

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter (4th quarter)		Changes %	Cumulative Quarter		Changes %
	Current quarter ended	Corresponding quarter ended		Current period-to-date ended	Corresponding period-to-date ended	
	31.12.2019 RM'000	31.12.2018 RM'000		31.12.2019 RM'000 (UNAUDITED)	31.12.2018 RM'000 (AUDITED)	
1 Revenue	268,409	265,334	1.2%	1,055,276	1,068,762	-1.3%
2 Cost of sales	(210,836)	(212,682)	-0.9%	(838,267)	(862,353)	-2.8%
3 Gross profit	57,573	52,652	9.3%	217,009	206,409	5.1%
4 Other income	3,011	8,707	-65.4%	13,669	18,373	-25.6%
5 Administrative expenses	(9,856)	(8,622)	14.3%	(34,184)	(31,767)	7.6%
5A Other operating expenses	1,691	(2,161)	-178.3%	(1,814)	(5,602)	-67.6%
6 Profit from operations	52,419	50,576	3.6%	194,680	187,413	3.9%
7 Finance cost	(5,743)	(6,983)	-17.8%	(8,831)	(7,743)	14.1%
8 Profit before tax	46,676	43,593	7.1%	185,849	179,670	3.4%
9 Taxation	(10,459)	(9,737)	7.4%	(45,641)	(41,331)	10.4%
10 Profit after tax ("PAT") for the period	36,217	33,856	7.0%	140,208	138,339	1.4%
Attributable to :						
Owners of the Company	36,225	33,809	7.1%	140,138	138,199	1.4%
Non-controlling Interests ("NCI")	(8)	47	-117.0%	70	140	-50.0%
	36,217	33,856	7.0%	140,208	138,339	1.4%
11 Profit per share attributable to owners of the Company:						
(i) Basic earnings per ordinary share ("EPS")(sen)*	2.94	2.73		11.36	11.14	
(ii) Diluted earnings per ordinary share (sen)*	2.59	2.46		9.98	10.01	

* 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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 31.12.2019 RM'000	Corresponding quarter ended 31.12.2018 RM'000	Current period-to-date ended 31.12.2019 RM'000 (UNAUDITED)	Corresponding period-to-date ended 31.12.2018 RM'000 (AUDITED)
1 PAT for the period	36,217	33,856	140,208	138,339
2 Other Comprehensive Expense:				
- Foreign currency translation differences	25	51	10	(48)
3 Total comprehensive income for the period	<u>36,242</u>	<u>33,907</u>	<u>140,218</u>	<u>138,291</u>
Attributable to :				
Owners of the Company	36,250	33,860	140,148	138,151
Non-controlling Interests ("NCI")	(8)	47	70	140
	<u>36,242</u>	<u>33,907</u>	<u>140,218</u>	<u>138,291</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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.12.2019 RM'000 (UNAUDITED)	As at 31.12.2018 RM'000 (AUDITED)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	140,052	160,618
Right-Of-Use Assets	2,046	-
Investment Properties	1,713	2,593
Other Investments	11,563	8,201
Intangible Assets	353,209	353,155
Trade Receivables	187,326	166,278
	695,909	690,845
Current Assets		
Inventories	119,193	104,366
Trade and other receivables	309,639	241,792
Contract assets - Amount due from customers for contract works	11,642	12,762
Contract assets - Accrued billings in respect of property development	-	26,396
Tax Recoverables	792	1,716
Fixed Deposits and investment funds	201,400	97,062
Cash and Bank Balances	31,549	155,573
	674,215	639,667
TOTAL ASSETS	1,370,124	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	686	676
Retained Profits	438,460	341,475
	1,070,911	976,753
Non-controlling Interests	2,081	2,002
Total Equity	1,072,992	978,755



**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	As at 31.12.2019 RM'000 (UNAUDITED)	As at 31.12.2018 RM'000 (AUDITED)
Non-Current Liabilities		
Trade and other payables	71,476	59,507
Deferred tax liabilities	7,429	7,010
Lease liabilities	1,998	-
	80,903	66,517
Current Liabilities		
Trade and other payables	151,270	183,159
Contract Liabilities - Amount due to customers for contract works	30,475	33,197
Contract Liabilities - Progress billings in respect of property development	-	-
Borrowings	22,863	60,123
Provision for Taxation	11,518	8,761
Lease liabilities	103	-
	216,229	285,240
Total Liabilities	297,132	351,757
TOTAL EQUITY AND LIABILITIES	1,370,124	1,330,512
Net assets per share attributable to owners of the Company (RM)	0.87	0.79
No. of ordinary shares (in thousand)	1,232,878	1,235,134

