

Interim Report For The Financial Period Ended 31 March 2019
 (The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 MARCH 2019

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.03.2019 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2018 RM'000 (RESTATED)	CURRENT YEAR TO DATE 31.03.2019 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2018 RM'000 (RESTATED)
Revenue	100,930	79,760	310,892	230,537
Operating expenses	(97,506)	(76,271)	(280,952)	(212,943)
Other operating income	5,120	1,513	9,809	9,624
Profit from operations	8,544	5,002	39,749	27,218
Finance cost	(3,469)	(3,135)	(9,044)	(10,376)
Profit before taxation	5,075	1,867	30,705	16,842
Taxation	(1,561)	(497)	(7,403)	(5,048)
Profit for the period	3,514	1,370	23,302	11,794
Total comprehensive income for the year	3,514	1,370	23,302	11,794
Profit attributable to:				
Owners of the Company	3,869	1,146	17,280	13,062
Non Controlling Interest	(355)	224	6,022	(1,268)
	3,514	1,370	23,302	11,794
Total comprehensive income attributable to:				
Owner of the parent	3,869	1,146	17,280	13,062
Non Controlling Interest	(355)	224	6,022	(1,268)
	3,514	1,370	23,302	11,794
EPS - Basic (sen)	0.97	0.29	4.32	3.26

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

BCB BERHAD

(Company No : 172003-W)
(Incorporated in Malaysia)



Interim Report For The Financial Period Ended 31 March 2019

(The figures have not been audited)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 MARCH 2019**

	(UNAUDITED) AS AT 31.03.2019 RM'000	(RESTATED) AS AT 30.06.2018 RM'000	(RESTATED) AS AT 01.07.2017 RM'000
Non Current Assets			
Property, plant and equipment	54,995	57,633	60,987
Investment properties	57,859	57,859	60,580
Land held for development	187,955	254,188	119,375
Deferred tax assets	2,337	2,337	2,961
Current assets			
Property development costs	624,743	613,796	674,209
Inventories	106,911	108,962	123,086
Tax recoverable	17,023	10,772	7,935
Trade and other receivables	119,757	108,274	96,296
Fixed deposits with licensed banks	781	365	1,126
Cash and bank balances	30,784	21,873	21,463
	899,999	864,042	924,115
Current liabilities			
Trade and other payables	195,562	239,625	230,796
Short term borrowings	159,094	187,281	162,970
Bank overdrafts	43,495	56,117	48,351
Current tax liabilities	7,680	1,054	2,308
	405,831	484,077	444,425
Net current assets	494,168	379,965	479,690
Total Assets	797,314	751,982	723,593
Shareholders' Funds			
Share capital	206,250	206,250	206,250
Treasury shares	(3,371)	(3,168)	(3,167)
Revaluation reserves	6,788	6,788	6,788
Retained earnings	283,018	265,738	237,141
Non Controlling Interest	48,277	42,255	12,732
	540,962	517,863	459,744
Long term borrowings	256,352	234,119	263,849
Deferred tax liabilities	-	-	-
	256,352	234,119	263,849
Total Equities and Liabilities	797,314	751,982	723,593
Net assets per share (RM)	1.19	1.15	1.08
(Total Equity/ Number of ordinary share issued)	(492,685/ 412,500)	(475,608/ 412,500)	(447,012/ 412,500)

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

Interim Report For The Financial Period Ended 31 March 2019
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2019

