

**Unaudited Interim Financial Report**  
**For The Financial Period Ended 30 June 2020**

**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.
- (b) private placement of 12,000,000 new ordinary shares in the Company at the issue price of RM0.0836 each listing on 9 July 2020.
- (c) private placement of 13,048,000 new ordinary shares in the Company at the issue price of RM0.1039 each listing on 30 July 2020.

**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,
- (b) Property investment holding including letting of properties and provision of supports services, and
- (c) Trading in building materials

	Project management services		Property investment holding		Trading in building materials		Total	
	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000	30.06.20 RM'000	30.06.19 RM'000
Revenue	5,515	-	1,646	-	555	-	7,716	-
Loss before tax	(7,607)	-	(2,339)	-	28	-	(9,918)	-

**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.

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**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 30 June 2020**

For the current financial quarter ended 30 June 2020, the Group achieved unaudited revenue of RM0.84million and the loss after tax of the Group for the current financial quarter was approximately RM9.34million mainly due to allowance of impairment loss and lower project management services generated during Movement Control Order (MCO).

**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 loss before tax.

**B3. Current year prospect**

Barring unforeseen circumstances, the Board of Directors anticipates that the financial performance of the Group will remain challenging 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. Loss before tax**

	Individual Quarter		Cumulative Quarter	
	Current Period Quarter 30.06.20 RM'000	Preceding Period Quarter 30.06.19 RM'000	Current Period To Date 30.06.20 RM'000	Preceding Period To Date 30.06.19 RM'000
Loss before tax is arrived at after charging / (crediting) :				
Allowance for impairment loss	6,899	-	8,399	-
Depreciation charge	(175)	-	2,423	-
Loss on disposal of investment properties	-	-	805	-
Loss on disposal of property, plant and equipment	82	-	82	-
Finance costs	1	-	51	-

**B6. Income tax expense**

	Individual Quarter Current Period Quarter 30.06.20 RM'000	Cumulative Quarter Current Period To Date 30.06.20 RM'000
Current tax expense	(460)	304

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 and private placement completed listing on 9 July 2020 and 30 July 2020 respectively.

**B8. Bank borrowings**

The Group's borrowings as at 30 June 2020 was as follows:

	Secured RM'000
Hire purchase payable (Secured)	48

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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	
	30.06.20	30.06.19	30.06.20	30.06.19
<b>Basic earnings per share</b>				
Loss attributable to equity holders of the Company for the period (RM'000)	(9,341)	-	(10,222)	-
Weighted average number of ordinary shares in issue ('000)	250,490	-	250,490	-
Basic earnings per share (sen)	(3.73)	-	(4.08)	-
Diluted earnings per share (sen)	*	*	*	*

\* The diluted earnings per share for the period ended 30 June 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 28 August 2020.

BY ORDER OF THE BOARD

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

Date: 28 August 2020