



GAGASAN NADI CER GAS
BERHAD [1238966-U]

(Incorporated in Malaysia)

**Interim Financial Statements
For The Financial Period Ended
31 March 2020**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1ST) QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2020⁽¹⁾

	Note	Quarter Ended		Year-To-Date Ended	
		31.3.2020 RM'000	31.3.2019 RM'000	31.3.2020 RM'000	31.3.2019 RM'000
Revenue	A9	55,143	68,890	55,143	68,890
Operating expenses		(53,195)	(63,335)	(53,195)	(63,335)
Other operating income		7,895	9,279	7,895	9,279
Finance costs		(4,304)	(5,092)	(4,304)	(5,092)
Profit before taxation	B12	<u>5,539</u>	<u>9,742</u>	<u>5,539</u>	<u>9,742</u>
Income tax expense	B6	(1,838)	(3,333)	(1,838)	(3,333)
Profit after taxation		<u>3,701</u>	<u>6,409</u>	<u>3,701</u>	<u>6,409</u>
Profit after taxation					
attributable to:-					
Owners of the Company		3,947	6,178	3,947	6,178
Non-controlling interests		(246)	231	(246)	231
		<u>3,701</u>	<u>6,409</u>	<u>3,701</u>	<u>6,409</u>
Total comprehensive					
income attributable to:-					
Owners of the Company		3,947	6,178	3,947	6,178
Non-controlling interests		(246)	231	(246)	231
		<u>3,701</u>	<u>6,409</u>	<u>3,701</u>	<u>6,409</u>
Earnings per share					
attributable to owners of					
the Company:					
Basic EPS (sen)	B11	0.52	0.83	0.52	0.83
Diluted EPS (sen)	B11	<u>0.52</u>	<u>0.83</u>	<u>0.52</u>	<u>0.83</u>

Notes:

The basis of preparation of the unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1. As the audited financial statement for financial year ended 31 December 2019 has yet to be issued, the above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read together with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020⁽¹⁾

	Note	Unaudited 31.3.2020 RM'000	Unaudited 31.12.2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		28,491	28,715
Inventories		68,587	64,976
Trade receivables		553,513	561,944
Right-of-use assets		4,206	3,553
		<u>654,797</u>	<u>659,188</u>
Current assets			
Inventories		28,310	28,479
Contract assets		28,357	26,133
Trade receivables		54,672	64,940
Other receivables, deposits and prepayments		22,128	21,678
Tax refundable		3,863	2,875
Short-term deposits with licensed banks		64,245	30,653
Cash and bank balances		53,637	92,920
		<u>255,212</u>	<u>267,678</u>
TOTAL ASSETS		<u>910,009</u>	<u>926,866</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		136,444	136,444
Reserves		304,997	304,815
Equity attributable to owners of the Company		<u>441,441</u>	<u>441,259</u>
Non-controlling interests		4,670	4,916
Total equity		<u>446,111</u>	<u>446,175</u>
Non-current liabilities			
Borrowings	B8	282,024	284,695
Deferred tax liabilities		79,452	79,597
		<u>361,476</u>	<u>364,292</u>
Current liabilities			
Trade payables		56,969	70,465
Other payables and accruals		6,119	7,016
Borrowings	B8	37,371	37,356
Provision for taxation		1,963	1,562
		<u>102,422</u>	<u>116,399</u>
Total liabilities		<u>463,898</u>	<u>480,691</u>
TOTAL EQUITY AND LIABILITIES		<u>910,009</u>	<u>926,866</u>
Number of issued shares ('000)		753,000	753,000
Net asset per share attributable to Owners of the Company (RM)		0.59	0.59

Note:

The basis of preparation of the unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1. As the audited financial statement for financial year ended 31 December 2019 has yet to be issued, the above Condensed Consolidated Statement of Financial Position should be read together with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST (1ST)
QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2020⁽¹⁾**

