

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter (3 rd quarter)		Changes (%)	Cumulative Quarter		Changes (%)
	Current quarter ended	Corresponding quarter ended		Current period-to-date ended	Corresponding period-to-date ended	
	30.09.2017 (RM'000)	30.09.2016 (RM'000)		30.09.2017 (RM'000) (UNAUDITED)	30.09.2016 (RM'000) (UNAUDITED)	
1 Revenue	229,941	190,467	20.7%	703,362	569,878	23.4%
2 Cost of sales	(188,800)	(156,274)	20.8%	(566,571)	(459,397)	23.3%
3 Gross profit	41,141	34,193	20.3%	136,791	110,481	23.8%
4 Other income	6,786	4,593	47.8%	13,814	7,987	73.0%
5 Administrative and staffs expenses	(5,747)	(4,966)	15.7%	(19,515)	(17,492)	11.6%
6 Profit from operations	42,180	33,820	24.7%	131,090	100,976	29.8%
7 Finance cost	(636)	(29)	>100%	(3,408)	(1,970)	73.0%
8 Profit before tax	41,544	33,791	22.9%	127,682	99,006	29.0%
9 Taxation	(6,800)	(8,266)	-17.7%	(30,623)	(25,158)	21.7%
10 Profit after tax ("PAT") for the period	34,744	25,525	36.1%	97,059	73,848	31.4%
Attributable to :						
Owners of the Company	34,411	25,489	35.0%	96,161	73,751	30.4%
Non-controlling Interests ("NCI")	333	36	>100%	898	97	>100%
	34,744	25,525	36.1%	97,059	73,848	31.4%
11 Profit per share attributable to owners of the Company:						
(i) Basic earnings per ordinary share ("EPS")(sen)*	6.40	5.03		18.02	22.61	
(ii) Diluted earnings per ordinary share (sen)*	6.31	4.59		17.75	19.73	

* Basic and diluted EPS were calculated based on weighted average number of shares issued. For detail calculation, please refer to Note B13.

(The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2016 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.09.2017 (RM'000)	Corresponding quarter ended 30.09.2016 (RM'000)	Current period-to-date ended 30.09.2017 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 30.09.2016 (RM'000) (UNAUDITED)
1 PAT for the period	34,744	25,525	97,059	73,848
2 Other Comprehensive Expense:				
- Foreign currency translation differences	908	(3)	908	(3)
3 Total comprehensive income for the period	<u>35,652</u>	<u>25,522</u>	<u>97,967</u>	<u>73,845</u>
Attributable to :				
Owners of the Company	35,319	25,486	97,069	73,748
Non-controlling Interests ("NCI")	333	36	898	97
	<u>35,652</u>	<u>25,522</u>	<u>97,967</u>	<u>73,845</u>

(The Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2016 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.09.2017 (RM'000) (UNAUDITED)	As at 31.12.2016 (RM'000) (AUDITED)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	138,697	118,056
Investment Properties	5,646	7,475
Other Investments	15,414	43
Intangible Assets	353,195	353,224
Trade Receivables	109,872	82,341
Deferred tax assets	2,909	-
	625,733	561,139
Current Assets		
Inventories	82,936	70,447
Trade and other receivables	276,946	265,655
Accrued billings due to property development	-	6,886
Tax Recoverables	2,558	1,124
Other current assets	20,799	19,750
Fixed Deposits and Quoted Unit Trust	113,498	60,940
Cash and Bank Balances	101,676	71,499
	598,413	496,301
TOTAL ASSETS	1,224,146	1,057,440
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	310,908	254,533
Share Premium	330,440	330,009
Redeemable Convertible Preference Shares ("RCPS")	-	36,523
Other Reserves	1,232	324
Retained Profits	205,788	140,444
	848,368	761,833
Non-controlling Interests	1,431	533
Total Equity	849,799	762,366

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	As at 30.09.2017 (RM'000) (UNAUDITED)	As at 31.12.2016 (RM'000) (AUDITED)
Non-Current Liabilities		
Trade and other payables	45,050	39,012
Deferred tax liabilities	8,814	6,602
	53,864	45,614
Current Liabilities		
Trade and other payables	158,874	163,450
Other current liabilities	67,683	73,281
Progress billings in respect of property development	27,347	-
RCPS - liability component	-	2,105
Borrowings	52,165	4,836
Provision for Taxation	14,414	5,788
	320,483	249,460
Total Liabilities	374,347	295,074
TOTAL EQUITY AND LIABILITIES	1,224,146	1,057,440
Net assets per share attributable to owners of the Company (RM)	1.51	1.50

