

**SENTORIA GROUP BERHAD (Company No : 463344-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 31/12/2017 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31/12/2016 RM'000	UNAUDITED CURRENT YEAR TO DATE 31/12/2017 RM'000	UNAUDITED PRECEDING YEAR TO DATE 31/12/2016 RM'000
Revenue	87,342	60,032	87,342	60,032
Cost of sales	(59,914)	(37,127)	(59,914)	(37,127)
Gross profit	27,428	22,905	27,428	22,905
Other income	470	154	470	154
Distribution expenses	(442)	(504)	(442)	(504)
Administration expenses	(9,293)	(8,588)	(9,293)	(8,588)
Amortisation and depreciation	(2,582)	(2,784)	(2,582)	(2,784)
Profit from operations	15,581	11,183	15,581	11,183
Finance income	181	115	181	115
Finance costs	(1,064)	(713)	(1,064)	(713)
Profit before tax	14,698	10,585	14,698	10,585
Tax expense	(3,634)	(2,109)	(3,634)	(2,109)
Net profit from operations	11,064	8,476	11,064	8,476
Other comprehensive income, net of tax Items that may be reclassified subsequently to profit or loss	-	-	-	-
Total comprehensive income	11,064	8,476	11,064	8,476
Net profit from operations attributable to:				
Owners of the Company	11,082	8,481	11,082	8,481
Non-controlling interests	(18)	(5)	(18)	(5)
	11,064	8,476	11,064	8,476
Total comprehensive income attributable to:				
Owners of the Company	11,082	8,481	11,082	8,481
Non-controlling interests	(18)	(5)	(18)	(5)
	11,064	8,476	11,064	8,476
Profit per share attributable to owners of the Company:				
Basic (sen)	1.99	1.58	1.99	1.58
Diluted (sen)	1.99	1.58	1.99	1.58

The 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 September 2017 and the accompanying explanatory notes attached to the interim financial report.

**SENTORIA GROUP BERHAD (Company No : 463344-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 31/12/2017 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 30/09/2017 RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	437,458	419,245
Biological assets	3,513	3,657
Property development costs	22,972	22,972
Investment properties	38,240	38,155
Fixed deposits with licensed banks	8,466	7,005
Investment in short term funds	7,839	7,524
Goodwill on consolidation	3	3
Deferred tax assets	50,460	50,361
<b>Total Non-Current Assets</b>	<b>568,951</b>	<b>548,922</b>
<b>Current Assets</b>		
Property development costs	214,161	185,032
Amount due from customers	22,444	15,270
Amount due from holding company	-	3,179
Inventories	1,691	1,734
Trade and other receivables	240,310	222,891
Tax recoverable	89	4
Investment in short term funds	-	8,000
Cash and bank balances	106,623	38,038
<b>Total Current Assets</b>	<b>585,318</b>	<b>474,148</b>
<b>Total Assets</b>	<b>1,154,269</b>	<b>1,023,070</b>
<b>Equity and Liabilities</b>		
Share capital	162,579	152,566
Treasury shares	(862)	(862)
Revaluation reserves	66,030	66,175
Retained earnings	239,816	228,589
	467,563	446,468
Non-controlling interests	935	953
<b>Total Equity</b>	<b>468,498</b>	<b>447,421</b>
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	4,100	4,107
Borrowings	267,334	222,483
<b>Total Non-Current Liabilities</b>	<b>271,434</b>	<b>226,590</b>
<b>Current Liabilities</b>		
Trade and other payables	257,159	178,944
Amount due to customers	254	-
Borrowings	152,570	166,188
Tax payable	4,354	3,927
<b>Total Current Liabilities</b>	<b>414,337</b>	<b>349,059</b>
<b>Total Liabilities</b>	<b>685,771</b>	<b>575,649</b>
<b>Total Equity and Liabilities</b>	<b>1,154,269</b>	<b>1,023,070</b>
Net assets per share (RM)	0.83	0.90

