

## **INTERIM FINANCIAL STATEMENTS**

*- For the Quarter and Year  
Ended 31<sup>st</sup> December 2018 -*

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018**  
(The figures have not been audited)

	Note	3 months ended 31 December		12 months ended 31 December	
		2018 RM Unaudited	2017 RM Restated	2018 RM Unaudited	2017 RM Restated
<b>Continuing Operations</b>					
Revenue	9	54,126,499	54,679,242	203,389,583	251,707,223
Cost of sales		(53,373,412)	(52,864,362)	(191,628,408)	(198,669,541)
<b>Gross profit</b>		<u>753,087</u>	<u>1,814,879</u>	<u>11,761,175</u>	<u>53,037,682</u>
Distribution expenses		(1,469,554)	(4,597,275)	(8,742,259)	(18,438,319)
Administrative expenses		(10,007,169)	(9,755,932)	(38,893,327)	(43,981,710)
Other operating income	10	3,516,656	1,522,188	6,634,510	4,791,850
Other operating expenses		(2,186,029)	(589,126)	(2,227,355)	(599,631)
<b>Result from operating activities</b>		<u>(9,393,009)</u>	<u>(11,605,266)</u>	<u>(31,467,256)</u>	<u>(5,190,128)</u>
Finance cost	10	(4,329,777)	(2,803,600)	(7,868,231)	(5,719,794)
<b>Loss before taxation</b>	10	<u>(13,722,786)</u>	<u>(14,408,866)</u>	<u>(39,335,487)</u>	<u>(10,909,922)</u>
Tax expense	21	(1,876,736)	(457,853)	(2,892,183)	(1,367,578)
<b>Loss and total comprehensive expense for the period</b>	9	<u>(15,599,522)</u>	<u>(14,866,719)</u>	<u>(42,227,670)</u>	<u>(12,277,500)</u>
<b>Loss and total comprehensive expense for the period attributable to :</b>					
Owners of the Company		(15,570,831)	(14,849,297)	(42,195,953)	(12,244,076)
Non-controlling interests		(28,692)	(17,422)	(31,717)	(33,424)
<b>Loss and total comprehensive expense for the period</b>		<u>(15,599,522)</u>	<u>(14,866,719)</u>	<u>(42,227,670)</u>	<u>(12,277,500)</u>
<b>Basic loss per ordinary share (sen)</b>	26	(5.13)	(4.89)	(13.90)	(4.03)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**  
(The figures have not been audited)

	Note	31.12.2018 RM Unaudited	31.12.2017 RM Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	99,318,986	98,702,855
Investment property		40,560,366	36,000,000
Other investments		135,250	446,384
Inventories		353,809,723	332,363,921
Deferred tax assets		-	190,174
		<u>493,824,325</u>	<u>467,703,334</u>
<b>Current assets</b>			
Inventories		71,817,174	92,436,241
Trade and other receivables		108,448,855	99,339,685
Current tax assets		10,618,033	9,613,339
Deposits with licensed banks		17,387,803	22,162,222
Cash and bank balances		42,877,980	97,592,123
		<u>251,149,844</u>	<u>321,143,610</u>
<b>Total assets</b>		<u><u>744,974,169</u></u>	<u><u>788,846,944</u></u>
<b>Current liabilities</b>			
Trade and other payables		128,848,665	126,601,896
Current tax payable		-	198
Loans and borrowings	23	<u>122,215,836</u>	<u>124,793,845</u>
		<u>251,064,501</u>	<u>251,395,939</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		812,813	101,407
Loans and borrowings	23	<u>34,436,299</u>	<u>36,461,372</u>
		<u>35,249,112</u>	<u>36,562,779</u>
<b>Total liabilities</b>		<u><u>286,313,613</u></u>	<u><u>287,958,718</u></u>
Share capital		331,019,698	331,019,697
Retained earnings		<u>127,650,147</u>	<u>169,846,101</u>
		458,669,845	500,865,798
<b>Non-controlling interests</b>		<u>(9,289)</u>	<u>22,428</u>
<b>Total equity</b>		<u><u>458,660,556</u></u>	<u><u>500,888,226</u></u>
<b>Total equity and liabilities</b>		<u><u>744,974,169</u></u>	<u><u>788,846,944</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018  
(The figures have not been audited)**

