

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter (3rd quarter)		Changes %	Cumulative Quarter		Changes %
	Current quarter ended 30.09.2019 RM'000	Corresponding quarter ended 30.09.2018 RM'000		Current period-to-date ended 30.09.2019 RM'000 (UNAUDITED)	Corresponding period-to-date ended 30.09.2018 RM'000 (UNAUDITED)	
1 Revenue	263,331	269,892	-2.4%	786,867	803,428	-2.1%
2 Cost of sales	(205,389)	(215,246)	-4.6%	(627,431)	(649,671)	-3.4%
3 Gross profit	57,942	54,646	6.0%	159,436	153,757	3.7%
4 Other income	(882)	1,857	-147.5%	10,658	9,666	10.3%
5 Administrative expenses	(8,728)	(8,560)	2.0%	(24,328)	(23,145)	5.1%
5A Other operating expenses	443	(947)	-146.8%	(3,505)	(3,441)	1.9%
6 Profit from operations	48,775	46,996	3.8%	142,261	136,837	4.0%
7 Finance cost	(2,813)	300	-1037.7%	(3,088)	(760)	306.3%
8 Profit before tax	45,962	47,296	-2.8%	139,173	136,077	2.3%
9 Taxation	(12,926)	(10,367)	24.7%	(35,182)	(31,594)	11.4%
10 Profit after tax ("PAT") for the period	33,036	36,929	-10.5%	103,991	104,483	-0.5%
Attributable to :						
Owners of the Company	33,010	36,876	-10.5%	103,913	104,390	-0.5%
Non-controlling Interests ("NCI")	26	53	-50.9%	78	93	-16.1%
	33,036	36,929	-10.5%	103,991	104,483	-0.5%
11 Profit per share attributable to owners of the Company:						
(i) Basic earnings per ordinary share ("EPS")(sen)*	2.68	2.97		8.42	8.41	
(ii) Diluted earnings per ordinary share (sen)*	2.36	2.61		7.41	7.40	

* 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.

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2019 RM'000	Corresponding quarter ended 30.09.2018 RM'000	Current period-to-date ended 30.09.2019 RM'000 (UNAUDITED)	Corresponding period-to-date ended 30.09.2018 RM'000 (UNAUDITED)
1 PAT for the period	33,036	36,929	103,991	104,483
2 Other Comprehensive Expense:				
- Foreign currency translation differences	(83)	198	(15)	(99)
3 Total comprehensive income for the period	<u>32,953</u>	<u>37,127</u>	<u>103,976</u>	<u>104,384</u>
Attributable to :				
Owners of the Company	32,927	37,074	103,898	104,291
Non-controlling Interests ("NCI")	26	53	78	93
	<u>32,953</u>	<u>37,127</u>	<u>103,976</u>	<u>104,384</u>

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2019 RM'000 (UNAUDITED)	As at 31.12.2018 RM'000 (AUDITED)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	155,981	160,618
Investment Properties	2,119	2,593
Other Investments	12,244	8,201
Intangible Assets	353,217	353,155
Trade Receivables	182,583	166,278
	706,144	690,845
Current Assets		
Inventories	107,816	104,366
Trade and other receivables	335,695	241,792
Contract assets - Amount due from customers for contract works	9,462	12,762
Contract assets - Accrued billings in respect of property development	-	26,396
Tax Recoverables	1,129	1,716
Fixed Deposits and investment funds	177,541	97,062
Cash and Bank Balances	112,658	155,573
	744,301	639,667
TOTAL ASSETS	1,450,445	1,330,512
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	642,658	642,658
Treasury Shares	(10,893)	(8,056)
Other Reserves	661	676
Retained Profits	420,728	341,475
	1,053,154	976,753
Non-controlling Interests	2,089	2,002
Total Equity	1,055,243	978,755



**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	As at 30.09.2019 RM'000 (UNAUDITED)	As at 31.12.2018 RM'000 (AUDITED)
Non-Current Liabilities		
Trade and other payables	67,998	59,507
Deferred tax liabilities	6,892	7,010
Lease liabilities	1,911	-
	76,801	66,517
Current Liabilities		
Trade and other payables	166,165	183,159
Contract Liabilities - Amount due to customers for contract works	33,802	33,197
Contract Liabilities - Progress billings in respect of property development	4,048	-
Borrowings	99,440	60,123
Provision for Taxation	14,503	8,761
Lease liabilities	443	-
	318,401	285,240
Total Liabilities	395,202	351,757
	TOTAL EQUITY AND LIABILITIES	
	1,450,445	1,330,512
Net assets per share attributable to owners of the Company (RM)	0.85	0.79
No. of ordinary shares (in thousand)	1,232,878	1,235,619