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

**SENTORIA GROUP BERHAD (Company No : 463344-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the Company →				Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Distributable Treasury Shares RM'000	Non-distributable Share Premium RM'000	Revaluation Reserves RM'000				
<b>Unaudited</b>								
<b>Financial quarter ended 31 December 2017</b>								
As at 1 October 2017	152,566	(862)	-	66,175	228,589	446,468	953	447,421
Crystallisation of revaluation reserves	-	-	-	(145)	145	-	-	-
Net profit from operations	-	-	-	-	11,082	11,082	(18)	11,064
Total comprehensive income	-	-	-	(145)	11,227	11,082	(18)	11,064
<b>Transactions with owners</b>								
Exercise of Warrants-A	10,013	-	-	-	-	10,013	-	10,013
	10,013	-	-	-	-	10,013	-	10,013
As at 31 December 2017	162,579	(862)	-	66,030	239,816	467,563	935	468,498
<b>Unaudited</b>								
<b>Financial quarter ended 31 December 2016</b>								
As at 1 October 2016	97,822	-	48,744	66,298	189,853	402,717	475	403,192
Crystallisation of revaluation reserves	-	-	-	(143)	143	-	-	-
Net profit from operations	-	-	-	-	8,481	8,481	(5)	8,476
Total comprehensive income	-	-	-	(143)	8,624	8,481	(5)	8,476
<b>Transactions with owners</b>								
Own shares bought	-	(1)	-	-	-	(1)	-	(1)
	-	(1)	-	-	-	(1)	-	(1)
As at 31 December 2016	97,822	(1)	48,744	66,155	198,477	411,197	470	411,667

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

**SENTORIA GROUP BERHAD (Company No : 463344-K)**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 31 DECEMBER 2017**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>UNAUDITED CURRENT YEAR TO DATE 31/12/2017 RM'000</b>	<b>UNAUDITED PRECEDING YEAR YEAR TO DATE 31/12/2016 RM'000</b>
<b>Operating Activities</b>		
Profit before tax	14,698	10,585
Adjustments for :		
Amortisation and depreciation	2,861	2,951
Interest and commission expenses	1,064	713
Interest income	(181)	(115)
Operating profit before changes in working capital	18,442	14,134
Property development costs	(29,129)	2,218
Inventories	43	30
Amount due from customers	(6,921)	3,023
Receivables	(14,240)	(8,034)
Payables	78,217	(9,589)
Cash generated from operations	46,412	1,782
Interest and commission expense paid	(1,064)	(713)
Interest income received	181	115
Net tax paid	(3,398)	(2,986)
<b>Net cash generated from/(used in) operating activities</b>	<b>42,131</b>	<b>(1,802)</b>
<b>Investing Activities</b>		
Net movement in fixed deposits with licensed banks	6,539	(20,004)
Net movement in short term funds	(315)	(57)
Purchase of biological assets	(17)	(11)
Purchase of property, plant and equipment	(19,324)	(5,741)
Purchase of investment properties	(99)	-
<b>Net cash used in investing activities</b>	<b>(13,216)</b>	<b>(25,813)</b>
<b>Financing Activities</b>		
Own shares bought	-	(1)
Proceeds from issuance of shares	10,013	-
Repayment of finance lease liabilities	(1,487)	(465)
Repayment of borrowings	(73,413)	(95,577)
Drawdown of borrowings	111,267	126,578
<b>Net cash from financing activities</b>	<b>46,380</b>	<b>30,535</b>
Net change in cash and cash equivalents	75,295	2,920
Cash and cash equivalents at beginning of financial quarter	10,581	8,327
Cash and cash equivalents at end of financial quarter	85,876	11,247
Cash and cash equivalents at the end of the financial quarter comprise the following:		
Cash and bank balances	106,623	19,509
Fixed deposits with licensed banks	-	20,000
Bank overdrafts	(20,747)	(28,262)
	<b>85,876</b>	<b>11,247</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

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**A1 Accounting policies and basis of preparation**

The interim financial report is unaudited and is prepared in accordance with Financial Reporting Standard (“FRS”) 134 Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad’s (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”).

The interim financial statements should be read in conjunction with the Audited Financial Statements for the financial year ended 30 September 2017 and these explanatory notes.

