

A. EXPLANATORY NOTES PURSUANT TO MFRS 134: INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. This interim financial report does not include all the information required for a full set of annual audited financial statements, and should be read in conjunction with the Annual Audited Financial Statements of the Group for the financial year ended 31 December 2018, which have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards.

The Group has adopted all applicable accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) except for those which are not yet effective. The initial adoption of the accounting standards, amendments and interpretations that are effective in the current financial period does not have any significant impact on the Group’s financial statements.

As of 1 January 2020, the Group have adopted the following revised MFRSs and amendments to MFRSs that have been issued by the MASB.

MFRSs / Amendments / Interpretations

Amendments to MFRS 3, Business Combinations (Definition of a Business)

Amendments to MFRS 7, Financial Instruments (Disclosure – Interest Rate Benchmark Reform)

Amendments to MFRS 9, Financial Instruments

Amendments to MFRS 101, Presentation of Financial Statements (Definition of Material)

Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)

Amendments to MFRS 139, Financial Instruments (Recognition and Measurement)

A2. Auditors’ report on preceding annual financial statements

The auditors’ report on the preceding annual financial statements of the Group for the financial year ended 31 December 2018 was not subject to any qualification.

A3. Seasonal or cyclical factors

The business operations of the Group for the current financial quarter were not significantly affected by seasonal or cyclical factors.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter.

A5. Changes in estimates

There were no changes in estimates of the amounts reported that have a material effect on the current financial quarter’s results.

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A6. Issuances, cancellations, repurchases, resale and repayment of debt and equity securities

There were no issuances, cancellations, repurchases, resale or repayment of debt and/or equity securities during the financial year-to-date under review save as follows:

- (a) conversion of 30,063,710 warrants into 30,063,710 new ordinary shares of RM0.10 each in the Company at the exercise price of RM0.10 each and warrants expired on 29 April 2019.

A7. Dividends paid

No dividends have been paid during the current financial quarter.

A8. Segmental information

Segmental information is presented in respect of the Group's business segments. The Group's business for the current financial period comprises the following main segments:

- (a) Project management services; and
(b) Property investment holding including letting of properties and provision of supports services.

	Project management services		Property investment holding		Total	
	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000	31.03.20 RM'000	31.03.19 RM'000
Revenue	5,515	-	1,366	-	6,881	-
Profit/(Loss) before tax	(518)	-	401	-	(117)	-

A9. Valuation of property, plant and equipment and investment properties

The property, plant and equipment and investment properties of the Group have not been revalued during the current financial quarter.

A10. Material events subsequent to the balance sheet date

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

A11. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial quarter and financial year-to-date under review.

A12. Changes in contingent assets or contingent liabilities

There were no contingent assets or contingent liabilities as at the end of the current financial quarter.

A13. Capital commitments

There were no material capital commitments as at the end of the current financial quarter.

A14. Change of financial year end

The financial year of the Company has been changed from 31 December to 30 June, where the financial statements cover a period of 18 months (from 1 January 2019 to 30 June 2020).

B. ADDITIONAL INFORMATION PURSUANT TO BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of the Group's results for the current financial quarter ended 31 March 2020

For the current financial quarter ended 31 March 2020, the Group achieved unaudited revenue of RM0.76million and the profit after tax of the Group for the current financial quarter was approximately RM0.04million.

B2. Material changes in profit after tax for the current financial quarter compared to the immediate preceding quarter

Due to the Movement Control Order (MCO) effected from 18 March 2020, construction sites being not considered as essential service had to cease operations which resulted in the lower of both revenue and profit before tax.

B3. Current year prospect

Barring unforeseen circumstances, the Board of Directors anticipates that the financial performance of the Group will remain satisfactory for the financial year ending 30 June 2020.

B4. Profit forecast / Profit guarantee

There was no profit forecast or profit guarantee in respect of the current financial year.

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B5. Profit / (Loss) before tax

	Individual Quarter		Cumulative Quarter	
	Current Period 31.03.20 RM'000	Preceding Period 31.03.19 RM'000	Current Period To Date 31.03.20 RM'000	Preceding Period To Date 31.03.19 RM'000
Profit/(Loss) before tax is arrived at after charging :				
Allowance for doubtful debts	-	-	1,500	-
Depreciation charge	810	-	2,598	-
Loss on disposal of investment properties	-	-	805	-
Finance costs	1	-	50	-

B6. Income tax expense

	Individual Quarter Current Period 31.03.20 RM'000	Cumulative Quarter Current Period To Date 31.03.20 RM'000
Current tax expense	116	764

The effective tax rate of the Group is higher than the statutory tax rate principally attributed to the losses incurred by certain companies in the Group.

B7. Status of corporate proposals announced

On 16 June 2020, the Company proposes to undertake the private placement of up to 25,048,000 new ordinary shares in the Company, representing 10% of the total number of issued shares of the Company, to independent third-party investor(s) to be identified later at an issue price to be determined later.

On 26 June 2020, Bursa Securities had, vide its letter dated 26 June 2020, approved the listing and quotation of up to 25,048,000 Placement Shares to be issued pursuant to the Private Placement.

B8. Bank borrowings

The Group's borrowings as at 31 March 2020 was as follows:

	Secured RM'000
Hire purchase payable (Secured)	50

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B9. Dividends

No dividends have been declared by the Company during the current financial quarter.

B10. Earnings per share (“EPS”)

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.20	31.03.19	31.03.20	31.03.19
Basic earnings per share				
Profit / (Loss) attributable to equity holders of the Company for the period (RM'000)	42	-	(881)	-
Weighted average number of ordinary shares in issue ('000)	250,490	-	250,490	-
Basic earnings per share (sen)	0.02	-	(0.35)	-
Diluted earnings per share (sen)	*	*	*	*

* The diluted earnings per share for the period ended 31 March 2020 is the same as the basic earnings per share as the effect of anti-dilutive potential shares is ignored in calculating diluted earnings per ordinary share in accordance with MFRS 133, Earnings Per Share.

B11. Authorisation for issue

This interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 June 2020.

BY ORDER OF THE BOARD

LIM CHOO TAN
LS 0008888
CHEW SIEW CHENG
MAICSA 7019191
Company Secretaries
Penang

Date: 30 June 2020