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company					Total Equity RM'000
	<----- Non-Distributable ----->					
	Share Capital RM'000	Other Reserves RM'000	Treasury Shares RM'000	Retained Profits RM'000	Non Controlling Interests RM'000	
9 MONTHS PERIOD ENDED 30 SEPTEMBER 2019						
Balance as at 1 January 2019	642,658	676	(8,056)	341,475	2,002	978,755
Total Comprehensive Income for the period	-	(15)	-	103,913	78	103,976
Dividend declared	-	-	-	(24,660)	-	(24,660)
Acquisition of equity interest in a subsidiary	-	-	-	-	9	9
Shares repurchased	-	-	(2,837)	-	-	(2,837)
Balance as at 30 September 2019	642,658	661	(10,893)	420,728	2,089	1,055,243
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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current period-to-date ended 30.09.2019 RM'000 (UNAUDITED)	Corresponding period-to-date ended 30.09.2018 RM'000 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	139,173	136,077
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	33,353	24,232
Non-cash items	2,117	2,788
Operating Profit Before Working Capital Changes	174,643	163,097
Changes in working capital :		
Net change in operating assets	(72,404)	(42,959)
Net change in operating liabilities	(13,557)	(28,540)
Net Cash Generated from Operations	88,682	91,598
Interest received	3,981	3,959
Interest paid	(447)	(166)
Income tax refund	(1,610)	-
Income tax paid	(32,407)	(36,672)
Net Cash Generated from Operating Activities	58,199	58,719
CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipments	(27,604)	(43,599)
Acquisition of quoted shares	(8,742)	-
Acquisition of subsidiaries, net of cash acquired (Note 1)	(1,344)	-
Proceeds from disposal of property, plant and equipments	5,396	5,617
Proceeds from disposal of quoted shares	897	-
Net Cash Used In Investing Activities	(31,397)	(37,982)
CASH FLOW USED IN FINANCING ACTIVITIES		
Lease payment	(1,045)	-
Purchase of treasury shares	(2,837)	(888)
Dividend declared during the period	(24,660)	(24,832)
Net Cash Used In Financing Activities	(28,542)	(25,720)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,740)	(4,983)
EFFECT OF EXCHANGE RATE CHANGES	(13)	(45)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	192,512	185,416
CASH AND CASH EQUIVALENTS AT END OF PERIOD	190,759	180,388
CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:		
Cash and Bank Balances	112,658	154,224
Fixed Deposits and investment funds	177,541	110,519
Less: Short term borrowing	(99,440)	(84,355)
	190,759	180,388

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

NOTES TO THE INTERIM FINANCIAL REPORT

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 report of the Group is unaudited and has 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 report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018.

A2.2 Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2018, except for the adoption of the following new standards, amendments to the standards and interpretations during the current financial period:

MFRS 9	Prepayment Features with Negative Compensation (Amendment to MFRS 9)
MFRS 16	Leases
MFRS 128	Long-term Interests in Associates and Joint Ventures (Amendment to MFRS 12)
MFRS 119	Plan Amendment, Curtailment or Settlement (Amendment to MFRS 119)
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015-2017 Cycle	

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group.

i. MFRS 16 Leases

MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.



**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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

A2. Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

A2.2 Significant Accounting Policies (Cont'd)

MFRS 16 eliminates the clarification of lease by lease as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a "right-of-use" of the underlying asset and a lease liability reflecting future lease payments for most leases.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group applied the simplified retrospective approach. Under this approach, the Group is not required to restate the comparatives and the MFRS 16 adjustments will be reflected in the opening retained earnings as at 1 January 2019, being the date of initial application ("DIA"). At DIA, the Group recognised and measured the lease liability at the present value of the remaining lease payments, discount at the Group's incremental borrowing rate at DIA. The Group recognised and measured the right-to-use asset, on a lease-by-lease basis, at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised immediately before DIA.

As permitted by the exemptions under the standard, the Group has not applied the principles of MFRS 16 to short term leases (a lease with term of 12 months or less from date of commencement) and lease for which the underlying asset is of low value.

The change in accounting policy affected the following items in the statement of financial position on DIA:

- Property, Plant and Equipment (Right-of-use assets) -increased by RM2.64 million,
- Lease liability - increase by RM2.64 million and
- no effect on opening retained earnings.