	Share capital RM'000	Non-distributable		Distributable	Total RM'000	Non controlling interest RM'000	Total equity RM'000
		Revaluation reserves RM'000	Treasury shares RM'000	Retained earnings RM'000			
At 01.07.2018 (As previously stated)	206,250	6,788	(3,168)	267,022	476,892	42,408	519,300
Effects of adoption of the MFRS framework At 30.06.2018 (restated)	206,250	6,788	(3,168)	(1,284) 265,738	(1,284) 475,608	(153) 42,255	(1,437) 517,863
Transactions with owners:							
Share buy-back	-	-	(203)	-	(203)	-	(203)
Issuance of new shares (at subsidiary level)	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	17,280	17,280	6,022	23,302
At 31.03.2019	206,250	6,788	(3,371)	283,018	492,685	48,277	540,962
At 01.07.2017 (As previously stated)	206,250	6,788	(3,167)	237,728	447,599	13,034	460,633
Effects of adoption of the MFRS framework At 01.07.2017 (restated)	206,250	6,788	(3,167)	(587) 237,141	(587) 447,012	(302) 12,732	(889) 459,744
Transactions with owners:							
Share buy-back	-	-	(1)	-	(1)	-	(1)
Acquisition of Subsidiary	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	11,915	11,915	(1,491)	10,424
At 31.03.2018	206,250	6,788	(3,168)	249,056	458,926	11,241	470,167

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

Interim Report For The Financial Period Ended 31 March 2019
(The figures have not been audited)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019

	9 MONTHS ENDED 31.03.2019 RM'000	(RESTATED) 9 MONTHS ENDED 31.03.2018 RM'000
Operating activities		
Profit after taxation	23,302	11,795
Adjustments for non-cash items	9,264	19,602
Operating profit before working capital changes	<u>32,566</u>	<u>31,397</u>
Trade & other receivables	(11,483)	10,427
Inventories	2,051	15,836
Property development cost	56,723	(31,823)
Trade payables and Other payables	(44,063)	(17,351)
Net change in working capital	<u>35,794</u>	<u>8,486</u>
Net Interest Paid	9,044	(10,376)
Tax refunded	-	-
Taxes paid	(6,251)	(10,610)
Net cash (used in)/ from operating activities	<u>38,587</u>	<u>(12,500)</u>
Investing activities		
Purchase of property, plant and equipment	-	-
Proceeds from disposal of property, plant and equipment and investment properties	-	3,505
Additional Investment Properties	-	-
Addition to Land Held for Property Development	-	-
Net cash used in investing activities	<u>-</u>	<u>3,505</u>
Financing activities		
Proceeds from borrowings	-	12,079
Repayment of borrowings	(16,019)	-
Purchase of treasury shares	(203)	-
Fixed deposits pledged to a licensed bank	(416)	(14)
Others	-	-
Net cash from financing activities	<u>(16,638)</u>	<u>12,065</u>
Net (decrease)/ increase in cash and cash equivalents	21,949	3,070
Cash and cash equivalents at beginning of period	(33,879)	(25,762)
Cash and cash equivalents at end of period	<u>(11,930)</u>	<u>(22,692)</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 30th June 2018)

Notes to the Interim Report For The Financial Period Ended 31 March 2019

(The figures have not been audited)

EXPLANATORY NOTES

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standards ("FRS") 134 - Interim Financial Reporting issued by the Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial report should be read in conjunction with the annual audited financial statements of the Group for the year ended 30 June 2018.

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the annual audited financial statements ended 30 June 2018, except for the adoption of the following standards and amendments to published standards which are effective for the financial period commencing 1 July 2018:

(a) MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards

(b) MFRS 9: Financial Instruments

(c) MFRS 15: Revenue from Contracts with Customers

In addition, there are a number of new standards and amendments to Standards and Issues Committee ("IC") interpretations which are effective and adopted for the current financial year beginning 1 July 2018. None of them are expected to have a significant effect on the consolidated financial statements of the Group.

Under MFRS 1 and 9, The Group is adopting this framework effective in this financial year.

Under MFRS 15, based on the assessment undertaken to-date, the Group expects significant changes in revenue being recognised arising from its adoption.

