

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.2020 RM'000	Previous year corresponding quarter 31.03.2019 RM'000	3 months ended 31.03.2020 RM'000	3 months ended 31.03.2019 RM'000
Revenue	19,174	35,482	19,174	35,482
Cost of sales	(18,162)	(29,861)	(18,162)	(29,861)
Gross profit	1,012	5,621	1,012	5,621
Other operating income	265	343	265	343
Operating expenses	(2,648)	(2,316)	(2,648)	(2,316)
(Loss)/Profit from operations	(1,371)	3,648	(1,371)	3,648
Finance costs	(5,744)	(5,330)	(5,744)	(5,330)
Share of results of associates	(143)	(251)	(143)	(251)
Loss before tax (Note 25)	(7,258)	(1,933)	(7,258)	(1,933)
Tax expenses (Note 19)	765	(423)	765	(423)
Loss for the period	(6,493)	(2,356)	(6,493)	(2,356)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(6,493)	(2,356)	(6,493)	(2,356)
Loss and total comprehensive loss attributable to :				
Owners of the Parent	(6,493)	(2,356)	(6,493)	(2,356)
<b>LOSS PER SHARE (Note 30)</b>				
Basic (sen)	(0.78)	(0.28)	(0.78)	(0.28)
Diluted (sen)	(0.78)	(0.28)	(0.78)	(0.28)

The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION AS AT 31 MARCH 2020

	<b>As at 31.03.2020 RM'000</b>	<b>Audited as at 31.12.2019 (restated) RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	2,083	2,210
Available-for-sale investment	90	90
Investment in associates	41,104	41,248
Investment properties	548	548
Inventory properties - Land held	122,355	122,355
Deferred tax assets	17,067	16,269
	<u>183,247</u>	<u>182,720</u>
<b>CURRENT ASSETS</b>		
Inventory properties - Development properties	1,157,307	1,186,518
Inventories	33,627	36,458
Trade and other receivables	394,899	407,800
Contract assets	67,197	49,265
Prepayments	1,093	540
Tax recoverable	1,052	1,052
Cash and bank balances	41,649	45,947
	<u>1,696,824</u>	<u>1,727,580</u>
<b>TOTAL ASSETS</b>	<b>1,880,071</b>	<b>1,910,300</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	726,946	726,946
Reserves	64,962	71,455
Shareholders' equity	<u>791,908</u>	<u>798,401</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	45,957	66,497
Deferred tax liabilities	96,658	96,656
	<u>142,615</u>	<u>163,153</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	186,225	184,950
Trade and other payables	733,364	734,509
Contract liabilities	9,239	3,266
Provisions	9,423	10,191
Tax payable	7,297	15,830
	<u>945,548</u>	<u>948,746</u>
<b>TOTAL LIABILITIES</b>	<b>1,088,163</b>	<b>1,111,899</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,880,071</b>	<b>1,910,300</b>
Net assets per share (RM)	0.95	0.95

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 MARCH 2020

	Share capital RM'000	Share based payment reserve RM'000	Retained profits RM'000	Total equity RM'000
<b>Opening balance at 1 January 2020</b>	726,946	-	71,455	798,401
Total comprehensive loss for the year	-	-	(6,493)	(6,493)
<b>Closing balance at 31 March 2020</b>	726,946	-	64,962	791,908
<b>Opening balance at 1 January 2019</b>	726,946	56,187	27,713	810,846
Effect of adoption of the MFRS Framework			(7,701)	(7,701)
<b>Opening balance at 1 January 2019 (restated)</b>	726,946	56,187	20,012	803,145
Total comprehensive loss for the year	-	-	(2,356)	(2,356)
Expired of equity-settled share options to employees	-	(56,187)	56,187	-
<b>Closing balance at 31 March 2019</b>	726,946	-	73,843	800,789

The above condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIOD ENDED 31 MARCH 2020

