

INTERIM FINANCIAL REPORT

SECOND QUARTER
ENDED 31st DECEMBER 2018



INTERIM FINANCIAL REPORT

SECOND QUARTER | ENDED 31ST DECEMBER 2018



TITIJAYA LAND BERHAD

(Company No. 1009114-M)

(Incorporated in Malaysia under the Companies Act, 2016)

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REPORT

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND THREE MONTHS ENDED 31 DECEMBER 2018 (UNAUDITED)
(1)

	01.10.2018 TO 31.12.2018 RM'000	01.10.2017 TO 31.12.2017 Restated RM'000	01.07.2018 TO 31.12.2018 RM'000	01.07.2017 TO 31.12.2017 Restated RM'000
Revenue	83,094	145,862	150,187	248,852
Costs of sales	(57,567)	(94,990)	(102,304)	(174,830)
Gross Profit	25,527	50,872	47,883	74,022
Other Income	2,029	1,202	6,471	3,268
Selling and distribution expenses	(753)	(1,621)	(2,390)	(3,138)
Administrative expenses	(6,687)	(10,672)	(11,252)	(13,829)
Other expenses	(2,069)	(842)	(4,622)	(2,742)
Operating Profit	18,047	38,939	36,090	57,581
Finance costs	(1,787)	(1,521)	(2,786)	(2,581)
Share of results of associates, net of tax	(1)	(11)	(1)	(11)
Profit before taxation	16,259	37,407	33,303	54,989
Income tax expense	(4,988)	(10,504)	(9,523)	(15,970)
Net profit for the period	11,271	26,903	23,780	39,019
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	11,271	26,903	23,780	39,019
Profit attributable to:				
- Owners of the Company	10,330	27,235	22,064	39,202
- Non-controlling interests	941	(332)	1,716	(183)
	11,271	26,903	23,780	39,019
Earnings per share (sen) attributable to owners of the Company				
- Basic ⁽²⁾	0.77	2.39	1.67	4.00
- Diluted ⁽³⁾	0.72	2.22	1.56	3.68

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND THREE MONTHS ENDED 31 DECEMBER 2018 (UNAUDITED)
(1)

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to these interim financial statements.*
- (2) *Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (a)).*
- (3) *Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (b)).*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018
(UNAUDITED) ⁽¹⁾**

	UNAUDITED As At 31.12.2018 RM'000	RESTATED As At 30.06.2018 RM'000
Property, plant and equipment	11,696	12,039
Inventories - Land held for property development	466,737	465,297
Investment in an associate	454	456
Investment properties	135,819	136,197
Goodwill on consolidation	2,063	2,063
Deferred tax assets	2,439	2,439
Total non-current assets	619,208	618,491
Current assets		
Inventories - Property development costs	680,524	670,442
Inventories - Completed Stock	108,186	125,794
Other investments	-	5
Trade and other receivables	504,125	515,705
Contract assets	36,523	54,150
Tax recoverable	8,141	7,890
Fixed deposits placed with licensed banks	40,481	49,056
Cash and bank balances	226,849	169,691
Total current assets	1,604,829	1,592,733
TOTAL ASSETS	2,224,037	2,211,224

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018
(UNAUDITED) ⁽¹⁾**

	UNAUDITED As At 31.12.2018 RM'000	RESTATED As At 30.06.2018 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	773,239	773,239
ICPS	71,365	71,365
Reserve arising from reverse acquisition	(47,426)	(47,426)
Treasury Shares	(10,062)	(134)
Retained earnings	472,144	454,895
Equity attributable to equity holders of the Company	1,259,260	1,251,939
Non-controlling interest	4,711	3,895
Total equity	1,263,971	1,255,834
Non-current liabilities		
Hire purchase payables	1,176	1,316
Bank borrowings	401,320	397,056
Deferred tax liabilities	31,694	31,864
Total non-current liabilities	434,190	430,236
Current liabilities		
Trade and other payables	280,439	304,058
Contract liabilities	104,929	35,551
Hire purchase payables	271	291
Bank borrowings	106,281	147,670
Current tax payables	33,956	37,584
Total current liabilities	525,876	525,154
Total liabilities	960,066	955,390
TOTAL EQUITY AND LIABILITIES	2,224,037	2,211,224
Net assets per share attributable to owners of the Company (RM)	0.94 ⁽²⁾	0.93