These explanatory notes 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 September 2017.

The accounting policies and methods of computation adopted by the Group in the interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial year ended 30 September 2017 except for the changes in accounting policies and presentation resulting from the adoption of new and revised Financial Reporting Standards (“FRS”) and Amendments to FRSs that are effective for the financial periods beginning on or after 1 October 2017.

The Group has not adopted the following new FRSs and Amendments to FRSs issued by Malaysian Accounting Standards Board (“MASB”):

FRS, Amendments to FRSs and Interpretation effective 1 January 2018

FRS 9	Financial Instruments (International Financial Reporting Standards (“IFRS”) 9 issued by International Accounting Standards Board (“IASB”) in July 2014)
FRS 15	Revenue from Contracts with Customers
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to FRS 4	Insurance Contracts, Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts*
Amendments to FRS 7	Financial Instruments - Disclosure: Mandatory effective date of FRS 9 and transitional disclosures
Amendments to FRS 140	Investment Property: Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Annual Improvements to FRS Standards 2016-2016 Cycle (except for Amendments to FRS12 Disclosure of Interests in Other Entities)	

FRS, Amendments to FRSs and Interpretation effective 1 January 2019

FRS 16	Leases
Amendments to FRS 9	Financial Instruments: Prepayment Features with Negative Compensation
Amendments to FRS 128	Investments in Associates and Joint Ventures: Long-term interest in Associates and Joint Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to FRS Standards 2015-2017 Cycle	

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER  
ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

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Amendments to FRSs (deferred effective dates to be announced by MASB):

FRS 10 and 128 Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

\* See FRS 4 Paragraphs 46, 47A and 48 for the effective date

FRS 128 and Amendments to FRSs 2, 4 and 128 are not applicable to the Group's existing operations.

The adoption of the above FRSs and Amendments to FRSs (except for FRSs 9, 15, 16 and FRS 107) are not expected to have any significant financial impact to the Group. As for FRSs 9, 15, 16 and 107, the financial impacts in the period of initial application cannot be determined at present.

New MASB Approved Accounting Standards

To converge with IFRSs in 2012, MASB had on 19 November 2011, issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), which are mandatory for annual financial periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and MFRS 15 Revenue from Contracts with Customers for Construction, including its parent, significant investor and venture ("Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRSs. Consequently, adoption of MFRSs by Transitioning Entities will be mandatory for annual financial periods beginning on or after 1 January 2018.

The Group falls within the scope of Transitioning Entities and has opted to defer the adoption of MFRSs. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 September 2019.

In presenting its first MFRS financial statements, the Group will be required to restate its comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed their quantification of the financial effects of the differences between FRSs and MFRSs and as such, are unable to assess the said differences. Accordingly, the Group's financial performance and position as disclosed in the interim financial statements could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 30 September 2019.

MFRS effective 1 January 2021

MFRS 17 Insurance Contracts

MFRS 17 is not applicable to the Group's existing operations.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

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**A2 Auditors' report on preceding annual financial statements**

The auditors' report on the audited financial statements for the financial year ended 30 September 2017 was not subject to any qualification.

**A3 Seasonality or cyclicity of operations**

The operations of the property development segment were not subjected to seasonal or cyclical factors. As for the leisure and hospitality segment, its operations normally peak during major festivities, and public and school holiday seasons.

**A4 Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flow for the current financial year to-date.

**A5 Changes in estimates**

There were no changes in estimates of amounts reported in a prior financial quarter of a prior financial year, which have material impact on the current financial year to-date.

**A6 Changes in debt and equity securities**

During the current financial year to-date, the Company:

- (a) increased its issued ordinary share capital from RM152,565,976 to RM162,578,768 by the issuance of 16,687,986 new shares on the exercise of Warrants-A pursuant to the Warrants-A deed poll of 27 March 2014 at the exercise price of 60 sen per share; and
- (b) issued 51,466,801 million bonus ordinary shares on the basis of one bonus share for every ten existing shares held at an issue price of 20 sen per share by the capitalisation of the share premium account pursuant to Section 618(3) of the Companies Act 2016 ("Bonus Issue").