	<b>3 months ended 31.03.2020 RM'000</b>	<b>3 months ended 31.03.2019 (restated) RM'000</b>
<b>Operating activities</b>		
Loss before tax	(7,258)	(1,933)
Adjustment for :		
Depreciation	136	153
Provisions for liquidated ascertained damages	3,453	2,270
Transaction cost on borrowings	249	268
Interest income	(221)	(289)
Share of results of associate	143	251
Interest expenses	5,744	5,330
Operating profit before changes in working capital	2,246	6,050
Change in trade and other receivables	(7,497)	41,689
Change in trade and other payables	(4,059)	5,672
Change in inventory	2,831	-
Change in development property	26,650	(76,343)
<b>Cash flows from/(used in) operating activities</b>	<b>20,171</b>	<b>(22,932)</b>
Interest paid	(2,504)	(1,907)
Taxes paid	(5,495)	(316)
<b>Net cash from/(used in) operating activities</b>	<b>12,172</b>	<b>(25,155)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(9)	-
Interest received	221	289
<b>Net cash from investing activities</b>	<b>212</b>	<b>289</b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIOD ENDED 31 MARCH 2020 (CONT'D)

	<b>3 months ended 31.03.2020 RM'000</b>	<b>3 months ended 31.03.2019 (restated) RM'000</b>
<b>Financing activities</b>		
Drawdown of borrowings	6,846	29,445
Repayment of borrowings	(26,062)	(2,019)
Advance from related party	2,500	-
Repayment of obligations under finance leases	(132)	(142)
<b>Net cash (used in)/from financing activities</b>	<b>(16,848)</b>	<b>27,284</b>
Net (decrease)/increase in cash and cash equivalents	(4,464)	2,418
Cash and cash equivalents at beginning of period	(2,788)	(4,432)
<b>Cash and cash equivalents at the end of period</b>	<b>(7,252)</b>	<b>(2,014)</b>
Cash and cash equivalents comprise:		
Cash and bank balances	426	9,004
Deposit with licensed banks	41,223	39,950
	41,649	48,954
Less: Deposit with licensed banks pledged for banking facilities	(40,543)	(37,918)
Less : Bank overdraft	(8,358)	(9,022)
	<b>(7,252)</b>	<b>(2,014)</b>

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

**1. BASIS OF PREPARATION**

The condensed consolidated interim financial statements (“Condensed Report”) 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 Bursa Malaysia Securities Berhad and has also been prepared on a historical basis.

This condensed report should be read in conjunction with the audited financial statements for the year ended 31 December 2019. These explanatory notes attached to this condensed report 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 2019.

**2. CHANGES IN ACCOUNTING POLICIES**

**2.1 Changes in accounting policies arising from adoption of Standards, Amendments and IC interpretations**

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2019 except for the adoption of the following new amendments to MFRSs:

Amendments to MFRS 3 : Definition of a Business  
Amendments to MFRS 101 and MFRS 108 : Definition of Material  
Amendments to references to the Conceptual Framework in MFRS Standards  
Amendments to MFRS 9, MFRS 139 and MFRS 7 : Interest Rate Benchmark Reform

The adoption of the abovementioned new and amendments to MFRS and IC do not have material impact on the financial statements of the Group upon their initial application.

**2.2 Standards, amendments and interpretations issued but not yet effective**

The following are new standards, amendments and interpretations that have been issued by MASB but have not been early adopted by the Group:

MFRS 17 Insurance Contracts  
Amendments to MFRS 101 : Classification of Liabilities as Current or Non-current  
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will adopt the above new standards, amendments and interpretations when they become effective in the respective financial periods. These new and amendments to MFRS and IC are not expected to have any material impact to the financial statements of the Group upon their initial application.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

**2.CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.3 Significant accounting judgement and estimates**

(a) Revenue recognition on sale of development properties

For the sale of residential development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The Group recognises property development revenue and expenses in the statements of comprehensive income on the basis upon performance of services. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgment in determining the enforceability of the right to payment under the legal environment of the jurisdictions where the contracts are subject to.