Notes:

- (1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (UNAUDITED) ⁽¹⁾

	Share Capital RM'000	Treasury Shares RM'000	Irredeemable Convertible Preference Shares RM'000	Reserve arising from Reverse Acquisition RM'000	Retained Earnings RM'000	Total RM	Non- Controlling Interest RM	Total Equity RM'000
Group								
At 30 June 2017	352,695	-	-	(47,426)	371,601	676,870	4,016	680,886
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	12	12
Conversion of ICPS to ordinary shares	301,092	-	(30,110)	-	-	270,982	-	270,982
Dividend paid	-	-	-	-	(3,577)	(3,577)	-	(3,577)
Issuance of ordinary shares	119,599	-	-	-	-	119,599	-	119,599
Issuance of ICPS	-	-	101,475	-	-	101,475	-	101,475
Repurchase of treasury shares	-	(134)	-	-	-	(134)	-	(134)
Transaction costs of share issue	(147)	-	-	-	-	(147)	-	(147)
Total comprehensive income for the financial year	-	-	-	-	72,568	72,568	(1,344)	71,224
Balance at 30 June 2018	773,239	(134)	71,365	(47,426)	440,592	1,237,636	2,684	1,240,320
Effects of adoption of MFRS Framework	-	-	-	-	14,303	14,303	1,211	15,514
Balance at 30 June 2018 (restated)	773,239	(134)	71,365	(47,426)	454,895	1,251,939	3,895	1,255,834
Purchase of treasury shares	-	(9,928)	-	-	-	(9,928)	-	(9,928)
Dividend paid	-	-	-	-	(4,815)	(4,815)	-	(4,815)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	(900)	(900)
Total comprehensive income for the financial period	-	-	-	-	22,064	22,064	1,716	23,780
Balance at 31 December 2018	773,239	(10,062)	71,365	(47,426)	472,144	1,259,260	4,711	1,263,971

Notes:

(1) The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2018 (UNAUDITED) ⁽¹⁾

	01.07.2018 TO 31.12.2018 RM'000	01.07.2017 TO 31.12.2017 Restated RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit Before Tax	33,303	54,989
Adjustments for:		
Non cash item	489	2,310
Operating Profit Before Working Capital Changes	<u>33,792</u>	<u>57,299</u>
Net changes In working capital		
Property development costs	(10,439)	(34,402)
Inventories	17,608	(6,596)
Receivables	97,686	(63,194)
Payables	(23,618)	(188,588)
Net Cash Generated from Operations	<u>115,029</u>	<u>(235,481)</u>
Interest paid	(2,786)	(2,581)
Interest received	3,158	692
Tax paid	(13,573)	(5,358)
Net Operating Cash Flows	<u>101,828</u>	<u>(242,728)</u>
CASH FLOW USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(140)	(216)
Proceeds from disposal of motor vehicle	-	28
Investment properties costs incurred	-	(146)
Other investment	6	6
Land held for property development costs incurred	(1,083)	-
Acquisition of subsidiary	-	(70,919)
Acquisition of associate	-	(4)
Net Investing Cash Flows	<u>(1,217)</u>	<u>(71,251)</u>
CASH FLOW (USED IN) /FROM FINANCING ACTIVITIES		
Dividend paid	(4,815)	(3,577)
Payment for share issue expenses	-	(147)
Payment for treasury shares	(9,927)	-
Changes in hire purchase payables	(161)	16
Changes in bank borrowings	(37,125)	35,500
Proceeds from issuance of share	-	376,630
Net Financing Cash Flows	<u>(52,028)</u>	<u>408,422</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 31 DECEMBER 2018 (UNAUDITED) ⁽¹⁾