	<-----Attributable to owners of the parent----->			Total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Share premium RM	Retained earnings RM			
As at 1 January 2017, as previously stated	303,854,977	27,164,721	205,978,703	536,998,401	55,852	537,054,253
Impact of changes in accounting policies			(10,214,713)	(10,214,713)		(10,214,713)
As at 1 January 2017, restated	303,854,977	27,164,721	195,763,990	526,783,688	55,852	526,839,540
Total comprehensive income / (loss)	-	-	(12,244,076)	(12,244,077)	(33,424)	(12,277,501)
Dividend paid	-	-	(13,673,813)	(13,673,813)	-	(13,673,813)
Transfer in accordance with Section 618(2) of the Companies Act 2016	27,164,721	(27,164,721)		-		-
As at 31 December 2017	331,019,698	-	169,846,101	500,865,798	22,428	500,888,226
As at 1 January 2018 as previously stated	331,019,698	-	184,708,199	515,727,897	22,428	515,750,325
Impact of changes in accounting policies			(14,862,098)	(14,862,098)		(14,862,098)
As at 1 January 2018, restated	331,019,698	-	169,846,101	500,865,798	22,428	500,888,226
Total comprehensive income / (loss)	-	-	(42,195,953)	(42,195,953)	(31,717)	(42,227,670)
As at 31 December 2018	331,019,698	-	127,650,147	458,669,845	(9,289)	458,660,556

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018  
(The figures have not been audited)**

	Cumulative Quarter	
	Current Year Ended 31-Dec-18 RM	Preceding Year Ended 31-Dec-17 RM
<b>Cash flows from operating activities</b>		
Loss before taxation	(39,335,487)	(10,909,922)
Adjustments for:		
Non-cash items	(4,248,644)	8,695,406
Non operating items	4,338,545	4,037,933
Operating (loss) / profit before working capital changes	(39,245,586)	1,823,417
Increase in inventory land held & property development	-	(155,967)
Decrease in Trade and other receivables	36,994,857	366,317,485
Decrease in inventories	7,561,810	(9,962,415)
Decrease in Trade and other payables	(20,479,124)	(69,658,809)
Cash (used) / generated from operations	(15,168,043)	288,363,711
Interest paid	(5,677,779)	(5,719,794)
Taxes paid	(2,968,145)	(17,329,914)
Net cash (used) / provided from operating activities	(23,813,967)	265,314,003
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(9,941,568)	(23,281,266)
Proceeds from disposal of property, plant and equipment	293,424	607,672
(Purchase) / proceeds from other investment	(13,119,932)	6,663,372
Dividend received	-	5,932
Interest received	1,519,659	1,681,861
Net cash used in investing activities	(21,248,417)	(14,322,429)
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders of the Company	-	(13,673,813)
Drawdown of bankers' acceptance	3,586,384	-
Drawdown of term loan	1,055,332	85,572,000
Repayment of borrowings	(21,113,228)	5,848,493
Repayment of term loan	-	(285,859,734)
Placement/(withdrawal) of pledged deposit	370,941	846,706
Net changes in finance lease creditors	(483,432)	(2,489,782)
Net cash used in financing activities	(16,584,003)	(209,756,130)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(61,646,387)	41,235,444
<b>Cash and cash equivalents at beginning of the period</b>	94,509,471	53,274,027
<b>Cash and cash equivalents at end of the period</b>	32,863,084	94,509,471
<b>Cash and cash equivalents comprise of the followings:</b>		
Cash and bank balances	41,377,980	97,592,123
Fixed deposit	17,387,803	22,162,222
Overdraft	(19,497,208)	(19,226,493)
	39,268,575	100,527,852
Less: Deposits pledged	(6,405,491)	(6,018,381)
	32,863,084	94,509,471

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



## EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018

### Part A – Explanatory Notes Pursuant to MFRS 134

#### 1. Basis of Preparation

The interim financial statements other than for financial instruments have been prepared under the historical cost convention. Financial instruments have been fair valued in accordance with MFRS 139 Financial Instruments: Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134; Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa”).

