in respect of property development	26,396	-
Tax Recoverables	1,633	2,989
Other current assets	12,277	33,848
Fixed Deposits and Quoted Unit Trusts	98,370	134,732
Cash and Bank Balances	154,261	50,684
	<b>642,692</b>	<b>532,574</b>
<b>TOTAL ASSETS</b>	<b>1,333,537</b>	<b>1,184,654</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Company</b>		
Share Capital	642,658	642,658
Other Reserves	(7,380)	724
Retained Profits	341,690	234,367
	<b>976,968</b>	<b>877,749</b>
<b>Non-controlling Interests</b>	<b>2,001</b>	<b>1,862</b>
<b>Total Equity</b>	<b>978,969</b>	<b>879,611</b>

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31  
DECEMBER 2018**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	<b>As at 31.12.2018 (RM'000) (UNAUDITED)</b>	<b>As at 31.12.2017 (RM'000) (AUDITED)</b>
<b>Non-Current Liabilities</b>		
Trade and other payables	59,507	49,018
Deferred tax liabilities	7,417	8,046
	66,924	57,064
<b>Current Liabilities</b>		
Trade and other payables	185,620	145,944
Other current liabilities	30,919	76,980
Progress billings in respect of property development	-	14,915
Borrowings	60,123	-
Provision for Taxation	10,982	10,140
	287,644	247,979
<b>Total Liabilities</b>	354,568	305,043
	<b>1,333,537</b>	<b>1,184,654</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		
Net assets per share attributable to owners of the Company (RM)	0.79	1.55
No. of ordinary shares (in thousand)	1,235,134	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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 <sup>(1)</sup> RM'000	Other Reserves RM'000	RCPS RM'000	Treasury Shares RM'000	Retained Profits RM'000	Non Controlling Interests RM'000	
<b>12 MONTHS PERIOD ENDED 31 DECEMBER 2018</b>								
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	-	-	(48)	-	-	138,415	139	138,506
Dividend declared	-	-	-	-	-	(24,832)	-	(24,832)
Shares repurchased	-	-	-	-	(8,056)	-	-	(8,056)
Balance as at 31 December 2018	642,658	-	676	-	(8,056)	341,690	2,001	978,969
<b>12 MONTHS PERIOD ENDED 31 DECEMBER 2017</b>								
Balance as at 1 January 2017	254,533	330,009	324	36,523	-	140,444	533	762,366
Total Comprehensive Income for the period	-	-	400	-	-	124,740	1,329	126,469
Dividend paid	-	-	-	-	-	(30,817)	-	(30,817)
Issuance of shares pursuant to								
- Warrants exercised	19,005	461	-	-	-	-	-	19,466
- Conversion of RCPS	38,680	-	-	(36,523)	-	-	-	2,157
Effect of implementation of Companies Act, 2016	330,440	(330,440)	-	-	-	-	-	-
Share issuance expenses	-	(30)	-	-	-	-	-	(30)
Balance as at 31 December 2017	642,658	-	724	-	-	234,367	1,862	879,611

**Note**

<sup>(1)</sup> 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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