	01.07.2018 TO 31.12.2018 RM'000	01.07.2017 TO 31.12.2017 RM'000 Restated
NET CHANGE IN CASH AND CASH EQUIVALENTS	48,583	94,443
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	134,421	79,691
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>183,004</u>	<u>174,134</u>
Cash and cash equivalents at end of financial period comprises:		
Cash and bank balances	226,849	177,425
Fixed deposit placed with licensed banks	40,481	25,529
Bank overdrafts	-	(4,947)
Islamic commercial paper	(50,000)	-
	<u>217,330</u>	<u>198,007</u>
Less: Fixed deposit pledged to licensed banks	(34,326)	(23,873)
	<u>183,004</u>	<u>174,134</u>

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to these interim financial statements*

A EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board, and paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2018 and the explanatory notes attached therein.

These explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2018.

A2. Accounting Policies

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted in the financial statements for the financial year ended 30 June 2018, except for the effects arising from the transition from FRSs to MFRSs, which are disclosed below.

The interim financial statements of the Group for the three months period ended 30 September 2018 are the first set of interim financial statements prepared in accordance with the MFRS Framework issued by MASB. The MFRS Framework was introduced by MASB in order to fully converge Malaysia’s existing Financial Reporting Standards Framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for Construction of Real Estate (“Transitioning Entities”). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs Framework for annual periods beginning on or after 1 January 2018.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of MFRSs framework. As such, the Group and the Company is required to prepare their first MFRSs financial statements using MFRSs framework for financial year ending 31 December 2018. Upon the adoption of MFRS, the Group and the Company will be applying MFRS1 “First -time Adoption of MFRS”. MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective or prohibits retrospective application of some aspects of MFRSs.

MFRS 9 Financial Instruments

The MFRS 9 introduce a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard required entities to account for expected credit losses from when financial instruments are first recognized and to recognized full lifetime expected losses on a more timely basis. The model required an entity to recognized expected credit losses at all times and to update the amount of expected credit losses recognized at each reporting date to reflects changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognized.

A EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Accounting Policies (Continued)

MFRS 15 Revenue from Contracts with Customer

The core principle of MFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with the core principle by applying the following steps:

- (i) Identify the contracts with a customer;
- (ii) Identify the performance obligation in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations in the contract;
- (v) Recognize revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

As a result of adoption of MFRS Frameworks, the following comparatives in the interim financial report have been restated.

A EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Accounting Policies (Continued)

Consolidated Statement of Comprehensive Income

3 months period ended 31 December 2017

	As previously stated under FRS RM'000	Effects of Adoption of MFRS 15 RM'000	31-Dec-17 As Restated RM'000
Revenue	143,511	2,351	145,862
Costs of sales	(100,516)	5,526	(94,990)
Gross profit	42,995	7,877	50,872
Other income	1,202	-	1,202
Selling and distribution expenses	(3,284)	1,663	(1,621)
Administrative expenses	(10,672)	-	(10,672)
Other expenses	(842)	-	(842)
Operating Profit	29,399	9,540	38,939
Finance costs	(1,521)	-	(1,521)
Share of result of associates, net of tax	(11)	-	(11)
Profit before taxation	27,867	9,540	37,407
Income tax expense	(8,363)	(2,141)	(10,504)
Net profit for the period	19,504	7,399	26,903
Other comprehensive income	-	-	-
Total comprehensive income for the financial period	19,504	7,399	26,903
Profit attributable to:			
- Owners of the parent	20,009	7,226	27,235
- Non-controlling interests	(505)	173	(332)
	19,504	7,399	26,903

A EXPLANATORY NOTES PURSUANT TO FRS 134

A2. Accounting Policies (Continued)