As a consequence of the Bonus Issue, the Company issued 1,219,957 additional Warrants-A pursuant to the Warrants-A deed poll of 27 March 2014.

Other than the above, there were no issuances, cancellations, repurchases, resales and repayments of debt and equity securities during the current financial year to-date.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

Subsequent to the end of the current financial year to-date:

- (a) issued 205,867,236 million new Warrants-B at an issue price of 25 sen per warrant on the basis of four Warrants-B for every ten existing shares held. Each Warrant-B entitled the registered holder to subscribe for one new ordinary share in the Company at 60 sen per share during the exercise period expiring on 9 January 2025.
- (b) the Company bought 2,725,000 of its own ordinary shares from the open market at an average price of 61.2 sen per share. The total consideration paid for the purchased shares including transaction costs amounting to RM1,666,534 was financed by internally generated funds. These purchased shares were dealt with as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 19 February 2018, out of the Company's total 567,265,891 issued ordinary shares, 3,856,000 are held as treasury shares by the Company.

**A7 Dividends paid**

No dividends were paid by the Company during the current financial year to-date.

**A8 Segmental information**

The Group has identified property development, leisure and hospitality and others as operating segments. These segments are monitored and strategic decisions are made on the basis of adjusted segment results.

Segment results for the current financial year to-date were as follows:

	Property Development RM'000	Leisure & Hospitality RM'000	Others RM'000	Elimination/ Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>					
External	72,583	14,759	-	-	87,342
Inter-segment	-	319	-	(319)	-
	72,583	15,078	-	(319)	87,342
<b>Results</b>					
Segment profit	14,642	1,217	(532)	254	15,581
Finance income	107	-	74	-	181
Finance costs	(633)	(420)	(11)	-	(1,064)
Profit/(loss) before taxation	14,116	797	(469)	254	14,698
Taxation	(3,672)	38	-	-	(3,634)
Net profit/(loss) from operations	10,444	835	(469)	254	11,064

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

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**A9 Material events subsequent to the end of the current financial quarter**

There were no material events subsequent to the end of the current financial quarter which have not been reflected in the interim financial statements.

**A10 Changes in the composition of the Group**

During the current financial year to-date, the Company incorporated two new wholly-owned subsidiary companies, Sentoria IBS Sdn Bhd and Active Academy Sdn Bhd.

Other than the above, there were no changes in the composition of the Group during the current financial quarter.

**A11 Contingent assets and contingent liabilities**

There were no material changes to the contingent assets and contingent liabilities of the Group since the end of the prior financial year.

**A12 Capital commitments**

The Group's capital commitments at the end of the current financial quarter were as follows:

	RM'000
Authorised and contracted for	<u>48,073</u>
Authorised but not contracted for	<u>-</u>

**A13 Related party transactions**

(a) The Group's significant related party transactions during the current financial year to-date were as follows:

	RM'000
<u>Transactions with companies in which certain Directors have interests:</u>	
Rental expenses paid/payable	86
Sales of food and beverages, room sales and provision of transportation services	3
Rental income received/receivable	99
<u>Transactions with holding company</u>	
Rental expenses paid/payable	6
<u>Transactions with persons connected with a Director</u>	
Rental expenses paid/payable	15
Commission paid/payable	<u>63</u>

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER  
ENDED 31 DECEMBER 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

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- (b) During the current financial year to-date:
- (i) the holding company's shares in the Company were pledged as security for the construction and completion of a joint venture development project of the Group. The market value of these shares as at the end of the current financial quarter was approximately RM17.4 million. The holding company also provided a corporate guarantee and indemnity to guarantee the payment by the Group of certain sums of up to RM30.0 million due to the land owner for the project concerned.
  - (ii) certain Directors jointly and severally guaranteed banking facilities granted to a subsidiary company. The amount of these facilities outstanding as at the end of the current financial quarter was approximately RM1.5 million.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