	←	Distributable		→	Total Equity RM'000	
		Share Capital RM'000	Retained Profits RM'000			Attributable to Owners of the Company RM'000
Note						
Balance at 1.1.2019		95,444	283,296	378,740	4,319	383,059
Profit for the financial year, representing total comprehensive income for the financial year		-	25,284	25,284	572	25,856
Contributions by and distribution to owners of the Company:						
- Issuance of shares		42,000	-	42,000	-	42,000
- Share issuance expenses ⁽²⁾		(1,000)	-	(1,000)	-	(1,000)
- Issuance of shares to non-controlling interest		-	-	-	25	25
- Dividends paid		-	(3,765)	(3,765)	-	(3,765)
Total transaction with owners		41,000	(3,765)	37,235	25	37,260
Balance at 31.12.2019/1.1.2020		136,444	304,815	441,259	4,916	446,175
Profit for the financial period, representing total comprehensive income for the financial period		-	3,947	3,947	(246)	3,701
Contributions by and distribution to owners of the Company:						
- Dividends paid			(3,765)	(3,765)	-	(3,765)
Balance at 31.3.2020 (Unaudited)		136,444	304,997	441,441	4,670	446,111

Notes:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1. As the audited financial statement for financial year ended 31 December 2019 has yet to be issued, the above Condensed Consolidated Statement of Changes in Equity should be read together with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) In relation to the Initial Public Offering in conjunction with the listing of the Company on the ACE Market of Bursa Securities.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH (1ST) QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2020⁽¹⁾

	Year-To-Date Ended	
	31.3.2020	31.3.2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	5,539	9,742
Adjustments for:-		
Depreciation of:		
- property, plant and equipment	355	506
- right-of-use assets	222	-
Impairment loss:		
- trade receivable	986	-
- other receivable	12	83
Finance cost	4,304	5,092
Accretion of fair value on non-current trade receivables	(7,222)	(7,561)
Gain on disposal of property, plant and equipment	-	(15)
Reversal of impairment losses	(193)	(977)
Finance income	(431)	(661)
Operating profit before working capital changes	<u>3,572</u>	<u>6,209</u>
(Increase)/Decrease in inventories	(3,318)	1,429
Increase in contract assets	(2,224)	(7,547)
Decrease in trade and other receivables	24,666	15,256
Decrease in trade and other payables	(14,393)	(10,839)
Cash from operating activities	<u>8,303</u>	<u>4,508</u>
Tax paid	<u>(2,571)</u>	<u>(2,527)</u>
Net cash from operating activities	<u><u>5,732</u></u>	<u><u>1,981</u></u>
Cash flows (for)/from investing activities		
Finance income received	431	661
Purchase of right-of-use	(424)	-
(Placement)/Withdrawal of pledged fixed deposits and with tenure more than 3 months	(9,224)	14,869
Proceeds from disposal of property, plant and equipment	-	15
Purchase of properties held for future development	(125)	(77)
Purchase of property, plant and equipment	(1,280)	(331)
Net cash (for)/from investing activities	<u>(10,622)</u>	<u>15,137</u>



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH (1ST) QUARTER FINANCIAL PERIOD ENDED 31 MARCH 2020⁽¹⁾ (CONT'D)

	Year-To-Date Ended	
	31.3.2020	31.3.2019
	RM'000	RM'000
Cash flows (for)/from financing activities		
Dividend paid	(3,765)	-
Drawdown of borrowings	-	2,431
Finance cost paid	(4,304)	(5,092)
Repayment of borrowings	(2,009)	(8,974)
Proceeds from issuance of shares	-	42,000
Net cash (for)/from financing activities	(10,078)	30,365
Net (decrease)/increase in cash and cash equivalents	(14,968)	47,483
Cash and cash equivalents at beginning of financial period	87,958	23,630
Cash and cash equivalents at end of financial period	72,990	71,113
Cash and cash equivalents comprise:		
Fixed deposit placed with licensed banks	64,245	52,576
Cash in hand and at bank	53,637	51,524
Bank overdraft	(5,016)	-
	112,866	104,100
Less: Fixed deposits pledged with licensed banks	(39,876)	(32,987)
	72,990	71,113

Notes:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Cash Flow are disclosed in Note A1. As the audited financial statement for financial year ended 31 December 2019 has yet to be issued, the above Condensed Consolidated Statement of Cash Flow should be read together with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.