Consolidated Statement of Comprehensive Income

6 months period ended 31 December 2017

	As previously stated under FRS RM'000	Effects of Adoption of MFRS 15 RM'000	31-Dec-17 As Restated RM'000
Revenue	246,574	2,278	248,852
Costs of sales	(168,378)	(6,452)	(174,830)
Gross profit	78,196	(4,174)	74,022
Other income	3,268	-	3,268
Selling and distribution expenses	(6,149)	3,011	(3,138)
Administrative expenses	(13,829)	-	(13,829)
Other expenses	(2,742)	-	(2,742)
Operating Profit	58,744	(1,163)	57,581
Finance costs	(2,581)	-	(2,581)
Share of result of associates, net of tax	(11)	-	(11)
Profit before taxation	56,152	(1,163)	54,989
Income tax expense	(16,397)	427	(15,970)
Net profit for the period	39,755	(736)	39,019
Other comprehensive income	-	-	-
Total comprehensive income for the financial period	39,755	(736)	39,019
Profit attributable to:			
- Owners of the parent	40,573	(1,371)	39,202
- Non-controlling interests	(818)	635	(183)
	39,755	(736)	39,019

A EXPLANATORY NOTES PURSUANT TO FRS 134

Consolidated Statement of Financial Position

As at 30 June 2018

	As previously stated under FRSs/ RM'000	Effects of Adoption of MFRS 15 RM'000	30-Jun-18 As Restated RM'000
Non-current assets			
Property, plant and equipment	12,039	-	12,039
Inventories - Land held for property development	465,297	-	465,297
Investment associates	456	-	456
Investment properties	136,197	-	136,197
Goodwill on consolidation	2,063	-	2,063
Deferred tax assets	2,439	-	2,439
Total non-current assets	618,491	-	618,491
Current assets			
Inventories - Property development costs	652,173	18,269	670,442
Inventories - Completed properties	125,636	158	125,794
Other investments	5	-	5
Trade and other receivables	515,705	-	515,705
Contract assets	60,077	(5,927)	54,150
Tax recoverable	7,890	-	7,890
Fixed deposits placed with licensed banks	49,056	-	49,056
Cash and bank balances	169,691	-	169,691
Total current assets	1,580,233	12,500	1,592,733
TOTAL ASSETS	2,198,724	12,500	2,211,224
EQUITY AND LIABILITIES			
Equity			
Share capital	773,239	-	773,239
ICPS	71,365	-	71,365
Reserve arising from reverse acquisition	(47,426)	-	(47,426)
Treasury Shares	(134)	-	(134)
Retained earnings	440,591	14,304	454,895
Equity attributable to equity holders of the Company	1,237,635	14,304	1,251,939
Non-controlling interest	2,684	1,211	3,895
Total equity	1,240,319	15,515	1,255,834

A EXPLANATORY NOTES PURSUANT TO FRS 134

Consolidated Statement of Financial Position (continued)

As at 30 June 2018

	As previously stated under FRSs RM'000	Effects of Adoption of MFRS 15 RM'000	30-Jun-18 As Restated RM'000
Non-current liabilities			
Hire purchase payables	1,316	-	1,316
Borrowings	397,056	-	397,056
Deferred tax liabilities	31,686	178	31,864
Total non-current liabilities	430,058	178	430,236
Current liabilities			
Trade and other payables	304,058	-	304,058
Contract liabilities	39,416	(3,865)	35,551
Hire purchase payables	291	-	291
Borrowings	147,670	-	147,670
Current tax payables	36,912	672	37,584
Total current liabilities	528,347	(3,193)	525,154
Total liabilities	958,405	(3,015)	955,390
TOTAL EQUITY AND LIABILITIES	2,198,724	12,500	2,211,224