The details of the impact to the Group's reported Financial Position and Comprehensive Income arising from the adoption of the above reporting standards are as follows:

(i) Reconciliation of Comprehensive Income

	Individual quarter ended 31 March 2018			Cumulative quarter ended 31 March 2018		
	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Restated under MFRS RM'000
Revenue	82,584	(2,824)	79,760	238,813	(8,276)	230,537
Operating expenses	(78,046)	1,775	(76,271)	(219,782)	6,839	(212,943)
Other operating income	1,513	-	1,513	9,624	-	9,624
Profit from operations	6,051	(1,049)	5,002	28,655	(1,437)	27,218
Finance cost	(3,135)	-	(3,135)	(10,376)	-	(7,241)
Profit before tax	2,916	(1,049)	1,867	18,279	(1,437)	19,977
Taxation	(497)	-	(497)	(5,048)	-	(4,551)
Profit for the period	2,420	(1,049)	1,371	13,231	(1,437)	15,426
Attributable to:						
Owners of the Company	2,198	(1,051)	1,147	14,346	(1,284)	13,062
Non Controlling Interest	222	2	224	(1,114)	(153)	(1,267)
	2,420	(1,049)	1,371	13,232	(1,437)	11,795
EPS - Basic (sen)	0.55		0.29	3.58		3.26

(ii) Reconciliation of financial position

	As at 1 July 2017			As at 30 June 2018		
	Previously stated FRS RM'000	Effects of MFRS RM'000	Restated under MFRS RM'000	Previously stated FRS RM'000	Effects of MFRS RM'000	Restated under MFRS RM'000
Non-current assets						
Property, plant and equipment	60,987		60,987	57,633		57,633
Investment properties	60,580		60,580	57,859		57,859
Land held for development	119,375		119,375	254,188		254,188
Deferred tax assets	2,961	-	2,961	2,337	-	2,337
	<u>243,903</u>	<u>-</u>	<u>243,903</u>	<u>372,017</u>	<u>-</u>	<u>372,017</u>
Current assets						
Property development costs	675,098	(889)	674,209	615,233	(1,437)	613,796
Inventories	123,086		123,086	108,962		108,962
Tax recoverable	7,935		7,935	10,772		10,772
Trade and other receivables	96,296		96,296	108,274		108,274
Fixed deposits with licensed banks	1,126		1,126	365		365
Cash and bank balances	21,463		21,463	21,873		21,873
	<u>925,004</u>	<u>(889)</u>	<u>924,115</u>	<u>865,479</u>	<u>(1,437)</u>	<u>864,042</u>
Current liabilities						
Trade and other payables	230,796		230,796	239,625		239,625
Short term borrowings	162,970		162,970	187,281		187,281
Bank overdrafts	48,351		48,351	56,117		56,117
Current tax liabilities	2,308		2,308	1,054		1,054
	<u>444,425</u>	<u>-</u>	<u>444,425</u>	<u>484,077</u>	<u>-</u>	<u>484,077</u>
Net current assets	480,579	(889)	479,690	381,402	(1,437)	379,965
Total Assets	<u>724,482</u>	<u>(889)</u>	<u>723,593</u>	<u>753,419</u>	<u>(1,437)</u>	<u>751,982</u>
Shareholders' Funds						
Share capital	206,250		206,250	206,250		206,250
Treasury shares	(3,167)		(3,167)	(3,168)		(3,168)
Revaluation reserves	6,788		6,788	6,788		6,788
Retained earnings	237,728	(587)	237,141	267,022	(1,284)	265,738
Non Controlling Interest	13,034	(302)	12,732	42,408	(153)	42,255
	<u>460,633</u>	<u>(889)</u>	<u>459,744</u>	<u>519,300</u>	<u>(1,437)</u>	<u>517,863</u>
Long term borrowings	263,849		263,849	234,119		234,119
Total Equities and Liabilities	<u>724,482</u>	<u>(889)</u>	<u>723,593</u>	<u>753,419</u>	<u>(1,437)</u>	<u>751,982</u>
Net assets per share (RM)						
(Total Equity/ Number of ordinary share issued)	1.09		1.08	1.16		1.15