A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of Gagasan Nadi Cergas Berhad (“Gagasan Nadi” or “the Company”) and its subsidiaries (collectively known as “the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

As the audited financial statement for financial year ended 31 December 2019 has yet to be issued, this interim financial report should be read together with the audited Annual Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to this report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited Annual Financial Statements for the year ended 31 December 2018.

During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

MFRS 16 Leases

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements except as follows:-

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. MFRS 16 requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months whereby the right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method.



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A3. Auditors' report on preceding annual financial statements

Although the audited financial statements for financial year ended 31 December 2019 has yet to be issued, there was no qualification given by the external auditors for the financial statements.

A4. Seasonal or cyclical factors

The Group's performance have not been materially affected by any seasonal or cyclical factors during the current quarter and year-to-date.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

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

A6. Changes in estimates

There were no material changes in estimates for the current quarter and year-to-date.

A7. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date.

A8. Dividends paid

Second interim dividend comprising 0.5 sen per ordinary share, amounting to RM3,765,000 for financial year ended 31 December 2019 was paid on 30 March 2020.



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental information

	Construction RM'000	Concession and Facility Management RM'000	Utility Services RM'000	Property Development RM'000	Others RM'000	Consolidation Adjustments RM'000	Total RM'000
31.3.2020							
Revenue							
External revenue	47,219	3,948	1,074	2,902	-	-	55,143
Inter-segment revenue	-	-	-	-	2,130	(2,130)	-
	<u>47,219</u>	<u>3,948</u>	<u>1,074</u>	<u>2,902</u>	<u>2,130</u>	<u>(2,130)</u>	<u>55,143</u>
Results							
Segment results	3,173	1,105	463	(123)	(577)	(469)	3,572
Accretion of fair value on non-current trade receivables	-	7,222	-	-	-	-	7,222
Impairment losses:							
- trade receivable	-	-	-	-	-	-	-
- other receivable	(12)	(986)	-	-	-	-	(998)
Depreciation:							
- property, plant and equipment	(259)	(85)	(88)	(1)	-	78	(355)
- right-of-use assets	(193)	-	-	(29)	-	-	(222)
Gain on disposal of property, plant and equipment	-	-	-	-	-	-	-
Finance income	123	263	30	15	-	-	431
Finance costs	(62)	(3,851)	-	(603)	(56)	268	(4,304)
Reversal of impairment losses	8	-	185	-	-	-	193
Profit/(Loss) before taxation	<u>2,778</u>	<u>3,668</u>	<u>590</u>	<u>(741)</u>	<u>(633)</u>	<u>(123)</u>	<u>5,539</u>
Income tax expense	(433)	(1,052)	(250)	(62)	(41)	-	(1,838)
Profit/(Loss) after taxation	<u>2,345</u>	<u>2,616</u>	<u>340</u>	<u>(803)</u>	<u>(674)</u>	<u>(123)</u>	<u>3,701</u>
Assets							
Segment assets	127,404	642,334	18,021	94,946	31,253	(7,812)	906,146
Unallocated asset: Tax refundable							<u>3,863</u>
Consolidated total assets							<u>910,009</u>
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	71	267	-	-	-	-	338
- properties held for future development	125	-	-	772	-	-	897
- right-of-use assets	1,209	-	-	-	-	-	1,209
Liabilities							
Segment liabilities	67,197	283,784	264	29,036	5,341	(3,138)	382,484
Unallocated liabilities:							
- Deferred tax liabilities							79,452
- Provision for taxation							<u>1,963</u>
Consolidated total liabilities							<u>463,899</u>