(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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	
12 MONTHS PERIOD ENDED 31 DECEMBER 2019						
Balance as at 1 January 2019	642,658	676	(8,056)	341,475	2,002	978,755
Total Comprehensive Income for the period	-	10	-	140,138	70	140,218
Dividend declared	-	-	-	(43,153)	-	(43,153)
Acquisition of equity interest in a subsidiary	-	-	-	-	9	9
Shares repurchased	-	-	(2,837)	-	-	(2,837)
Balance as at 31 December 2019	642,658	686	(10,893)	438,460	2,081	1,072,992
12 MONTHS PERIOD ENDED 31 DECEMBER 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	-	(48)	-	138,199	140	138,291
Dividend declared	-	-	-	(24,831)	-	(24,831)
Shares repurchased	-	-	(8,056)	-	-	(8,056)
Balance as at 31 December 2018	642,658	676	(8,056)	341,475	2,002	978,755

(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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current period-to-date ended 31.12.2019 RM'000 (UNAUDITED)	Corresponding period-to-date ended 31.12.2018 RM'000 (AUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	185,849	179,670
Adjustment for :		
Amortisation and depreciation	37,697	32,841
Non-cash items	5,466	6,431
Operating Profit Before Working Capital Changes	229,012	218,942
Changes in working capital :		
Net change in operating assets	(51,114)	(102,440)
Net change in operating liabilities	(52,041)	2,727
Net Cash Generated from Operations	125,857	119,229
Interest received	6,002	5,398
Interest paid	(697)	(218)
Income tax refund	1,610	-
Income tax paid	(44,399)	(43,984)
Net Cash Generated from Operating Activities	88,373	80,425
CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipments	(35,705)	(50,135)
Acquisition of quoted shares	(11,642)	-
Acquisition of subsidiaries, net of cash acquired	(1,344)	-
Proceeds from disposal of property, plant and equipments	5,876	9,694
Proceeds from disposal of quoted shares	897	-
Net Cash Used In Investing Activities	(41,918)	(40,441)
CASH FLOW USED IN FINANCING ACTIVITIES		
Lease payment	(1,368)	-
Purchase of treasury shares	(2,837)	(8,056)
Dividend declared during the period	(24,660)	(24,832)
Net Cash Used In Financing Activities	(28,865)	(32,888)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,590	7,096
EFFECT OF EXCHANGE RATE CHANGES	(16)	(0)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	192,512	185,416
CASH AND CASH EQUIVALENTS AT END OF PERIOD	210,086	192,512
CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:		
Cash and Bank Balances	31,573	155,695
Fixed Deposits and investment funds	201,400	97,062
Less: Allowance for ECL	(24)	(122)
Less: Short term borrowing	(22,863)	(60,123)
	210,086	192,512

(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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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)
MFRS 112	Income Taxes (Annual Improvements to MFRS Standards 2015-2017 (Cycle))
MFRS 123	Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 (Cycle))
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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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 31 December 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. Dividend 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.

Subsequently, 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 ended 31 December 2019. The total amount of RM18.49 million was paid on 06 January 2020.



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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 31 DECEMBER 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	1,006,300	354	48,622	-	-	-	1,055,276
Inter Group Revenue	92,461	11,149	-	-	-	(103,610)	-
	1,098,761	11,503	48,622	-	-	(103,610)	1,055,276

RESULTS

Segmental Results	122,038	3,930	8,602	(703)	(31)	6,302	140,138
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OTHER INFORMATION

Segmental Assets	854,773	90,013	101,774	713,940	46	(390,422)	1,370,124
Segmental Liabilities	442,014	81,888	47,516	61,918	4,616	(340,820)	297,132

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	967,833	1,490	99,439	-	-	-	1,068,762
Inter Group Revenue	219,405	15,250	-	80,000	-	(314,655)	-
	1,187,237	16,740	99,439	80,000	-	(314,655)	1,068,762

RESULTS

Segmental Results	117,450	4,107	19,639	77,898	(7)	(80,888)	138,199
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OTHER INFORMATION

Segmental Assets	875,255	115,377	107,403	722,333	47	(489,903)	1,330,512
Segmental Liabilities	584,632	111,181	61,812	23,604	4,629	(434,101)	351,757

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



**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019**

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 five (5) 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 2019 as compared to corresponding preceding period ended 31 December 2018

(i) Construction

The construction segment has achieved revenue of RM1.01 billion from third parties in the current financial period representing a increase of approximately 4.0% as compared to its corresponding preceding financial period of RM0.97 billion. Segmental profit was recorded at RM122.04 million on current financial period compared to corresponding preceding financial period of RM117.45 million. The increase in revenue was mainly due to progress of construction works on-site. The construction segment is expected to continue to deliver positive results and improve the Group's overall turnover and profitability.

(ii) Manufacturing

The revenue on manufacturing segment has decreased to RM11.50 million in current financial period compared to its corresponding preceding financial period of RM16.74 million. The segmental profit has decreased from RM4.11 million to RM3.93 million. Revenue was recognised from the progress work of projects secured.

(iii) Property Development

The property development division continues to recognise its revenue of RM48.62 million and a profit of RM8.60 million for the current financial year. The project completed in year 2019 and achieved 98.61% sales for its apartments.

(iv) Investment

The Investment division shows a segmental loss of RM0.70 million in the current financial period and a decrease of RM78.60 million compare to corresponding preceding financial period mainly due to no dividend income was declared from its subsidiaries.