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2016 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company						Total Equity RM'000
	----- Non-Distributable -----						
	Share Capital RM'000	Share Premium ⁽¹⁾ RM'000	Other Reserves RM'000	RCPS RM'000	Retained Profits RM'000	Non Controlling Interests RM'000	
9 MONTHS PERIOD ENDED 30 SEPTEMBER 2017							
Balance as at 1 January 2017	254,533	330,009	324	36,523	140,444	533	762,366
Total Comprehensive Income for the year	-	-	908	-	96,161	898	97,967
Dividend paid	-	-	-	-	(30,817)	-	(30,817)
Issuance of shares pursuant to							
- Warrants exercised	17,695	461	-	-	-	-	18,156
- Conversion of RCPS	38,680	-	-	(36,523)	-	-	2,157
Share issuance expenses	-	(30)	-	-	-	-	(30)
Balance as at 30 September 2017	310,908	330,440	1,232	-	205,788	1,431	849,799
9 MONTHS PERIOD ENDED 30 SEPTEMBER 2016							
Balance as at 1 January 2016	45,861	375	296	-	61,787	-	108,319
Total Comprehensive Income for the period	-	-	(3)	-	73,751	97	73,845
Dividend paid	-	-	-	-	(20,278)	-	(20,278)
Issuance of shares pursuant to							
- Warrants exercised	1,038	788	-	-	-	-	1,826
- Acquisition of subsidiaries	18,448	24,352	-	357,843	-	330	400,973
- Private Placement	50,000	125,200	-	-	-	-	175,200
- Conversion of RCPS	138,500	182,820	-	(321,320)	-	-	-
Share issuance expenses	-	(4,035)	-	-	-	-	(4,035)
Balance as at 30 September 2016	253,847	329,500	293	36,523	115,260	427	735,850

Note

⁽¹⁾ Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for the purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2016 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONSOLIDATED CASHFLOW STATEMENT

	Current period-to-date ended 30.09.2017 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 30.09.2016 (RM'000) (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	127,682	99,006
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	17,240	6,346
Non-cash items	(3,778)	(1,735)
Operating Profit Before Working Capital Changes	141,144	103,617
Changes in working capital :		
Net change in operating assets	(13,539)	47,488
Net change in operating liabilities	(5,365)	(138,579)
Net Cash Generated from Operations	122,240	12,526
Income tax paid	(23,431)	(19,240)
Interest paid	(73)	(860)
Interest received	2,799	1,818
Net Cash Generated from / (Used in) Operating Activities	101,535	(5,756)
CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipments	(40,006)	(19,069)
Acquisition of investment properties	(20,709)	-
Acquisition of intangible assets	-	(80)
Acquisition of subsidiaries, net of cash acquired (Note 1)	-	(19,087)
Proceeds from disposal of property, plant and equipments	6,369	-
Net Cash Used In Investing Activities	(54,346)	(38,236)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	171,165
Proceeds from exercise of warrants	18,126	1,827
Proceeds from issuance of ordinary shares to NCI	-	330
Net drawdown/(repayment) of short term borrowing	47,329	(422)
Dividend paid during the period	(30,817)	(20,278)
Net Cash Generated From Financing Activities	34,638	152,622
NET INCREASE IN CASH AND CASH EQUIVALENTS	81,827	108,630
EFFECT OF EXCHANGE RATE CHANGES	908	(3)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	132,439	601
CASH AND CASH EQUIVALENTS AT END OF PERIOD	215,174	109,228
CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:		
Cash and Bank Balances	101,676	42,359
Fixed Deposits and Quoted Unit Trust	113,498	66,869
	215,174	109,228

(The Condensed Consolidated Cashflow Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2016 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 3RD QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

CONSOLIDATED CASHFLOW STATEMENT (CONT'D)

Fair value for identifiable assets acquired and liabilities assumed as follows:

	(RM'000)
Fixed Assets	52,823
Deferred Tax Assets	1,719
Cash and equivalents	36,113
Trade Receivables	241,105
Other Receivables and Prepayment	30,150
Other assets	12
Short-term Borrowings	(421)
Trade Payable and accrued	(114,807)
Other payables & accruals	(15,103)
Income Tax Payable	(4,360)
Other liabilities	(118,885)
Deferred Tax	(3,480)
Total net identifiable assets	<u>104,866</u>

Goodwill

Goodwill was recognised as a result of the acquisitions as follow:

	(RM'000)
Total purchase consideration	458,000
Less: value of net identifiable assets	<u>(104,866)</u>
	<u>353,134</u>

The goodwill is attributable mainly to the skills and technical talent of the acquiree's work force and the synergies expected to be achieved from integrating the companies into the Group's existing construction business.