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental information (Cont'd)

	Construction RM'000	Concession and Facility Management RM'000	Utility Services RM'000	Property Development RM'000	Others RM'000	Consolidation Adjustments RM'000	Total RM'000
31.3.2019							
Revenue							
External revenue	61,553	3,944	1,129	2,264	-	-	68,890
Inter-segment revenue	-	-	-	-	2,130	(2,130)	-
	<u>61,553</u>	<u>3,944</u>	<u>1,129</u>	<u>2,264</u>	<u>2,130</u>	<u>(2,130)</u>	<u>68,890</u>
Results							
Segment results	5,577	1,271	546	128	(1,026)	(272)	6,224
Accretion of fair value on non-current trade receivables	-	7,561	-	-	-	-	7,561
Impairment losses other receivable	(83)	-	-	-	-	-	(83)
Depreciation of property, plant and equipment	(270)	(82)	(95)	(1)	-	(58)	(506)
Finance income	52	373	33	-	203	-	661
Finance costs	(59)	(4,196)	(1)	(23)	(560)	(253)	(5,092)
Reversal of impairment losses	324	251	402	-	-	-	977
Profit/(Loss) before taxation	<u>5,541</u>	<u>5,178</u>	<u>885</u>	<u>104</u>	<u>(1,383)</u>	<u>(583)</u>	<u>9,742</u>
Income tax expense	<u>(1,920)</u>	<u>(1,010)</u>	<u>(397)</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>(3,333)</u>
Profit/(Loss) after taxation	<u>3,621</u>	<u>4,168</u>	<u>488</u>	<u>104</u>	<u>(1,389)</u>	<u>(583)</u>	<u>6,409</u>
31.12.2019							
Assets							
Segment assets	141,327	642,280	17,559	90,320	38,302	(5,797)	923,991
Unallocated asset: Tax refundable							<u>2,875</u>
Consolidated total assets							<u>926,866</u>
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	375	349	875	6	-	(2,020)	(415)
- properties held for future development	439	-	-	-	-	-	439
- right-of-use assets	<u>2,145</u>	<u>-</u>	<u>-</u>	<u>229</u>	<u>-</u>	<u>-</u>	<u>2,374</u>
Liabilities							
Segment liabilities	81,309	284,160	287	28,839	6,360	(1,423)	399,532
Unallocated liabilities:							
- Deferred tax liabilities							79,597
- Provision for taxation							<u>1,562</u>
Consolidated total liabilities							<u>480,691</u>



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment during the current quarter and year-to-date.

A11. Significant Events Subsequent to the End of the Interim Financial Period

Save as disclosed in Note B5 "Status of corporate proposals" below, there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

On 11 March 2020, a subsidiary of Company, Nadi Cergas Development Sdn Bhd, has incorporate two subsidiary companies namely Nadi Emery Sdn Bhd and Nadi Embun Sdn Bhd with Nadi Cergas Development Sdn Bhd holding 70% and 75% equity interest in respectively.

Save for the above, there were no material changes in the composition of the Group for the current quarter under review.

A13. Contingent assets and contingent liabilities

Save as disclosed below, there were no other contingent assets and contingent liabilities as at the date of this interim report.

Unaudited
As at 31.3.2020
RM'000

Financial guarantee contract in relation to corporate guarantee given to third parties in the ordinary course of business.

66,962

A14. Capital commitments

There were no capital commitments as at the end of the current and previous corresponding financial periods.

A15. Related party transactions

There were no other significant related party transactions as at the date of this interim report.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

The Group recorded revenue of RM55.14 million as compared to RM68.89 million recorded in the corresponding quarter last year. The lower revenue recorded for the current financial quarter was mainly attributable to lower progress from construction projects that were all halted during Movement Control Order ("MCO") declared by the Government of Malaysia commencing from 18 March 2020.