(iii) Reconciliation of cash flows

9 months ended 31 March 2018

	Previously stated FRS RM'000	Effects of MFRS RM'000	Restated under MFRS RM'000
Operating activities			
Profit after taxation	13,232	(1,437)	11,795
Adjustments for non-cash items	18,165	1,437	19,602
Operating profit before working capital changes	31,397	-	31,397
Trade & other receivables	10,427		10,427
Inventories	15,836		15,836
Property development cost	(31,823)		(31,823)
Trade payables and Other payables	(17,351)		(17,351)
Net change in working capital	8,486	-	8,486
Net Interest Paid	(10,376)		(10,376)
Tax refunded	-		-
Taxes paid	(10,610)		(10,610)
Net cash (used in)/ from operating activities	(12,500)	-	(12,500)
Investing activities			
Proceeds from disposal of property, plant and equipment and investment properties	3,505		3,505
Net cash used in investing activities	3,505	-	3,505
Financing activities			
Proceeds from borrowings	12,079		12,079
Repayment of borrowings	-		-
Purchase of treasury shares	-		-
Fixed deposits pledged to a licensed bank	(14)		(14)
Net cash from financing activities	12,065	-	12,065
Net (decrease)/ increase in cash and cash equivalents	3,070	-	3,070
Cash and cash equivalents at beginning of period	(25,762)	-	(25,762)
Cash and cash equivalents at end of period	(22,692)	-	(22,692)

2. Status of Audit Qualifications

The audited financial statements of the Group for the year ended 30 June 2018 was not subject to any audit qualification.

3. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

4. Unusual Items

There was no unusual item affecting assets, liabilities, equity, net income and cash flows during the financial quarter under review.

5. Material changes in past estimates and their effect on the current interim period.

There was no material effect on the current interim period from estimates of amounts reported in prior interim periods of the current financial year or prior financial year.

6. Issuances or Repayments of Debts and Equity Securities

There was no issuance, cancellation, repurchases, resale and repayment of debts and equity securities in the financial quarter under review except for:

Share Buy-back

As at to-date, the Company has bought back a total of 12,869,200 shares from the open market at an average purchase price of RM0.26 per share (This average price is share split exercise conducted on 7 January 2016 whereby the initial share par value of RM1.00 per share was halved to RM0.50 per share). The total consideration paid back, inclusive of transaction costs amounted to RM3,372,927.00. The shares bought back are held as treasury shares in accordance with Section 127 of the Companies Act 2016.

7. Dividend

The Board does not recommend any interim dividend for the financial quarter under review.

8. Segment Information

Segmental information is presented in respect of the Group's business segments and they reflect the Group's internal reporting structures that are regularly reviewed for the purpose of allocating resources to the segment and assessing its performance.

For management purposes, the Group has identified the following four reportable segments as follows:

- | | |
|------------------------------------|---|
| a) Property Development and others | : Property Development, Letting of Properties and Project Management |
| b) Construction | : Project Construction Services, Manufacturing of Concrete Products and Trading of Building Materials |
| c) Hotel and related activities | : Providing Hotel Services, Food and Beverages and Catering Services |
| d) Others | : These are dormant companies for future use |

	Property development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
9 Months Ended 31.03.2019						
Revenue						
External revenue	292,578	16,634	1,680	-	-	310,892
Inter-segment revenue	-	23,624	-	-	(23,624)	-
Total	292,578	40,258	1,680	-	(23,624)	310,892
Adjusted EBITDA	53,216	4,762	209	-	(16,537)	41,650

	Property development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
RESTATE						
9 Months Ended 31.03.2018						
Revenue						
External revenue	222,297	4,837	3,403	-	-	230,537
Inter-segment revenue	-	31,806	-	-	(31,806)	-
Total	222,297	36,643	3,403	-	(31,806)	230,537
Adjusted EBITDA	22,965	6,771	(173)	(3)	-	29,560

	Property development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
Total segment assets						
31.03.2019	1,341,160	101,212	31,865	1	(271,093)	1,203,145
31.03.2018 (RESTATE)	1,496,955	224,709	32,520	352	(575,914)	1,178,622