Note 1

The cash outflow on the acquisition is as follow:

	(RM'000)
Purchase consideration satisfied by cash	55,200
Cash and cash equivalents of subsidiaries acquired	<u>(36,113)</u>
Net cash outflow of the group	<u>19,087</u>

NOTES TO THE REPORTS

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

A1. Corporate Information

Kerjaya Prospek Group Berhad is a public limited company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office is located at No. 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor. The principal place of business is located at No.1, 2nd Floor, Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

A2. Malaysian Financial Reporting Standards ("MFRS")

The interim financial reports of the Group are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysia Accounting Standard Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial reports should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2016.

The accounting policies and methods of computation adopted by the Group in these quarterly financial reports are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2016, except for the adoption of the following new and revised Standards and Amendments.

Effective for annual period beginning on or after

Description

Amendments to MFRS 112, Income Taxes - Recognition of Deferred Tax assets for Unrealised Losses	1st January 2017
Amendments to MFRS 107, Statement of Cash Flows - Disclosure Initiative	1st January 2017
Amendments to MFRS 12, Disclosure of Interest in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1st January 2017
Amendments to MFRS 2, Classification and Measurement of Share Based Payment Transactions	1st January 2018
MFRS 15, Revenue from Contracts with Customers and clarifications to MFRS 15	1st January 2018
Amendments to MFRS 4, Applying MFRS 9 Financial Instruments with MFRS 4, Insurance Contracts	1st January 2018
Amendments to MFRS 140, Investment Property - Transfers of Investment Property	1st January 2018
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1st January 2018
MFRS 9, Financial Instruments	1st January 2018
Amendments to MFRS: Annual Improvements to MFRS Standards 2014- 2016 Cycle	1st January 2018
Amendment to MFRS 7, Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosure	1st January 2018
MFRS 16, Lease	1st January 2019
MFRS 17, Insurance Contracts	1st January 2021

A3. Audit Report

The audited financial statements for the preceding financial year ended 31 December 2016 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items in the current quarter under review that affecting the assets, liabilities, equity, net income or cashflow of the Group.

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

Saved as disclosed below, there were no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares by the Group during the financial period:-

- (a) 20,631,400 new ordinary shares pursuant to the conversion of warrant 2007/2017.
- (b) 33,344,828 new ordinary shares pursuant to the conversion of RCPS.

A8. Dividends Paid

On 10 July 2017, the Board of Directors has approved a single-tier dividend of 5.5 sen per ordinary share in respect of the current financial year ending 31 December 2017. The total amount of RM30.82 million has been paid on 29 August 2017.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

A9. Segmental Information

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	653,491	1,398	48,473	-	-	703,362
Inter Segment Revenue	182,985	(122)	-	-	(182,863)	-
	836,476	1,276	48,473	-	(182,863)	703,362

RESULTS

Segmental Results	88,704	(2,183)	8,673	41,487	(40,520)	96,161
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OTHER INFORMATION

Segmental Assets	773,109	104,187	85,458	662,864	(401,472)	1,224,146
Segmental Liabilities	533,301	108,504	64,175	25,157	(356,790)	374,347

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2016

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	545,808	8,883	15,187	-	-	569,878
Inter Segment Revenue	153,771	375	-	-	(154,146)	-
	699,579	9,258	15,187	-	(154,146)	569,878

RESULTS

Segmental Results	72,080	6,831	3,438	22,354	(30,952)	73,751
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OTHER INFORMATION

Segmental Assets	576,617	109,560	56,929	616,308	(443,899)	915,515
Segmental Liabilities	409,088	110,679	49,136	9,965	(399,203)	179,665

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

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

A9. Segmental Information (contd.)

For management purposes, the Group is organised into business units based on their products and services, and has four (4) reportable operating segments as follow:

- (i) Construction - Main building construction works, provision of contract workmanship and other related services.
- (ii) Manufacturing - Manufacture, assemble, installation and sale of light fittings, furniture, kitchen cabinetry and related products.
- (iii) Property Development - Development of residential and/or commercial properties.
- (iv) Others - Investment holding and others.