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. These explanatory notes attached to the 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 31 December 2017.

The financial statements of the Economic Entity have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS), generally accepted accounting principles and the Companies Act, 2016 in Malaysia.

#### 2. Significant Accounting Policies

##### **a) Malaysian Financial Reporting Standards (MFRS)**

The interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the Companies Act, 2016 in Malaysia. These are the Group’s first interim financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards has been applied.

In the previous financial years and period, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards (“FRSs”) in Malaysia.



## b) Malaysian Financial Reporting Standards (MFRS Framework)

The Group and the Company are transitioning entities and have elected to apply FRS during the last financial year 2017. The Group is adopting the new IFRS-compliant framework, Malaysian Financial Reporting Standards (“MFRS”) for annual period beginning on 1 January 2018. Upon adoption of MFRS, the Group and the Company will be applying MFRS 1 “First-time Adoption of MFRS”.

The Group has assessed the estimated impact that the initial application of MFRS will have on its consolidated financial statements for year ended 31 December 2017 and the beginning of the earliest period presented, 1 January 2017 as below. The estimated impact on initial application is based on assessment undertaken to date and the actual impacts of adopting the standard may change because the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

	As previously reported under FRS Framework RM'000	Effect of transitioning to MFRS and reclassification RM'000	As restated under MFRS Framework RM'000
<b>As at 1 January 2017</b>			
<b>Group</b>			
<b>Current Liability</b>			
Trade and other payable	124,724	1,856	126,580
<b>Non-Current Asset</b>			
Land held for property development	302,200	(302,200)	-
Inventories	-	302,200	302,200
<b>Current Assets</b>			
Property development costs	97,923	(97,923)	-
Inventories	22,895	87,709	110,604
Retained earnings as at 1 Jan 2017	205,979	(10,214)	195,674



As at 31 December 2017 Group	As previously reported under FRS Framework RM'000	Effect of transitioning to MFRS and reclassification RM'000	As restated under MFRS Framework RM'000
<b>Non-Current Asset</b>			
Land held for property development	344,437	(344,437)	-
Inventories	-	332,343	332,343
<b>Current Assets</b>			
Property development costs	55,842	(55,842)	-
Inventories	37,505	54,930	92,435
Profit for the year	(7,630)	(4,648)	(12,278)
Retained earnings as at 31 December 2017	184,708	(14,862)	169,846

### 3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2017 was not subject to any qualification.

### 4. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and year to-date.

### 5. Changes in Estimates

The preparation of the interim financial statements in conformity with Malaysian Financial Reporting Standards ("MFRSs") requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.



## **6. Seasonal or Cyclical Factors**

The Group's products and services are generally dependent on the Malaysian economy, government policies and weather conditions (on the construction activities).

## **7. Dividends**

There was no dividend paid during the quarter under review.

## **8. Debt and Equity Securities**

There were no issuances, cancellations, repurchase, resale and repayments of equity securities except for repay of debt in the current quarter.