	Property development and management activities RM'000	Construction and related activities RM'000	Hotel RM'000	Others RM'000	Elimination RM'000	Total RM'000
Total segment liabilities						
31.03.2019	736,613	75,087	16,225	1	(165,743)	662,183
31.03.2018 (RESTATE)	1,052,260	214,501	15,350	-	(575,914)	706,197

A reconciliation of total adjusted EBITDA

	31.03.2019 RM'000	31.03.2018 RM'000 (RESTATED)
Adjusted EBITDA	41,650	29,560
Finance income	156	140
Finance cost	(9,044)	(10,376)
Tax	(7,403)	(5,048)
Depreciation	(2,057)	(2,482)
Net profit for the financial period	<u>23,302</u>	<u>11,794</u>

Reportable segments assets are reconciled to total assets as follows:

	31.03.2019 RM'000	31.03.2018 RM'000 (RESTATED)
Total segment assets	1,186,122	1,164,588
Tax recoverable	17,023	14,034
Consolidated total assets (as per Statement of Financial Position)	<u>1,203,145</u>	<u>1,178,622</u>

Reportable segments liabilities are reconciled to total liabilities as follows:

	31.03.2019 RM'000	31.03.2018 RM'000 (RESTATED)
Total segment liabilities	662,183	706,197
Tax payable	-	-
Consolidated total liabilities (as per Statement of Financial Position)	<u>662,183</u>	<u>706,197</u>

9. Carrying Amount of Revalued Assets

Property, plant and equipment, which are stated at revalued amounts, have been brought forward without amendments from the previous Annual Financial Statements.

10. Material events not reflected in interim period.

The Group does not have any material events during the financial period under review.

11. Changes in the Composition of the Group

There are no changes to the composition of the Group during the financial period under review.

12. Contingent Liabilities

There were no significant changes in contingent liabilities in respect of the Group since the last Annual Statement of Financial Position date.

13. Capital Commitments

The Group does not have any capital commitments outstanding during the financial period under review.

14. **Recurrent Related Party Transactions**

- a) **Nature of relationships of BCB Group with the interested related parties**
- (i) Tan Sri Dato' Tan Seng Leong is a director of BCB Berhad and all its subsidiary companies. He is a major shareholder of BCB E controlled company called Evergreen Ratio Sdn Bhd. He is deemed to have an interest with the interested related parties by virtue with his spouse and his children namely Puan Sri Datin Lim Sui Yong, Tan Vin Sern, Tan Vin Shyan and Tan Lindy, who are dire Development Sdn Bhd ("MPDSB"), whilst Puan Sri Datin Lim Sui Yong and Tan Vin Sern are also shareholders of MPDSB. Tan Leong is also a director of Ju-Ichi Enterprise Sdn Bhd ("JIESB") as well as a major shareholder of IBZI Development (Johor) Sdn E
 - (ii) Tan Vin Sern is a director of BCB Berhad and all its subsidiary companies. He is the son of Tan Sri Dato' Tan Seng Leong and brot He is also a director of MPDSB, JIESB and IBZI.
 - (iii) Tan Lindy is a Director of BCB Berhad and all its subsidiary companies. She is the daughter of Tan Sri Dato' Tan Seng Leong and Sern. She is also a director of MPDSB and JIESB.
 - (iv) Tan Lay Hiang is a Director of BCB Berhad and most of its subsidiary companies. She is the sister of Tan Sri Dato' Tan Seng Leong
 - (v) Chang Shao-Yu is a Director of MPDSB. He is the spouse of Tan Lindy and son-in-law of Tan Sri Dato' Tan Seng Leong and Pui Yong.
 - (vi) Tan Vin Shyan is a Director of BCB Berhad and most of its subsidiaries. He is the son of Tan Sri Dato' Tan Seng Leong and Pui Yong, and brother of Tan Lindy and Tan Vin Sern. He is also a director and shareholder of MPDSB, JIESB and IBZI.
 - (vii) Puan Sri Datin Lim Sui Yong is a major shareholder of BCB Berhad via her family controlled company called Evergreen Ratio S director and shareholder of MPDSB.
- b) **The related party transactions between BCB Group and the interested related parties are as follows:**