The Group recorded profit before tax of RM5.54 million as compared to RM9.74 million recorded in the corresponding quarter last year. The lower profit before tax for the current quarter was mainly attributable to lower revenue and lower profits recorded from construction projects.

B2. Comparison with immediate preceding quarter's results

The Group registered a lower revenue of RM55.14 million for the current financial quarter as compared to RM74.26 million in the preceding quarter. The Group's profit before tax decreased slightly to RM5.54 million as compared to RM6.08 million in the preceding quarter. The lower profit before tax registered in the current quarter was due to lower construction revenue recorded from construction projects following the declaration of MCO by the Government of Malaysia.

B3. Commentary on prospects

The declaration of MCO starting from 18 March 2020 by the Government of Malaysia to curb the spread of COVID-19 Pandemic outbreak in Malaysia has negatively affected the Group's construction and property development segments.

Nevertheless the Group's construction order book stood at approximately RM459 million as at 31 March 2020 and with the continuous tendering for new jobs, the Board expects the performance of the construction segment for the current financial year to be affected by Covid-19 Pandemic. The performance of the Group's facility management for the concession projects and the utility services segment is expected to be maintained. For the property development segment, its performance is expected to improve for the current financial year in line with the progress of the Antara Residence Project. In spite of the Covid-19 Pandemic and barring unforeseen circumstances, the Group's result is expected to be satisfactory.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the quarter under review.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B5. Status of corporate proposals

On 29 October 2019, the Company entered into a Conditional Share Sale agreement ("SSA") with P.A.E Builders Sdn Bhd and Seri Delima Anggun Sdn Bhd (collectively, the "**Vendors**") for the proposed acquisition of 4,500,000 ordinary shares, representing the entire ordinary shares in Konsortium PAE Sepakat Sdn Bhd ("Proposed Acquisition") for a cash consideration of RM158,000,000.

The funding for the Proposed Acquisition will partially be met through the establishment of a proposed issuance of Islamic medium term notes pursuant to an Islamic medium term note programme of RM200.0 million in nominal value ("Proposed IMTN Programme") and a proposed issuance of convertible Sukuk pursuant to a convertible Sukuk programme of RM60.0 million in nominal value ("Proposed CS Programme").

The Company also proposed to establish an employees' share option scheme ("ESOS") of up to 15% of the total number of issued GNCB Shares at any point in time over the duration of the ESOS for the eligible employees and directors of GNCB and its subsidiaries ("Proposed ESOS").

On 11 November 2019, Kenanga Investment Bank Berhad had on behalf of the Company submitted the listing application pursuant to the Proposed CS Programme and Proposed ESOS and the draft circular pursuant to the Proposed Acquisition, Proposed CS Programme and Proposed ESOS to Bursa Securities for their approval and clearance respectively.

The Islamic Capital Market Development and the Shariah Advisory Council of the Securities Commission have, via their letters dated 22 November 2019 and 26 December 2019, informed that they have no objection to the Proposed IMTN Programme and the Proposed CS Programme respectively.

The Company and the Vendors have entered into a supplemental letter on 30 January 2020 in respect of the SSA dated 29 October 2019 to mutually agree to extend the Conditional Period as outlined in the SSA for a period of three (3) months commencing from 29 January 2020 until 28 April 2020.

On 3 March 2020, Bursa Securities had approved the listing of:

- (i) up to 187,500,000 new shares to be issued arising from conversion of the CS pursuant to the Proposed CS Programme; and
- (ii) such number of new ordinary shares representing up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) to be issued pursuant to the exercise of ESOS Options under the Proposed ESOS.

On 22 April 2020 Bursa Securities had resolved to grant the Company an extension of time until 30 July 2020 to issue the circular to the shareholders in relation to the Proposals.

On 28 April 2020, the Company and the Vendors have entered into a 2nd supplemental letter dated 28 April 2020 in respect of the SSA dated 29 October 2019 to mutually agree to extend the Conditional Period as outlined in the SSA for a further period of 4 months commencing from 29 April 2020 until 28 August 2020.