A EXPLANATORY NOTES PURSUANT TO FRS 134

Consolidated Statement of Cashflows

For financial period ended 31 December 2017

	As previously stated under FRSs RM'000	transition from FRSs to MFRSs RM'000	31-Dec-17 Restated RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	56,152	(1,163)	54,989
Adjustment for:			
Other non cash item	2,310	-	2,310
Operating Profit/(loss) before working capital changes	58,462	(1,163)	57,299
Net changes in current assets			
Property development costs	(35,565)	1,163	(34,402)
Inventories	(6,596)	-	(6,596)
Receivables	(63,194)	-	(63,194)
Payables	(188,588)	-	(188,588)
Net Cash Used Operation	(235,481)	-	(235,481)
Interest paid	(2,581)	-	(2,581)
Interest received	692	-	692
Tax paid	(5,358)	-	(5,358)
Net Operating Cash Flows	(242,728)	-	(242,728)
CASH FLOW USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(216)	-	(216)
Proceed from disposal of motor vehicle	28	-	28
Investment properties costs incurred	(146)	-	(146)
Other investment	6	-	6
Acquisition of subsidiaries	(70,919)	-	(70,919)
Acquisition of associate	(4)	-	(4)
Net Investing Cash Flows	(71,251)	-	(71,251)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	(3,577)	-	(3,577)
Payment for share issue expenses	(147)	-	(147)
Changes in hire purchase payables	16	-	16
Changes in bank borrowing	35,500	-	35,500
Proceed for issuance of shares	376,630	-	376,630
Net Financing Cash Flows	408,422	-	408,422
Net Change In Cash and Cash Equivalents	94,443	-	94,443
Cash and Cash Equivalents At The Beginning of the Financial Period	79,691	-	79,691
Cash and Cash Equivalents At The End of the Financial Period	174,134	-	174,134

A EXPLANATORY NOTES PURSUANT TO FRS 134**A3. Auditors' Report on Preceding Annual Financial Statements**

There was no audit qualification reported in the Auditors' Report on the financial statements for the financial year ended 30 June 2018.

A4. Seasonality or Cyclicalities of Operations

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no significant items affecting the assets, liabilities, equity, net income or cash flows for the current financial period to-date.

A6. Changes in Estimates

There were no changes in the estimates that have had a material effect in the current quarter and current financial period to-date results.

A7. Debt and Equity Securities

Save for the following, there was no issuance, cancellation, share buyback, resale or repayment of debt and equity securities during the current financial period under review.

Repurchase of shares

During the quarter under review, the Company has repurchased 31,950,500 of its ordinary shares from the open market price at average RM 0.31 per shares.

As at 31 December 2018, the Company held a total of 32,187,500 or RM 10,061,579 treasury shares at average price of RM 0.34 per share.

A8. Dividend Paid

On 27 December 2018, a total dividend of RM 3,512,783 was paid as per the following in respect of the financial year ended 30 June 2018.

- (a) a single final tier dividend of 0.25 sen per ordinary share amounting to RM 3,296,526.
- (b) a non-cumulative dividend of 0.025 sen per Irredeemable Convertible Preference Share amounting to RM 216,257.

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the previous audited financial statements.

A10. Material Events subsequent to the End of the Interim Period

There was no material events subsequent to the end of the financial period reported that have not been reflected in the financial statement.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group under the quarter review.

A EXPLANATORY NOTES PURSUANT TO FRS 134**A12. Changes in Contingent Liabilities and Contingent Assets****Contingent Liabilities**

	As At 31.12.2018 RM'000	As At 30.06.2018 RM'000
Corporate guarantees for credit facilities granted to subsidiaries	407,669	443,748

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 31 December 2018.

A13. Significant Related Party Transactions

There was no significant related party transaction in the current quarter under review.

A14. Segmental Information

The segmental analysis for the financial period ended 31 December 2018 was as follows.

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding & Others RM'000	Total RM'000
Segment profit	36,703	(3,126)	33,577
Included in the measure of segment profit are:-			
Revenue from external customers	149,742	445	150,187
Inter-segment revenue	7,795	264	8,059
Interest income	2,643	515	3,158
Interest expense	38	2,748	2,786
Depreciation	408	450	858
Not included on the measure of segment profit but provided to the Management :-			
Tax expenses	9,363	160	9,523
Segment assets	2,489,039	1,359,456	3,848,495
Segment liabilities	1,893,781	417,665	2,311,446

A EXPLANATORY NOTES PURSUANT TO FRS 134**A14. Segmental Information**

Reconciliation of reportable segment revenues, profit and loss, assets and other material items.