Segment performance for the financial period ended 30 September 2017 as compared to corresponding preceding period ended 30 September 2016

(i) Construction

The construction segment has achieved a total revenue of RM836.48 million in the current financial quarter representing an increase of approximately 20% as compared to its corresponding preceding financial quarter of RM699.58 million. The segmental profit was further enhanced from RM72.08 million in corresponding preceding period to RM88.70 million in current financial quarter. The increase in revenue and profit before tax was mainly due to steady progress construction work on-site and improved margin on the projects. The construction segment is expected to continue to deliver positive results and improve the Group's overall turnover and profitability moving forward.

(ii) Manufacturing

The revenue on manufacturing segment has decreased to RM1.28 million in current financial quarter compared to its corresponding preceding financial quarter of RM9.26 million. The segmental profit has decreased from RM6.83 million to a loss of RM2.18 million as completion of existing projects and newly secured projects were at their initial planning stage. Higher costs were incurred during the quarter due to fixed costs and material purchased for new projects.

(iii) Property Development

The property development division continues to recognise its revenues of RM48.47 million and a profit of RM8.67 million for the current financial quarter as more sales and purchase agreements were being executed on the project with higher development progress being registered for the project.

(iv) Others

Others refer to investment holding and others. A segmental profit of RM41.49 million was registered mainly due to its dividend income from its subsidiary.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

A10. Profit Before Tax

	Individual Quarter 30.09.2017 (RM'000)	Cumulative Quarter 30.09.2017 (RM'000)
Amortisation and depreciation of property, plant and equipment	6,135	17,240
Unrealised foreign exchange loss	1	6
Net fair value loss	492	1,223
Interest expenses	(366)	73
Interest income	(1,471)	(2,799)
Gain on disposal of property, plant and equipment	(1,576)	(2,281)

A11. Subsequent Events

There were no subsequent events as at 22 November 2017, being the latest practicable date which shall not be earlier than 7 days from the date of issuance of this interim financial report.

A12. Changes in Composition of the Group

Saved as disclosed below, there were no changes in the composition of the Group for the current quarter and financial period to date:-

- (a) Acquisition of 7 ordinary shares of RM1.00 each in Kerjaya Prospek Resources Sdn Bhd ("KP Resources") on 17 August 2017. As a result, KP Resources become a 70% owned subsidiary of the Company.

A13. Changes in Contingent Liabilities or Contingent Assets

- (a) Contingent Liabilities

	Cumulative Quarter 30.09.2017 (RM'000)
Corporate guarantee given to banks for facilities granted to subsidiaries	217,057
Corporate guarantee given to third parties for credit facilities granted to subsidiaries	80,054
	<u>297,111</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.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

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 RM229.94 million as compared to its corresponding preceding financial quarter of RM190.47 million. Along with the increase in revenue, Profit Before Tax ("PBT") in the current quarter jumped to RM41.54 million, representing an increase of RM7.75 million from its corresponding preceding quarter of RM33.79 million.

Overall, the increase in revenue and PBT were mainly attributed to the construction segment of the Group which currently has a substantial orderbook comprising of projects awarded by premium property developers in Malaysia. The property development segment is also expected to contribute positively to the Group's earnings moving forward with the encouraging take up rate in the Group's property development project in Genting Permai. The outstanding performance especially in the construction segment has mitigated the slowdown in the manufacturing segment which was due to completion of existing projects.

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

	Current Quarter ended 30.09.2017 (RM'000)	Immediate Preceding Quarter ended 30.06.2017 (RM'000)	Changes (%)
Revenue	229,941	240,203	-4.3%
Operating Profit	42,180	48,873	-13.7%
Profit Before Tax	41,544	47,270	-12.1%
Profit After Tax	34,744	33,339	4.2%
Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	34,411	32,900	4.6%

For the current quarter, the Group recorded a revenue and PBT of RM229.94 million and RM41.54 million respectively as compared to RM240.20 million and RM47.27 million respectively in its immediate preceding quarter due to timing of delivery of works on construction segment which all on going projects were at their planned progression. On the property development segment, the maiden property project; Vista Residences, has also recorded encouraging result.

B3. Current Year Prospects

The Group is pleased that it has delivered growth in both revenue and profit. As at current financial quarter, the total additional secured order book in hand of the Group is RM1.4 billion. The Group's outstanding order book stands at RM3.2 billion. Moving forward, the Group sees the construction segment continue being the main revenue driver of the Group. The Group continues to pursue both high rise and landed development projects from domestic markets. In addition, the Group's maiden project, Vista Residences, has also recorded an encouraging take-up rate with its current unbilled sales of approximately RM67 million.