**CONSOLIDATED CASHFLOW STATEMENT**

	<b>Current period-to-date ended 31.12.2018 (RM'000) (UNAUDITED)</b>	<b>Corresponding period-to-date ended 31.12.2017 (RM'000) (AUDITED)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	182,431	168,571
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	32,841	23,817
Non-cash items	6,824	(765)
Operating Profit Before Working Capital Changes	222,096	191,623
Changes in working capital :		
Net change in operating assets	(90,875)	(41,460)
Net change in operating liabilities	(12,309)	13,847
Net Cash Generated from Operations	118,912	164,010
Interest received	5,371	4,650
Interest paid	(218)	(91)
Income tax refund	-	377
Income tax paid	(43,515)	(38,895)
Net Cash Generated from Operating Activities	80,550	130,051
<b>CASH FLOW USED IN INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipments	(50,135)	(53,288)
Acquisition of investment properties	-	(14,980)
Proceeds from disposal of property, plant and equipments	9,682	7,011
Net Cash Used In Investing Activities	(40,453)	(61,257)
<b>CASH FLOW USED IN FINANCING ACTIVITIES</b>		
Payment of share issuance expenses	-	(30)
Proceeds from exercise of warrants	-	461
Proceeds from issuance of share capital	-	19,005
Purchase from treasury shares	(8,056)	-
Dividend declared during the period	(24,832)	(30,817)
Net Cash Used In Financing Activities	(32,888)	(11,381)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	7,209	57,413
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	5	400
<b>ALLOWANCE OF ECL (MFRS 9)</b>	(122)	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	185,416	127,603
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	192,508	185,416
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:</b>		
Cash and Bank Balances	154,261	50,684
Fixed Deposits and Quoted Unit Trust	98,370	134,732
Less: Short term borrowing	(60,123)	-
	192,508	185,416

**(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)**

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

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**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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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:

	<b>Impact of adoption of MFRS 9 to opening balance at 1 January 2018</b>
	<b>In RM'000</b>
<b><u>Non-current Assets</u></b>	
Decrease in trade receivables	(128)
<b><u>Current Assets</u></b>	
Decrease in trade and other receivables	(6,011)
Decrease in fixed deposits and quoted unit trusts	(88)
Decrease in cash and bank balances	(33)
<b><u>Equity</u></b>	
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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

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**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 6,206,000 units of its issued ordinary shares from the open market at price of RM0.995 to RM1.36 per share. Total consideration paid was RM7.17 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 31 December 2018, 6,834,700 units ordinary shares have been repurchased for RM8.06 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 31 DECEMBER 2018**

**A9. Segmental Information**

**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

	<b>Construction</b>	<b>Manufacturing</b>	<b>Property Development</b>	<b>Investment</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
External Revenue	967,833	1,490	99,439	-	-	-	1,068,762
Inter Group Revenue	219,405	17,115	-	80,000	-	(316,520)	-
	<u>1,187,238</u>	<u>18,605</u>	<u>99,439</u>	<u>80,000</u>	<u>-</u>	<u>(316,520)</u>	<u>1,068,762</u>

**RESULTS**

Segmental Results	115,405	4,045	19,730	77,922	(7)	(78,680)	138,415
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**OTHER INFORMATION**

Segmental Assets	876,381	115,105	107,374	722,328	49	(487,700)	1,333,537
Segmental Liabilities	587,805	110,971	61,693	23,575	4,630	(434,106)	354,568

**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

	<b>Construction</b>	<b>Manufacturing</b>	<b>Property Development</b>	<b>Investment</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
External Revenue	879,692	470	75,507	-	-	-	955,669
Inter Group Revenue	229,137	4,806	-	-	-	(233,943)	-
	<u>1,108,829</u>	<u>5,275</u>	<u>75,507</u>	<u>-</u>	<u>-</u>	<u>(233,943)</u>	<u>955,669</u>

**RESULTS**

Segmental Results	116,413	1,922	14,989	51,206	318	(60,107)	124,740
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**OTHER INFORMATION**

Segmental Assets	711,164	107,058	83,161	674,788	44	(391,560)	1,184,654
Segmental Liabilities	453,573	106,914	55,563	20,967	4,588	(336,561)	305,043

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

**NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018**

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**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 31 December 2018 as compared to corresponding preceding period ended 31 December 2017**

**(i) Construction**

The construction segment has achieved a total revenue of RM1,187.24 million in the current financial period representing an increase of approximately 7% as compared to its corresponding preceding financial period of RM1,108.83 million. Segmental profit was recorded at RM115.41 million on current financial period compare to corresponding preceding financial period of RM116.41 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 RM18.61 million in current financial year compared to its corresponding preceding financial year of RM5.28 million. The segmental profit has increased from RM1.92 million to RM4.05 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 RM99.44 million and a profit of RM19.73 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**