**UNAUDITED 4TH 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)

A10. Profit Before Taxation

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

	Individual Quarter 31.12.2019 RM'000	Cumulative Quarter 31.12.2019 RM'000
Net fair value loss	5,059	8,007
Interest income	(2,021)	(6,002)
Amortisation and depreciation of property, plant and equipment	4,344	37,697
Interest expenses	250	697
Gain on disposal of property, plant and equipment	(81)	(193)
Allowance for ECL (MFRS 9)	85	2,715

A11. Subsequent Events

Kerjaya Prospek (M) Sdn Bhd, a wholly-owned subsidiary of the Company had on 2 January 2020 entered into a Sale and Purchase Agreement with Kerjaya Property Sdn Bhd (formerly known as Kerjaya Prospek Property Sdn Bhd), a company owned by Datuk Tee Eng Ho and Mr. Tee Eng Seng, the major shareholders and Directors of the Company, for the acquisition of two (2) pieces of freehold agriculture lands for a total purchase consideration of RM10.01 million.

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 31.12.2019 RM'000
Corporate guarantee given to banks for facilities granted to subsidiaries	232,089
Corporate guarantee given to third parties for the benefit of the Group's subsidiaries	147,464
	<u>379,553</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 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 RM268.41 million as compared to its corresponding preceding year financial quarter of RM265.33 million. The Profit After Tax ("PAT") in the current quarter of RM36.22 million, representing an increase of RM2.36 million from its corresponding preceding year financial quarter of RM33.86 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 decreased 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 31 December 2018.

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

	Current Quarter ended 31.12.2019 RM'000	Immediate Preceding Quarter ended 30.09.2019 RM'000	Changes %
Revenue	268,409	263,331	1.9%
Operating Profit	52,419	48,775	7.5%
Profit Before Tax	46,676	45,962	1.6%
Profit After Tax	36,217	33,036	9.6%
Profit Attributable to Owners of the Company	36,225	33,010	9.7%

For the current quarter, the Group recorded a revenue and profit before tax of RM268.41 million and RM46.68 million respectively as compared to RM263.33 million and RM45.96 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 98.61% (excluding retail units) sales as at quarter ended 31 December 2019.

The profit before tax for the quarter ended 31 December 2019 was higher as compared to preceding quarter due to higher other income which partly offset by higher finance cost.



**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
 FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 year, the Group's revenue has decreased slightly but profit after tax has increased slightly. The Group's outstanding order book stands at RM2.92 billion as at financial period ended 31 December 2019. During the current financial year ended 31 December 2019, the Group has secured building construction contracts worth RM1.22 billion. Subsequent to financial year ended 31 December 2019, the Group has also accepted letters of award amounting to RM990.40 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 be vigilant and prudent 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 strategy.

B4. Profit Forecast

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

B5. Taxation

	Individual Quarter 31.12.2019 RM'000	Cumulative Quarter 31.12.2019 RM'000
Malaysia income tax		
- current year	11,055	45,386
- over provided in prior year	(1,159)	(201)
	9,896	45,185
Real property gain tax	36	47
Deferred tax		
- current year	527	409
	10,459	45,641

Effective tax rates for the financial period ended 31 December 2019 was approximated to statutory tax rate of 24%. The deviation is mainly due to inclusion of certain non-taxable items and/or non-deductible expenses in the Statement of Profit or Loss.

B6 Group Borrowings and Debt Securities

Details of the group borrowings as at 31 December 2019 were as follows:

	Cumulative Quarter 31.12.2019 RM'000
<u>Short term borrowings - Unsecured</u>	
(i) Cashline facilities (denominated in RM)	22,863



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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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

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

	Net Per Share	Net Per Share
	FY2019	FY2018
	sen	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 ended 31 December 2019.

The total amount of RM18.49 million has been paid on 06 January 2020.

** 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.

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 quarter and year amounted to approximately RM5.06 million and RM8.01 million respectively.

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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

B11. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Earnings				
Profit attributable to owners of the Company (RM'000)	36,225	33,809	140,138	138,199
a) Basic				
Weighted average number of ordinary shares ('000)	1,231,164	1,237,777	1,234,133	1,240,889
Basic earnings per share attributable to equity holders of the Company (Sen)	<u>2.94</u>	<u>2.73</u>	<u>11.36</u>	<u>11.14</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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Earnings				
Profit attributable to owners of the Company (RM'000)	36,225	33,809	140,138	138,199
Weighted average number of ordinary shares ('000)	1,231,164	1,237,777	1,234,133	1,240,889
Effect of dilution of warrants ('000)	169,359	139,199	169,359	139,199
Effect of dilution of RCPS ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,400,523</u>	<u>1,376,976</u>	<u>1,403,492</u>	<u>1,380,089</u>
Diluted earnings per share attributable to equity holders of the Company (Sen)	<u>2.59</u>	<u>2.46</u>	<u>9.98</u>	<u>10.01</u>

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 26 February 2020.