The Group will continue to exercise vigilance and prudence in achieving its objectives whilst expanding in view of the current global and local economic environments.

Notwithstanding the Group's objective to expand its core business in construction, it will maintain the manufacturing segment as part of its integrated business objective and strategy and complete the existing property development project.

Barring any unforeseen circumstances, the Group is cautiously optimistic on its overall businesses moving forward and will continue to sharpen its competitive edge to achieve sustainable growth in the market.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

B4. Profit Forecast

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

B5. Taxation

	Individual Quarter 30.09.2017 (RM'000)	Cumulative Quarter 30.09.2017 (RM'000)
Malaysia income tax		
- current year	7,394	31,277
- over provided in prior year	-	(8)
	<u>7,394</u>	<u>31,269</u>
Deferred tax		
- current year	(594)	(646)
	<u>6,800</u>	<u>30,623</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate of 24% mainly due to inclusion of certain non-taxable items in the income statement.

B6 Group Borrowings and Debt Securities

Total borrowings of the Group comprised of the followings:

	As at 30.09.2017 (RM'000)	As at 30.09.2016 (RM'000)
Unsecured:		
Bank overdraft	52,165	-

B7. Status of Corporate Proposals

There were no other proposal announced by the Company but pending implementation as at the date of this report.

B8. Changes in Material Litigation

There were no pending material litigations for the Group as at the date of this report.

B9. Dividend

The Board of Directors declared an interim dividend in respect of financial year ending 31 December 2017 as follows:

- i) A single tier interim dividend of 5.5 sen per ordinary share;
- ii) The payment date of the interim dividend is on 29 August 2017;
- iii) In respect of deposited securities, entitlement to dividends to be determined on the basis of the record of depositors as at 15 August 2017.

The total dividend for the current financial period is single tier of 5.5 sen per ordinary share.

B10. Derivatives and Fair Value Changes of Financial Liabilities

(a) There were no derivatives as at the current quarter under review.

(b) The fair value changes arising from discounting future retention sum receivables and retention sum payables to present value for the current quarter under review has been accounted accordingly. The net fair value loss for the financial period amounted to approximately RM1,223,884.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

B11. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Earnings				
Profit attributable to owners of the Company (RM'000)	34,411	25,489	96,161	73,751
a) Basic				
Weighted average number of ordinary shares ('000)	537,681	506,952	533,688	326,124
Basic Profit per share attributable to equity holders of the Company (Sen)	<u>6.40</u>	<u>5.03</u>	<u>18.02</u>	<u>22.61</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	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Earnings				
Profit attributable to owners of the Company (RM'000)	34,411	25,489	96,161	73,751
Weighted average number of ordinary shares ('000)	537,681	506,952	533,688	326,124
Effect of dilution of warrants ('000)	7,447	15,414	7,931	14,392
Effect of dilution of RCPS ('000)	-	33,345	-	33,345
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>545,128</u>	<u>555,711</u>	<u>541,619</u>	<u>373,861</u>
Diluted Profit per share attributable to equity holders of the Company (Sen)	<u>6.31</u>	<u>4.59</u>	<u>17.75</u>	<u>19.73</u>

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017

B12. Realised and Unrealised Profit / Losses Disclosure

On 25 March 2010, Bursa Malaysia Securities Berhad (“Bursa Securities”) had issued directives to all listed issuers pursuant to Paragraph 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose a breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into unrealised profits or losses.

Bursa Securities, had on 20 December 2010 further issued guidance on the disclosure and the prescribed format of presentation.

Pursuant to the directives issued, the disclosure of the Group's realised and unrealised profit / losses is as follows:

	As at 30.09.2017 (RM'000) UNAUDITED	As at 31.12.2016 (RM'000) AUDITED
Total retained profits of the Group:		
- Realised	240,689	207,199
- Unrealised	1,356	(417)
	<hr/> 242,045	<hr/> 206,782
Less: Consolidated Adjustments	(36,257)	(66,338)
Total Group retained profits as per consolidated financial statements	<hr/> 205,788	<hr/> 140,444

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No.1 “Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements”, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profit is solely for the purpose of complying with the disclosure requirements stipulated in the directives of Bursa Securities and not to be applied for any other purposes.