## 9. Segmental Information

	Property development RM	Road building and quarry RM	Engineering and Construction RM	Leisure and Hospitality RM	Other reportable segments RM	Total reportable segments RM	Elimination RM	Consolidated RM
<b>12 months ended 31 December 2018</b>								
<b>Revenue</b>								
External sales	41,288,499	98,834,612	49,398,923	9,620,676	4,246,873	203,389,583	-	203,389,583
Inter-segment sales	133,138	6,769,087	20,614,518	542,277	26,632,880	54,691,901	(54,691,901)	-
Total revenue	<u>41,421,637</u>	<u>105,603,699</u>	<u>70,013,441</u>	<u>10,162,954</u>	<u>30,879,753</u>	<u>258,081,484</u>	<u>(54,691,901)</u>	<u>203,389,583</u>
<b>Segment profit/(loss)</b>	(35,813,203)	5,619,444	3,067,233	(4,652,231)	10,887,330	(20,891,427)	(18,444,060)	(39,335,487)
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>3 months ended 31 December 2018</b>								
<b>Revenue</b>								
External sales	4,845,524	28,425,444	16,657,526	2,984,095	1,213,910	54,126,499	-	54,126,499
Inter-segment sales	34,160	3,248,972	10,853,589	352,122	13,908,220	28,397,064	(28,397,064)	-
Total revenue	<u>4,879,684</u>	<u>31,674,416</u>	<u>27,511,115</u>	<u>3,336,218</u>	<u>15,122,130</u>	<u>82,523,563</u>	<u>(28,397,064)</u>	<u>54,126,499</u>
<b>Segment profit/(loss)</b>	(16,105,562)	2,920,184	1,599,251	(498,172)	6,875,382	(5,208,917)	(8,513,869)	(13,722,786)



## 10. Profit before tax from continuing operations

The following items have been charged / (credited) in arriving at profit before tax from continuing operations:

	3 months ended 31 December		12 months ended 31 December	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest income	(260,041)	(865,637)	(1,519,658)	(1,687,793)
Other income including investment income	(3,256,615)	(656,551)	(5,114,852)	(3,104,057)
Depreciation and amortization:				
-property, plant and equipment	2,570,390	2,699,663	10,241,011	9,170,582
Property, plant and equipment written off	3,580	307,687	329,206	376,666
Gain on disposal of:				
-property, plant and equipment	(51,477)	(427,050)	(167,742)	(507,518)
(Reversal)/ Allowance of impairment:	(2,187,009)	13,026	(2,187,009)	13,026
-trade receivables				
Interest expense	4,329,777	2,803,600	7,868,231	5,719,794

## 11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter including business combination, acquisition or disposal of a subsidiary and long term investment, restructuring and discontinued operation.

## 12. Property, Plant and Equipment

The Group acquired property, plant and equipment worth RM802,673 during the quarter under review.

There were no impairment nor reversal of such impairment during the current 12 months financial period.

The valuations of property, plant and equipment were brought forward without amendment from the previous audited financial statements.



### 13. Capital Commitments

The amount of commitments for the purchase of property, plant & equipment not provided for in the interim financial statements as at 31 December 2018 are as follows:

	<b>RM</b>
Approved and contracted for	1,401,160
Approved but not contracted for	608,970

### 14. Changes in Contingent Liabilities

As at 31 December 2018, the Group does not have any contingent liability.

### 15. Material Subsequent Events to the Reporting Period

There were no material events subsequent to the end of the quarter under review up to the date of this report that have not been reflected in the interim financial statements.

### 16. Significant Related Party Transactions

	<b>12 months ended 31.12.2018 RM</b>
Progress billings charged to the ultimate holding corporation	-
Rental of quarry land to ultimate holding corporation	100,000
Tributes charged by the ultimate holding corporation	756,005
Estate agency fee charged by a related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	102,099
Revenue from oil palm from related company, Kumpulan Ladang-Ladang Perbadanan Kedah Sdn. Bhd.	1,657,166
Property management paid to a related company, Darulaman Asset Sdn. Bhd	45,004
Insurance paid to a related company, KSDC Insurance Brokers Sdn. Bhd.	3,110,844
	<b>5,771,118</b>



## Part B – Explanatory Notes Pursuant to Chapter 9, Appendix 9B of the Listing Requirements of Bursa Malaysia Security Berhad

### 17. Performance Review

#### a) Current quarter vs previous year corresponding quarter

For the fourth quarter ended 31 December 2018, the Group recorded revenue of RM54.1 million. The revenue decreased slightly by 1% compared to RM54.7 million achieved in the same corresponding period of last year. However the Group recorded loss before tax of RM13.7 million in the fourth quarter of 2018 compared to RM14.4 million in the same corresponding period of last year.