**B1 Review of performance**

	Individual Quarter		Changes +/(-) %
	Current Year Quarter	Preceding Year Corresponding Quarter	
	31.12.2017	31.12.2016	
	RM'000	RM'000	
Revenue			
Property Development	72,583	45,804	+58.5
Leisure & Hospitality	14,759	14,228	+3.7
	87,342	60,032	+45.5
Profit from operations	15,581	11,183	+39.3
Profit before tax	14,698	10,585	+38.9
Net profit from operations	11,064	8,476	+30.5
Profit attributable to owners of the Company	11,082	8,481	+30.7

For current financial quarter ["CFQ"], the Group's revenue increased by 45.5% year-on-year ["YoY"] to RM87.3 million from RM60.0 million in the preceding year's corresponding financial quarter. This increase was mainly contributed by higher billings for the development projects in Kuantan, Kuching and Morib.

Due to the higher revenue, the Group's profit from operations and profit before taxation ["PBT"] for the CFQ increased by 39.3% and 38.9% YoY respectively.

Although the effective tax rate for the CFQ of 24.7% was higher than that of 19.9% for the preceding year's corresponding financial quarter, the higher revenue and PBT for the CFQ led to YoY increases of 30.5% and 30.7% in net profit from operations and profit attributable to the owners of the Company respectively.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

**B2 Comparison with immediate preceding quarter's results**

	Current Year Quarter	Immediate Preceding Quarter	Changes +/-
	31.12.2017	30.9.2017	
	RM'000	RM'000	%
Revenue			
Property Development	72,583	88,682	-18.2
Leisure & Hospitality	14,759	10,974	+34.5
	87,342	99,656	-12.4
Profit from operations	15,581	25,406	-38.7
Profit before tax	14,698	25,083	-41.4
Net profit from operations	11,064	19,000	-41.8
Profit attributable to owners of the Company	11,082	18,963	-41.6

The Group's revenue of RM87.3 million for the CFQ decreased by 12.4% as compared to RM99.7 million achieved in the preceding financial quarter. The decrease was mainly due to the lower billings as compared to the immediate preceding financial quarter. The new projects launched in the coming financial quarter should contribute positively towards revenue for the rest of the current financial year.

The decline in PDD's revenue was partly offset by the increased revenue from Leisure & Hospitality Division ["LHD"]. This QoQ increase was a seasonal effect due to the year-end school holidays during the CFQ which led to increased visitors and higher room occupancy at Bukit Gambang Resort City ["BGRC"].

The QoQ decrease in the Group's profit from operations by RM9.8 million to RM15.6 million as compared to RM25.4 million for the immediate preceding financial quarter was partly due to reduced revenue from PDD as mentioned above. The non-recurring fair value gain on revaluation of investment properties of RM5.5 million in the immediate preceding financial quarter was also contributed to the lower profit from operations.

The reduction in PBT for the CFQ of 41.4% was due to higher interest expense (net of interest income) for the CFQ of RM883,000 as compared to RM323,000 incurred in the preceding financial quarter.

The percentages drops in net profit from operations and profit attributable to owners of the Company QoQ were in tandem with the percentage drop in PBT.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

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**B3 Commentary on prospects**

The Group being primarily an affordable homes developer, believes that demand for its products in the foreseeable future is expected to be sustainable. This optimism is in line with market demand as well as the Government's broad objective to enable everyone to own a house. While the Group remains positive on the prospects of its property development business, it anticipates that margins would be reduced in the near future.

The Group's unbilled sales from its on-going projects in Kuantan, Morib and Kuching stood at RM349.3 million as of 31 December 2017. These on-going projects together with planned launches (subject to obtaining all relevant regulatory approvals) with gross development value in excess of RM400 million for the rest of the current financial year is expected to have a positive impact for the Group.

As for the Group's leisure and hospitality business, the near term outlook for BGRC is expected to remain challenging. Nevertheless, it will continue its efforts to optimise its management and operational efficiencies to enhance profitability. The Group's new theme parks, Langkawi Nature Park and Borneo Samariang Water Park is expected to be fully operational in the financial quarter ending 30 June 2018. These new parks when operational will add scale to the Leisure & Hospitality Division in complementing BGRC and accordingly, should enhance the division's performance going forward.