	Total RM'000
Total revenue for reportable segments	158,246
Elimination of inter-segment revenue	<u>(8,059)</u>
Consolidated total	<u>150,187</u>
Total profit or loss for reportable segment	33,577
Elimination of inter-segment profits	<u>(274)</u>
Consolidated profit before taxation	<u>33,303</u>
Total reportable segments assets	3,848,495
Elimination of inter-segment transactions or balances	<u>(1,624,458)</u>
Consolidated total	<u>2,224,037</u>
Total reportable segments liabilities	2,311,446
Elimination of inter-segment transactions or balances	<u>(1,351,380)</u>
Consolidated total	<u>960,066</u>

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.10.2018 TO 31.12.2018	01.10.2017 TO 31.12.2017 Restated	01.07.2018 TO 31.12.2018	01.07.2017 TO 31.12.2018 Restated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Property Development	82,871	145,586	149,742	248,312
Other Operations	223	276	445	540
	83,094	145,862	150,187	248,852
Profit / (Loss) before tax				
Property Development	18,213	41,798	36,429	60,770
Other Operations	(1,954)	(4,391)	(3,126)	(5,781)
	16,259	37,407	33,303	54,989

Performance of the second quarter against the same quarter in the preceding year (Q2 FY2019 vs Q2 FY2018)

(a) Property Development

The Group's revenue of RM 83 million for the current quarter was lower by 43% or RM 62 million as compared to the revenue of RM 145 million registered in the previous year's corresponding quarter. The decreased in revenue was due to one-time income received from temporary land occupational in previous year's corresponding quarter. The reduction in revenue was also contributed by project Mizu Residence @ H2O, Neu Suites @ 3rdNvenue, and The Riv @ Riveria City.

The Group recorded lower profit before tax of RM 18 million for the current quarter as compared to the previous year's corresponding quarter. Lower profit before tax for the current quarter was due to project Mizu Residence @ H2O near completion.

(b) Other Operation

Revenue from Other Operation mainly resulted from rental collection. Losses before tax were mainly resulted from depreciation expenses and financing cost for investment property. Lower losses before tax were due to administrative expenses incurred for corporate exercise in previous year corresponding quarter.

Performance of the second quarter cumulative period against the same period in the preceding year (Q2 YTD FY2019 vs Q2 YTD FY2018)

(a) Property Development

The Group's revenue in the current year to-date of RM 150 million is 40% lower than the corresponding period in the preceding year. The decline in revenue was partially affected by lower sales number in the past years and less favorable property market sentiment at large. The decreases in revenue was also attributable to project Mizu Residence @ H2O near completion and initial recognition on projects namely Neu Suites @ 3rdNvenue and The Riv @ Riveria City. On completed project, the sales of Zone Innovation Park @ Klang has also contributed to current year's revenue.

In tandem with the decrease in revenue, the Group current year to-date profit before tax has decreased to RM 36 million.

(b) Other Operation

Revenue from Other Operation mainly resulted from rental collection. The decreases in losses before tax were caused by one off expense incurred for corporate exercise in previous year.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter**

	INDIVIDUAL QUARTER		CHANGES
	01.10.2018 TO 31.12.2018	01.07.2018 TO 30.09.2018	
	RM'000	RM'000	RM'000
Revenue	83,094	67,093	16,001
Gross Profit	25,527	22,356	3,171
Profit before interest and tax	18,047	18,043	4
Profit before tax	16,259	17,044	(785)
Profit after tax	11,271	12,509	(1,238)
Profit attributable to owners of the Company	10,330	11,734	(1,404)

For the current quarter under review, the Group's revenue increases by RM 16 million compared to the preceding quarter ended 30 September 2018. The increase in revenue during the quarter as compared to previous quarter was mainly attributable to the project Mizu Residence @ H2O with higher recognition and progress recognition on projects namely Neu Suites @ 3rdNvenue and The Riv @ Riveria City. The lower gross profit margin of 31% for the current quarter compared to the previous quarter of 33% was attributable to the lower profit margin projects.

B3. Prospects and progress on previously announced financial estimate**(a) Prospects**

The Group's long-term growth prospect remains positive based on a strong competitive position and consistent demand for the type of residential properties the Group has offered.