	<b>Individual Quarter 31.12.2018 (RM'000)</b>	<b>Cumulative Quarter 31.12.2018 (RM'000)</b>
Net fair value loss	2,182	2,706
Interest income	(1,412)	(5,371)
Amortisation and depreciation of property, plant and equipment	8,609	32,841
Interest expenses	52	218
Gain on disposal of property, plant and equipment	(733)	(754)
Written off property, plant and equipment	-	54
Allowance for Expected Credit losses	5,024	5,024

**A11. Subsequent Events**

There were no subsequent events as at 21 February 2019, 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

	<b>Cumulative Quarter 31.12.2018 (RM'000)</b>
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	154,714
	<u>371,803</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 RM265.33 million as compared to its corresponding preceding financial quarter of RM252.31 million. The Profit After Tax ("PAT") in the current quarter of RM34.17 million, representing an increase of RM5.16 million from its corresponding preceding year quarter of RM29.01 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 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**

	<b>Current Quarter ended 31.12.2018 (RM'000)</b>	<b>Immediate Preceding Quarter ended 30.09.2018 (RM'000)</b>	<b>Changes (%)</b>
Revenue	265,334	269,892	-1.7%
Operating Profit	53,173	46,996	13.1%
Profit Before Tax	46,354	47,296	-2.0%
Profit After Tax	34,071	36,929	-7.7%
Profit Attributable to Owners of the Company	34,025	36,876	-7.7%

For the current quarter, the Group recorded a revenue and PBT of RM265.33 million and RM46.35 million respectively as compared to RM269.89 million and RM47.30 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 31 December 2018, the Group has secured a building contract worth RM357.3 million and accepted the letters of award amounting to RM632.43 million for completion of marine bridge and projects at Mont Kiara, Jalan Cheras and Mukim Sungai Buloh. The Group's outstanding order book stands at RM3.02 billion as at financial year ended 31 December 2018. Subsequent to financial year ended 31 December 2018, the Company has also accepted two (2) letter of awards amounting to RM 435 million.

On the Group's maiden project, Vista Residences has also recorded an encouraging take-up rate with its current unbilled sales of approximately RM56.7 million.

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

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 2018, 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**

	<b>Individual Quarter 31.12.2018 (RM'000)</b>	<b>Cumulative Quarter 31.12.2018 (RM'000)</b>
Malaysia income tax		
- current year	12,201	43,829
- under provided in prior year	(35)	668
	<u>12,166</u>	<u>44,497</u>
Deferred tax		
- current year	117	(620)
	<u>12,283</u>	<u>43,877</u>

Effective tax rates for the current quarter and period-to-date ended 31 December 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 31 December 2018 were as follows:

	<b>Cumulative Quarter 31.12.2018 (RM'000)</b>
<b><u>Short term borrowings - Unsecured</u></b>	
(i) Cashline facilities (denominated in RM)	<u>60,123</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 completed on 10 January 2019.

**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:

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

\* 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 RM2.71 million.

**B11. Earnings Per Share**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
<b>Earnings</b>				
Profit attributable to owners of the Company (RM'000)	34,025	28,579	138,415	124,740
<b>a) Basic</b>				
Weighted average number of ordinary shares ('000)	1,237,777	1,121,221	1,240,889	1,174,426 *
<b>Basic Profit per share attributable to equity holders of the Company (Sen)</b>	<u>2.75</u>	<u>2.55</u>	<u>11.15</u>	<u>10.62</u>

**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

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
<b>Earnings</b>				
Profit attributable to owners of the Company (RM'000)	34,025	28,579	138,415	124,740
Weighted average number of ordinary shares ('000)	1,237,777	1,121,221	1,240,889	1,174,426 *
Effect of dilution of warrants ('000)	169,359	-	169,359	- *
Effect of dilution of RCPS ('000)	-	-	-	- *
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,407,136</u>	<u>1,121,221</u>	<u>1,410,248</u>	<u>1,174,426</u>
<b>Diluted Profit per share attributable to equity holders of the Company (Sen)</b>	<u>2.42</u>	<u>2.55</u>	<u>9.81</u>	<u>10.62</u>

\* 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.