The overall property market remained soft in the fourth quarter under review. Kedah ranked among the states with high number of property overhang in Malaysia. Cautious consumer sentiments coupled with stringent financing requirement have affected property take-up rates. The Group incurred losses for the current quarter was mainly attributed to the property development segment which is operating in a challenging business environment.

Performance of the operating business segments for the quarter ended 31 December 2018 compared to the previous year's corresponding quarter are as follows:

#### **Property Division**

The Property Division contributed RM4.8 million to Group revenue compared to RM11.4 million previously. The decrease of the revenue was mainly due to low take up rate and sales conversion at Bandar Darulaman and Darulaman Perdana Townships. Our unbilled sales stood at RM48.0 million due to the deferred launches. Similarly, loss before tax increased by RM1.1 million compared to the previous year's corresponding period.

#### **Road building and Quarry Division**

This Division contributed RM28.4 million to Group revenue compared to RM25.1 million previously, an increase of 13%. The division recorded RM2.9 million in profit before tax compared to RM3.7 million profit in the same quarter last year due to higher production cost.

#### **Engineering and Construction Division**

The Division provided RM16.7 million to Group revenue compared to RM14.3 million previously. The increase in revenue was due to higher progress billing from Projek Perumahan Rakyat Ayer Hitam, Kedah. The profit contribution from this division increased by RM3.1 million compared to the previous year's corresponding period mainly from cost savings.



### **Leisure and Hospitality Division**

This Division contributed relatively the same amount of RM3.0 million to Group revenue for the current and the previous year.

The division recorded RM0.5 million loss before tax compared to RM0.1 million profit before tax in the same quarter last year mainly due higher operating costs.

### **b) Current financial year against the previous year**

For the current financial year, the Group recorded revenue of RM203.4 million compared to RM251.7 million for last year representing a decrease of 19%. The Group recorded loss before tax of RM39.3 million compared to RM10.9 million loss before tax last year.

The Property Division recorded lower revenue of RM41.3 million compared to RM81.4 million in 2017 due to the continued softness in property market in Kedah. The Division recorded loss before tax of RM35.8 million for the year compared to RM16.6 million in 2017. The decrease in revenue and higher losses for the year was mainly due to deferred launches, low take-up rates and sales conversion at Bandar Darulaman and Darulaman Perdana townships.

Road and Quarry Division recorded 5% lower revenue of RM98.8 million compared to RM104.4 million in the previous year. It was mainly due to the lower contribution from road paving activities. Similarly, profit contribution decreased from RM14.2 million in 2017 to RM5.6 million this year due to the lower revenue and higher production costs.

The Construction Division contributed slightly lower revenue of RM49.4 million compared to RM55.7 million in 2017, mainly due to lower progress billings from its external projects. Similarly, the division recorded lower profit of RM3.1 million compared to RM4.2 million in 2017.

The Leisure Division recorded higher revenue of RM9.6 million compared to RM7.7 million in 2017, due to higher sales from water theme park. However, the Division recorded higher loss before tax of RM4.6 million compared to RM2.6 million in 2017 due to the higher marketing and operating costs.



## 18. Variation of Results against Preceding Quarter

	Current quarter ended 31 December 2018 RM	Preceding quarter ended 30 September 2018 RM
Revenue	54,126,499	49,260,954
Loss Before Taxation	(13,722,786)	(5,938,064)

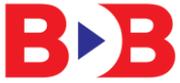
Higher losses for the current quarter as compared to the preceding quarter was mainly due higher losses recorded in the property division.

## 19. Prospects for the next financial year

The Malaysian gross domestic product (GDP) grew at 4.7% in 2018, lower than the 5.9% growth in 2017. The Malaysian Institute of Economic Research has predicted that the Malaysian economy to grow at moderate pace in 2019 similar to the global economy. There are growing risks to the global growth tilted to the downside, predominantly due to factors related to trade policy uncertainty and weakening financial market sentiments. There are still lingering uncertainty in trade directions when the ceasefire on the US-China trade war ends on the 1st March 2019. The mounting trade tensions together with other emerging concerns, including slower growth than expected in emerging market economies and the US government shutdown, are causing instability in the financial market.