A3. Audit Report

The audited financial statements for the preceding financial year ended 31 December 2018 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 cash flows of the Group.



**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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

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 current quarter, there were no shares repurchase transactions. As at 30 September 2019, 9,090,600 units ordinary shares have been repurchased for RM10.89 million including transaction costs. The shares repurchased are being held as treasury shares in accordance with the requirement of section 127 of the Companies Act, 2016.

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 29 April 2019, the Board of Directors, pursuant to the Company's Constitution, recommended a single-tier final dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2018 for approval of the shareholders at the Annual General Meeting on 30 May 2019, which thereon approval granted. The total amount of RM24.66 million was paid on 03 July 2019.

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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

A9. Segmental Information

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019

	Construction	Manufacturing	Property Development	Investment	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External Revenue	746,168	131	40,568	-	-	-	786,867
Inter Group Revenue	78,388	9,260	-	-	-	(87,648)	-
	824,556	9,391	40,568	-	-	(87,648)	786,867

RESULTS

Segmental Results	90,135	2,999	7,074	1,209	(13)	2,509	103,913
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OTHER INFORMATION

Segmental Assets	961,015	103,470	104,647	709,352	45	(428,084)	1,450,445
Segmental Liabilities	580,153	96,276	51,914	36,912	4,653	(374,706)	395,202

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018

	Construction	Manufacturing	Property Development	Investment	Others	Elimination	Total
	RM'000	RM'000	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

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

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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

A9. Segmental Information (Cont'd)

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 2019 as compared to corresponding preceding period ended 30 September 2018

(i) Construction

The construction segment has achieved a total revenue of RM824.56 million in the current financial period representing a decrease of approximately 8.5% as compared to its corresponding preceding financial period of RM901.13 million. Segmental profit was recorded at RM90.14 million on current financial period compare to corresponding preceding financial period of RM86.10 million. The decrease in revenue was mainly due to progress construction work on-site. 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 decreased to RM9.39 million in current financial period compared to its corresponding preceding financial period of RM10.92 million. The segmental profit has increased from RM2.52 million to RM3.00 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 RM40.57 million and a profit of RM7.07 million for the current financial year on the project with encouraging take up rate and higher development progress being registered for the project.

(iv) Investment

The Investment division shows a segmental profit of RM1.21 million in the current financial period mainly due to interest income received. However, it shows a decrease of RM80.90 million compare to corresponding preceding financial period mainly due to no dividend income was declared from its subsidiaries.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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

A10. Profit Before Taxation

The following items have been included in arriving at profit before taxation:

	Individual Quarter 30.09.2019 RM'000	Cumulative Quarter 30.09.2019 RM'000
Net fair value loss	8,421	2,948
Interest income	(1,190)	(3,981)
Amortisation and depreciation of property, plant and equipment	14,576	33,353
Interest expenses	281	447
Gain on disposal of property, plant and equipment	(120)	(112)
Allowance for ECL (MFRS 9)	(482)	2,630

A11. Subsequent Events

There were no subsequent events during the period from the end of the quarter under review to 18 November 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, the Group has announced that its wholly owned subsidiary, Bazarbayu Sdn Bhd ("Bazarbayu"), has entered into a Share Sale Agreement ("SSA") to acquire 90,000 ordinary shares in Yakin Land Sdn Bhd ("YLSB") representing 90% equity interest in YLSB. On 10 January 2019, the Group has announced that the completion of the SSA with the payment of the remaining balances of purchase consideration and vendor's advances by Bazarbayu to the vendor. Consequential thereof, YLSB has become a 90%-owned subsidiary of the Group.

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Contingent Liabilities	Cumulative Quarter 30.09.2019 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	201,151
	<u>418,240</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.



**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

For the current financial quarter under review, the Group posted a revenue of RM263.33 million as compared to its corresponding preceding year financial quarter of RM269.89 million. The Profit After Tax ("PAT") in the current quarter of RM33.04 million, representing an decrease of RM3.89 million from its corresponding preceding year financial quarter of RM36.93 million.

Overall, the increase in profit from operations 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. Manufacturing segment performance has improved slightly as compared to the corresponding preceding year financial quarter. This division primarily complements the Group's construction business. The Group's property development project in Genting Permai is completed in year 2019, therefore the property development segment contributed lower earnings to the Group as compared to the financial period ended 30 September 2018.