FY 2019, barring any unforeseen circumstances, the Group is cautiously optimistic and confident of the future performance, given that most of the land banks are located in prime growth areas which are well-developed and connected with public transportation facilities.

(b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced

There was no financial forecast previously announced by the Group.

B4. Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable.

B5. Financial estimate, forecast or projection

No profit forecast has been issued by the Group previously in any public document.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES**B6 Dividend**

The Board of Directors does not recommend any interim dividend for the 6-month financial period ended 31 December 2018.

B7. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The profit before taxation has been arrived at after charging / (crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.10.2018 TO 31.12.2018	01.10.2017 TO 31.12.2017	01.07.2018 TO 31.12.2018	01.07.2017 TO 31.12.2017
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation of investment properties	242	209	480	413
Depreciation of property, plant and equipment	189	23	378	46
Directors' remuneration	438	473	837	896
Interest expenses	1,787	1,521	2,786	2,581
Rental of sales office	83	113	258	216
Rental of equipment	10	14	23	19
Staff costs	2,844	2,776	5,377	5,546
After crediting:				
Bank interest income	(1,099)	(103)	(1,361)	(287)
Fixed deposit interest income	(201)	(87)	(422)	(120)
Other interest income	(896)	(248)	(1,375)	(285)
Liquidated ascertain damages income	-	(739)	(94)	(757)
Gain on disposal of motor vehicle	-	(42)	-	(48)
Rental income	(1,107)	(484)	(4,598)	(832)

There is no exception item for the current financial quarter under review.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B8. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.10.2018 TO 31.12.2018	01.10.2017 TO 31.12.2017 Restated	01.07.2018 TO 31.12.2018	01.07.2017 TO 31.12.2017 Restated
	RM'000	RM'000	RM'000	RM'000
Current tax expense	5,158	10,546	9,693	16,073
Deferred taxation	(170)	(42)	(170)	(103)
	4,988	10,504	9,523	15,970

The Group's effective tax rate for the current financial period is higher than the statutory tax rate of 24% by the Inland Revenue Board due to certain expenses not tax deductible and deferred tax assets not recognized by subsidiary companies.

B9. Status of Corporate Proposal

There were no material transaction or events subsequent to the current quarter ended 31 December 2018 until 25 February 2019 (the latest practicable date which is not earlier than 7 days from the date of issues of this quarterly report).

B10. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 December 2018 were as follows:-

	Secured RM'000
Short Term Bank Borrowings	106,281
Long Term Bank Borrowings	401,320
	<u>507,601</u>

The above borrowings were denominated in Ringgit Malaysia.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B11. Earnings per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.10.2018 TO 31.12.2018	01.10.2017 TO 31.12.2017 Restated	01.07.2018 TO 31.12.2018	01.07.2017 TO 31.12.2017 Restated
Profit attributable to owners of the company (RM'000)	10,330	27,235	22,064	39,202
Weighted average number of ordinary shares in issue ('000)	1,343,487	1,139,993	1,323,745	979,996
Basic earnings per share (sen)	0.77	2.39	1.67	4.00

(b) Diluted Earnings Per Share

Dilutive earnings per share of current quarter have been calculated by dividing the profit attributable to owners of the company for the financial period by weighted average number of shares that would have been issued upon full conversion of the remaining Irredeemable Convertible Preference Shares on the basis of one (1) ordinary share for every ten (10) ICPS held.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.10.2018 TO 31.12.2018	01.10.2017 TO 31.12.2017 Restated	01.07.2018 TO 31.12.2018	01.07.2017 TO 31.12.2017 Restated
Profit attributable to owners of the Company (RM'000)	10,330	27,235	22,064	39,202
Weighted average number of ordinary shares in issue ('000)	1,343,487	1,139,993	1,323,745	979,996
Effect of dilution: Irredeemable Convertible Preference Shares ('000)	86,503	86,503	86,503	86,503
Adjusted weighted average number of ordinary shares ('000)	1,429,990	1,226,496	1,410,248	1,066,499
Diluted earnings per share (sen)	0.72	2.22	1.56	3.68