	Quarterly Period Ended 31.03.2019 RM'000
<u>Marvel Plus Development Sdn Bhd</u>	
BCB Construction Sdn Bhd	
- Building construction services	406
BCB Management Sdn Bhd	
- Project management services and sales & marketing services	-
BCB Road Builder Sdn Bhd	
- Road construction services	-
<u>Ju-Ichi Enterprise Sdn Bhd</u>	
BCB Berhad	
- Rental of office space	75
BCB Construction Sdn Bhd	
- Building construction services	5,711
<u>IBZI Development Sdn Bhd</u>	
BCB Construction Sdn Bhd	
- Building construction services	-

ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BMSB LISTING REQUIREMENTS

1. **Review of Performance of the Group for the Quarter and Financial Year-To-Date**

1. a The Group turnover increased by 27% to RM100.93 million for the third quarter of 2019 as compared to RM79.76 million (restated) recorded for the corresponding while the Group's profit before tax increased by 172% to RM5.08 million in the current quarter as compared to a profit before tax of RM1.87 million (restated) in the c of last year.

The Group's quarterly performance as per segmental divisions is as follows:

Property Development division's revenue increased by 22% to RM94.69 million in Q3' 2019 (Q3 '2018: Restated RM77.81 million). Profit before tax decreased million for the current quarter (Q3'2018: Restated RM2.72 million). The increase in revenue and decrease in profit before tax is attributed to better sales with lower m higher discounts offered to facilitate sales / clearance of inventories.

Construction division's revenue increased by 489% to 6.12 million in Q3' 2019 (Q3 '2018: RM1.04 million). Profit before tax increased by 700% to RM2.94 milli RM0.49 million). The increase in revenue and profit before tax is attributed to more outside jobs with better pricing undertaken by the division.

Hotel division's revenue decreased by 86% to RM0.13 million in Q3' 2019 (Q3 '2018: RM0.93 million). Loss before tax decreased by 5.4% to RM0.35 million (Q3'2018: RM0.72 million). The decrease in revenue and losses before tax is attributed to the division ceasing its hotel operations with effect from January 1, 2019. The hotel is currently and rentals will only commence from May 2019 onwards.

- 1. b** For the financial year to-date, the Group's revenue increased by 35% to RM310.89 million (2018: Restated RM230.54 million) while the Group's profit before tax RM30.71 million (2018: Restated RM16.84 million).

The Group's financial year to-date performance as per segmental divisions is as follows:

Property Development division's revenue increased by 32% to RM292.58 million as at Q3' 2019 (2018: Restated RM222.28 million). Profit before tax for the division increased by 72% to RM27.66 million (2018: Restated RM16.10 million). The increase in revenue and profit before tax is attributed to better sales.

Construction division's revenue increased by 242% to RM16.63 million as at Q3' 2019 (2018: Restated RM4.86 million). Profit before tax increased by 35% to RM2.63 million. The increase in revenue and profit before tax is attributed to more external jobs with better margins secured by the division.

Hotel division's revenue decreased by 32% to RM1.68 million as at Q3' 2019 (2018: Restated RM2.47 million). Loss before tax reduced by 134% to RM0.51 million to-date (2018: Loss RM1.52 million). The lower revenue and lower loss before tax is attributed to the fact that with effect from January 1, 2019, the division has lease operations in conjunction with its plan to reduce overheads and stamp out losses. The past year also saw the hotel division retrenching all its remaining staff.

2. Material Changes in Profit Before Taxation for the Quarter Reported On as Compared with the Immediate Preceding Quarter

Group profit before tax decreased from RM11.91 million in the preceding quarter to RM5.08 million in the current quarter. This is mainly due to lower revenue as well as given out in order to clear inventories in the current quarter under review.