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

	Current Quarter ended 30.09.2019 RM'000	Immediate Preceding Quarter ended 30.06.2019 RM'000	Changes %
Revenue	263,331	259,358	1.5%
Operating Profit	48,775	47,431	2.8%
Profit Before Tax	45,962	47,266	-2.8%
Profit After Tax	33,036	35,767	-7.6%
Profit Attributable to Owners of the Company	33,010	35,781	-7.7%

For the current quarter, the Group recorded a revenue and profit before tax of RM263.33 million and RM45.96 million respectively as compared to RM259.36 million and RM47.27 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 achieved 98.22% (excluding retail units) sales as at quarter ended 30 September 2019.

The profit before tax for the quarter ended 30 September 2019 was lower as compared to preceding quarter due to higher finance cost which mainly contributed by recognition of fair value loss.

**UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2019**

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B3. Current Year Prospects

For the current financial quarter under review, the Group's revenue and profit after tax have decreased slightly. The Group's outstanding order book stands at RM3.15 billion as at financial period ended 30 September 2019. During the current financial period ended 30 September 2019, the Group has secured building contracts worth RM1.20 billion. Subsequent to financial period ended 30 September 2019, the Group has also accepted a letter of award amounting to RM22.60 million. Total building contracts secured in year 2019 was RM1.22 billion.

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 highlighted in the Economic Outlook 2020, the economy is expected to grow at a slightly faster pace of 4.8% in 2020 from 4.7% in 2019 despite the external headwinds. Construction is targeted to grow 3.7% from 1.7% in 2019 from the implementation of mega projects and affordable housing whereas manufacturing sector is expected to register a 0.1% increase to 4.15%. Nevertheless, the Group is continually optimistic on its overall business 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 30.09.2019 RM'000	Cumulative Quarter 30.09.2019 RM'000
Malaysia income tax		
- current year	12,898	34,331
- under provided in prior year	948	958
	<u>13,846</u>	<u>35,289</u>
Real property gain tax	11	11
Deferred tax		
- current year	(931)	(118)
	<u>12,926</u>	<u>35,182</u>

Effective tax rates for the financial period ended 30 September 2019 was approximated to statutory tax rate of 24% mainly due to inclusion of certain non-taxable items in the Statement of Profit or Loss.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B6 Group Borrowings and Debt Securities

Details of the group borrowings as at 30 September 2019 were as follows:

	Cumulative Quarter 30.09.2019 RM'000
<u>Short term borrowings - Unsecured</u>	
(i) Cashline facilities (denominated in RM)	<u>99,440</u>

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

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 2019 and financial year ended 31 December 2018 are summarised as follow:

	Net Per Share FY2019 sen	Net Per Share FY2018 sen
<u>Interim Dividend</u>		
Single-tier dividend	1.5 *	1.5 **
<u>Final Dividend</u>		
Single-tier dividend	****	2.0***

* The Board of Directors has approved an interim dividend of 1.5 sen per ordinary share on 25 November 2019 in respect of the financial year ending 31 December 2019.

The proposed entitlement date and payment date are on 12 December 2019 and 06 January 2020 respectively.

** 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 ended 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.

*** On 14 April 2019, the Board of Directors proposed the single-tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2018 and has been tabled for approval at the AGM on 30 May 2019.

The total amount of RM24.66 million has been paid on 03 July 2019.

The Company has declared a total dividend RM43.28 million which is approximately 31.3% of the profit after taxation ("PAT") for the financial year ended 31 December 2018 which is 6.3% above the Company's dividend policy of 25% of PAT.

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

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

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 RM8.42 million.

B11. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Earnings				
Profit attributable to owners of the Company (RM'000)	33,010	36,876	103,913	104,390
a) Basic				
Weighted average number of ordinary shares ('000)	1,231,164	1,241,878	1,233,796	1,241,938
Basic earnings per share attributable to equity holders of the Company (Sen)	2.68	2.97	8.42	8.41

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	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Earnings				
Profit attributable to owners of the Company (RM'000)	33,010	36,876	103,913	104,390
Weighted average number of ordinary shares ('000)	1,231,164	1,241,878	1,233,796	1,241,938
Effect of dilution of warrants ('000)	169,359	169,359	169,359	169,359
Effect of dilution of RCPS ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,400,523	1,411,237	1,403,155	1,411,297
Diluted earnings per share attributable to equity holders of the Company (Sen)	2.36	2.61	7.41	7.40

B12. Authorised for Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 November 2019.