Domestic demand is expected to grow by 5.1%, underpinned by a robust albeit slower growth in private consumption at 6.4%. Consumers are most likely to go for cautious spending due to the concern of the high cost of living, although prices are under control and household debt burden is declining. Public consumption is projected to grow modestly at 1.5%, partly due to the government policy on cautious spending in the effort to address the issue of high public debt and at the same time experiencing reduced revenue without the goods and services tax (GST). The government is anticipated to enhance fiscal stimulus to boost growth as easy money would intensify capital reversal following the monetary policy normalization among developed economies. Nevertheless, due to the lower than expected government revenue this may limit the fiscal space for such policy.

The domestic property market is projected to remain soft in 2019, as the issues of oversupply in certain segments and tighter lending are expected to continue to plague the market. According to the Valuation and Property Services Department's (JPPH) latest figures, the number of unsold completed residential units rose from 20,304 units to 30,115 units year-on-year as at 30 September 2018. This represents an increase of 48.35%. Meanwhile, the total value was RM19.54 billion, representing a 56.44% jump from RM12.49 billion a year ago.



The property division will be focusing on clearing its unsold medium cost to high end residential projects in Bandar Darulaman, Darulaman Perdana and Kuala Kangsar. Besides clearing existing stocks, the division would continue to roll out products that match the market requirement and at the same time managing rising development costs. As at the end of the year the unbilled sales stood at RM48 million from its on-going development. The Group has approximately 2,000 acres of undeveloped landbank for future development.

Profit contribution from Road and Quarry Division is expected to remain stable based on the current demand for quarry products from Bukit Perak Quarry and Kulim Premix Plant. The division expects steady flow of income from the ongoing road and highway maintenance projects.

The Construction Division will be focusing on completing and delivering all ongoing projects within scheduled time and quality. The division will continue to support the property division in developing affordable houses during the year. Prospective projects are constantly identified that will enable the division to be a key contributor to the Group.

The market for the Leisure Division is expected to remain competitive and challenging.

Despite challenging business environment, the Group is presently implementing business recovery plan with the aim to deliver a turnaround performance and recovery strategies for sustainable business which will include general strengthening of the core businesses and identify areas that can boost the performance of the Group as it moves forward.

## 20. Variance from Profit Forecast or Profit Guarantee

Not applicable for the financial period ended 31 December 2018.

## 21. Income Tax Expense

	12 months ended 31 December 2018 RM	12 months ended 31 December 2017 RM
Malaysian income tax	2,892,183	1,367,758

Income tax expenses for the current quarter was provided for profitable companies within The Group.



## 22. Status of Corporate Proposals

There was no outstanding corporate proposal during the quarter under review.

## 23. Group borrowings and Debt Securities

Total loans and borrowings as at 31 December 2018 were as follows:

	Short-term RM	Long-term RM
Term loans	8,460,412	30,918,384
Sukuk Wakalah	50,000,000	-
Bankers' Acceptance	3,586,384	-
Hire Purchase	2,671,832	3,517,915
Revolving Credit	38,000,000	-
Bank overdraft	19,497,208	-
<b>TOTAL</b>	<b>122,215,836</b>	<b>34,436,299</b>

## 24. Material Litigation

There is no pending material litigation since the last annual balance sheet date of 31 December 2017.

## 25. Dividends Payable

No interim dividend has been declared during quarter ended 31 December 2018.

## 26. Loss Per Share

### a. Basic loss per share

	12 months ended 31.12.2018 RM	12 months ended 31.12.2017 RM
Loss attributable to owners of the Company	(42,195,953)	(12,244,076)
Number of ordinary shares in issue	303,854,977	303,854,977
Basic loss per share (sen)	(13.90)	(4.03)



**b. Diluted earnings per share**

Not applicable.

**27. Authorization for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 17 February 2019.