3. Prospects for the Financial Year

Despite the property market being lack lustre the past 3 years, the Board is optimistic of the Group's performance for financial year 2019. The following projects will contribute to the Group's earnings:

a) Evergreen Heights and Bandar Putera Indah, both these township projects are in Batu Pahat and together they contribute about RM150 million in sales per annum. Versis Batu Pahat, a commercial project in Batu Pahat town.

b) Home Tree in the vicinity of Kota Kemuning, Shah Alam, Selangor: This development on 151 acres of land will comprise about 200 units of high-end bungalows and other houses and a similar number of commercial units bearing a total gross development value of at least RM1.8 billion. It is ear-marked for completion in about 4 years.

The entire Phase 2 has a Gross Development Value of RM600 million comprising of 99 units of 3 storey bungalows and 166 units of 3 storey Semi Ds.

However sub-phase 2(a) & 2(b) bearing a combined Gross Development Value of RM270 million was officially launched in August 2017. As at to-date, more than RM100 million has been recorded.

c) Elysia Park Residence in Medini, Johor Bahru. This high-end condominium project has a revised total gross development value of about RM1.5 billion. Phase 1 bearing a revised Gross Development Value of RM790 million comprising of about 981 units of condominiums in 3 tower blocks was officially launched in August 2017. As at to-date, close to RM460 million in sales has been recorded.

4. Variance on Profit Forecast

The Group did not issue any profit forecast or profit guarantee.

5. Profit for the period

Profit before taxation is derived after taking into consideration of the following:

	Current 31.03.2019 RM'000	Cumulative year to-date 31.03.2019 RM'000
Interest Income	55	156
Other Income	5,292	9,094
Gain or loss on disposal of properties	(227)	559
Interest expenses	(3,469)	(9,044)
Depreciation and amortisation	(648)	(2,057)

Other than the above, there were no disposal of quoted or unquoted investment or properties and amortisation of assets for the financial quarter under review.

6. Taxation

Taxation consists of the followings:

	Quarter Current year	Quarter Preceding year corresponding	Cumulative Current year to- date
	RM'000	RM'000	RM'000
Income tax			
- current financial period	1,561	497	7,403
- prior year	-	-	-
Deferred taxation			
- current financial period	-	-	-
- prior year	-	-	-
	<u>1,561</u>	<u>497</u>	<u>7,403</u>

The effective tax rate for the financial year to-date was higher than the statutory tax rate as a result of certain expenses disallowed for tax purposes.

7. Profit / (loss) on sale of unquoted investments and / or properties.

There was no disposal of unquoted investment or property during the financial quarter under review other than in the ordinary course of the Group's business.

8. Quoted Securities

There was no purchase and disposal of quoted securities for the financial quarter under review.

9. Status of Corporate Proposal

There were no corporate proposals during the financial period under review.

10. Dividend

The Board of Directors has not recommended any interim dividend for the current quarter or financial year to-date.

11. Group Borrowings

The tenure of Group borrowings classified as short and long term categories are as follows:-

Short term borrowings	RM'000
- Secured	202,589
- Unsecured	-
	<u>202,589</u>
Long-term borrowings	
- Secured	256,352
- Unsecured	-
	<u>256,352</u>
Total	<u><u>458,941</u></u>

12. Financial instruments with off balance sheet risk

There was no off balance sheet financial instrument during the financial quarter under review.

13. Material litigation

The Group does not have any material litigation during the financial period under review.

14. Earnings per share

	Current year quarter	Preceding year corresponding quarter	Current year to- date
	RM'000	RM'000 (RESTATED)	RM'000
a) Basic earnings per share			
Net profit attributable to owners for the period	3,869	1,146	17,280
Weighted average number of ordinary shares in issue	399,631	400,359	399,631
Basic earnings/(loss) per share (sen)	<u>0.97</u>	<u>0.29</u>	<u>4.32</u>
b) Diluted earnings per share			
Diluted earnings per share (sen)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>