The Proposed Acquisition, Proposed CS Programme and Proposed ESOS are subject to approval from Unit Kerjasama Awam dan Swasta ("UKAS") and the approval of the Company's shareholders at an extraordinary general meeting to be convened.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B6. Income tax expenses

	Current Quarter 31.3.2020 RM'000	Year-To- Date 31.3.2020 RM'000
Current tax expense	1,983	1,983
Deferred tax expense	(145)	(145)
	<u>1,838</u>	<u>1,838</u>
Effective tax rates	33.18%	33.18%

Note:

- (1) The Group's effective tax rate for the current quarter and financial year-to-date is higher than the statutory tax rate of 24%, it is mainly attributed to higher taxable income from collection of Availability Charges from Concession Projects. As the qualifying expenditure is only restricted to 91% of total construction costs, 9% of the Availability Charges collected during the current quarter and year-to-date was deemed as taxable income resulting in the increase in tax expense.

B7. Utilisation of proceeds from the Initial Public Offer ("IPO")

The utilisation of proceeds as disclosed below should be read in conjunction with the Prospectus of the Company dated 13 December 2018. The gross proceeds raised from the Public Issue of RM42 million and status of utilisation as at 31 March 2020 is disclosed in the following table:

No.	Purpose	Time frame for utilisation from the date of listing	%	Proposed utilisation	Actual utilisation RM'000
(a)	Funding for the AFF Mixed Development ⁽¹⁾	Within 30 months	33.3	14,000	7,058
(b)	Capital expenditures for the district cooling system for the supply of chilled water to a shopping mall under the Datum Jelatek development	Within 24 months	15.5	6,500	5,140
(c)	Working capital for a construction project	Within 24 months	39.3	16,500	16,500
(d)	Estimated listing expenses	Within 3 months	11.9	5,000	5,000
	Gross proceeds		<u>100.0</u>	<u>42,000</u>	<u>33,698</u>

Note:

- (1) Antara Residence Project



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B8. Bank borrowings

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

	Unaudited As at 31.3.2020 RM'000
Current:	
Lease liabilities	1,232
Term loan	11,123
Bonds	20,000
Bank overdraft	5,016
	<hr/>
	37,371
Non-current:	
Lease liabilities	2,238
Term loan	139,786
Bonds	140,000
	<hr/>
	282,024
	<hr/>
Total	319,395
	<hr/>

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigation involving the Group as at the date of this report.

B10. Dividend

The Board of Directors did not recommend any dividend for the current quarter under review.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11. Earnings per share

The basic and diluted earnings per share (“EPS”) are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial periods are as follows:

	Quarter Ended		Year-To-Date	
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
Profit attribute to owners of the Company (RM'000)	3,947	6,178	3,947	6,178
Weighted average number of ordinary shares:				
- Ordinary shares at 1 January	753,000	613,000	751,849	613,000
- Issuance of shares	-	135,333	1,151	135,333
Weighted average number of ordinary shares in issue ('000)	753,000	748,333	753,000	748,333
Basic EPS (sen) ⁽¹⁾	0.52	0.83	0.52	0.83
Diluted EPS (sen) ^{(1) & (2)}	0.52	0.83	0.52	0.83

Notes:

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 March 2020.
- (2) Diluted earnings per share of the Company for the individual quarter ended 31 March 2020 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B12. Disclosure on selected expense/income items as required by the Listing Requirements

	Current Quarter	Year-To-Date
	31.3.2020	31.3.2020
	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Depreciation :		
- property, plant and equipment	355	355
- right-of-use asset	222	222
Impairment losses other receivable	998	998
Finance cost	4,304	4,304
Accretion of fair value on non-current trade receivables	(7,222)	(7,222)
Finance income	(431)	(431)
Reversal of impairment losses	(193)	(193)

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements of Bursa Securities are not applicable.

B13. Derivatives

The Group did not enter into any derivatives during the current quarter under review.