**B4 Profit forecast or profit guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax with profit forecast and shortfall in profit guarantee are not applicable.

**B5 Taxation**

	<b>Current Year Quarter</b>	<b>Current Year To- Date</b>
	RM'000	RM'000
Current income tax-Malaysian income tax	3,535	3,535
Deferred taxation	99	99
	<hr/>	<hr/>
	3,634	3,634
	<hr/>	<hr/>
Effective income tax rate	24.7%	24.7%
	<hr/>	<hr/>

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

**B6 Status of corporate proposals announced**

There were no corporate proposals announced but not completed as of 19 February 2018.

The on-going post-completion matter arising from the issuance of Warrants-B referred to in Note A6 is in relation to the utilisation of the gross proceeds as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation up to 19 February 2018 RM'000	Estimated timeframe for utilisation from 12 January 2018
Working capital:			
- Property development projects	35,000	17,012	Within 12 months
- General working capital	15,467	13,680	Within 6 months
Defrayment of estimated expenses	1,000	815	Immediate
<b>Total</b>	<b>51,467</b>	<b>31,507</b>	

**B7 Borrowings and debt securities**

The Group's borrowings, all of which were secured and denominated in RM as at the end of the current financial quarter were as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Bankers' acceptances	24,864	-	24,864
Bridging loan	39,163	16,772	55,935
Bank overdrafts	20,747	-	20,747
Revolving credit	41,064	7,500	48,564
Finance lease liabilities	848	1,336	2,184
Term loans	25,884	241,726	267,610
	<u>152,570</u>	<u>267,334</u>	<u>419,904</u>

**B8 Changes in material litigation**

The Group has no material litigation as of 19 February 2018.

**B9 Dividends**

No dividend has been declared or recommended for the current financial year to-date.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2017**

**NOTES TO THE FINANCIAL STATEMENTS**

**B10 Earnings per share**

(i) Basic earnings per share

The basic earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period concerned.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2017	Preceding Year Quarter 31/12/2016	Current Year To-Date 31/12/2017	Preceding Year To-Date 31/12/2016
Profit attributable to owners of the Company (RM'000)	11,082	8,481	11,082	8,481
Weighted average number of ordinary shares in issue ('000)	556,340	536,411	556,340	536,411
Basic earnings per share (sen)	1.99	1.58	1.99	1.58

(ii) Diluted earnings per share

The diluted earnings per ordinary share for a financial period is calculated by dividing the profit attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding and the assumed conversion of warrants outstanding during and as of the end of the financial period concerned respectively.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2017	Preceding Year Quarter 31/12/2016	Current Year To-Date 31/12/2017	Preceding Year To-Date 31/12/2016
Profit attributable to owners of the Company (RM'000)	11,082	8,481	11,082	8,481
Weighted average number of ordinary shares in issue ('000)	556,688	538,431	556,688	538,431
Diluted earnings per share (sen)	1.99	1.58	1.99	1.58

In the CFQ, the number of ordinary shares outstanding increased as a result of the Bonus Issue referred to in Note A6. Accordingly, the calculation of the weighted average number of ordinary shares in issue and the basic and diluted earnings per share for the corresponding financial quarter presented were adjusted retrospectively.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER  
ENDED 31 DECEMBER 2017

NOTES TO THE FINANCIAL STATEMENTS

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**B11 Profit before tax**

Profit before tax is arrived at after taking into account the following income/(expenses):

	<b>Current Year Quarter RM'000</b>	<b>Current Year To- Date RM'000</b>
Interest income	181	181
Other income	470	470
Interest and commission expense	(1,064)	(1,064)
Amortisation and depreciation	(2,582)	(2,582)

The following items which were not disclosed were not applicable:

- (a) Allowance and write off of receivables;
- (b) Allowance and write off of inventories;
- (c) Gain or loss on disposal of quoted or unquoted investments or properties;
- (d) Impairment of assets;
- (e) Foreign exchange gain or loss;
- (f) Gain or loss on derivatives; and
- (g) Exceptional items (with details).

By order of the Board

Datuk Tan Leh Kiah  
Company Secretary

23 February 2018