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Revenue recognition on construction contract

The Group recognises revenue from construction activities in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date over the estimated total contract costs.

Significant judgment is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contract. In making the judgement, the Group evaluates based on past experience, internal budgeting and by relying on the work of specialists.

Where the outcome of a construction contract cannot be reliably measured, revenue is recognised to the extent of costs incurred that it is probable will be recovered.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

**2.3 Significant accounting judgement and estimates (cont'd)**

(c) Provision for liquidated ascertained damages (“LAD”)

The Group has on-going construction projects and property development that have not been completed by the contractual deadline.

For the construction projects, the management has estimated LAD of RM7.3 million based on the revised project schedule and the terms of the contract projects. The Group has arrived at this estimation based on its prior experience with similar contracts.

For the property development projects, the management has estimated LAD of RM4.5 million based on the revised project schedule and has arrived at this estimation based on its prior experience with similar property development projects.

The management considers that these amounts will not be significantly affected by a reasonably possible change in the assumptions applied in deriving the estimated LAD.

**3. AUDITORS’ REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2019**

The auditors’ report on the financial statements of the Company and of the Group for the financial year ended 31 December 2019 was not subject to any qualification.

**4. SEASONAL OR CYCLICAL FACTORS**

The Group’s business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

**5. 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 quarter and financial period under review because of their nature, size, or incidence.



NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2020

**6. CHANGES IN ESTIMATES**

There were no changes in estimates that may have a material effect in the current quarter results.

**7. DEBT AND EQUITY SECURITIES**

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period to-date under review.

**8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT**

The primary objective of the Group's capital management is to ensure that it maintains a good credit rating and healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. In order to maintain the optimal capital structure, the Group may, from time to time, adjust dividend payments to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group.

The gearing ratios as at 31 March 2020 and 31 December 2019, which are within the Group's objectives for capital management, are as follows:-

	<b>31.03.2020</b>	<b>31.12.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Borrowings	232,182	251,447
Trade and other payables	733,364	734,509
Less: Cash and bank balances	<u>(41,649)</u>	<u>(45,947)</u>
Net debt	<u>923,897</u>	<u>940,009</u>
Equity	<u>791,908</u>	<u>798,401</u>
Total capital	<u>791,908</u>	<u>798,401</u>
<b>Capital and net debt</b>	<b>1,715,805</b>	<b>1,738,410</b>
<b>Gearing ratio</b>	<b>53.9%</b>	<b>54.1%</b>

The decrease in gearing ratio to 53.9% is mainly due to the decrease in payables and bank borrowings.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

**8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT (Cont'd)**

The details of the drawdown and the repayment of bank borrowings in the current quarter are as follows:

	<b>Current year quarter 31.03.2020 RM'000</b>	<b>3 months cumulative to date 31.03.2020 RM'000</b>
a) Drawdown on new bank borrowings	6,846	6,846
b) Repayment of bank borrowings	(26,062)	(26,062)
c) Repayment of obligations under finance leases	(132)	(132)
d) Change in bank overdraft	166	166
e) Transaction costs on bank borrowings	249	249

**9. DIVIDENDS**

No dividends were recommended, declared or paid during the financial period ended 31 March 2020.

**10. VALUATION OF INVESTMENT PROPERTIES**

An independent valuation for investment properties was carried out by Raine & Horne during the previous financial year ended 31 December 2019 and no fair value adjustments arose from the valuation.

**11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

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

**12. GROUP COMPOSITION**

There are no material changes in the composition of the Group during the financial quarter under review.

**13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

The Group has no contingent liabilities except for the following :

	<b>31.03.2020 RM'000</b>	<b>31.12.2019 RM'000</b>
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	131,778	152,490
Performance bond issued by subsidiaries involved in construction activities	34,863	34,863

**NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020**

**14. OPERATING SEGMENTS**

The following tables provide an analysis of the Group's revenue, results, assets and liabilities by business segments:-

<b>As at 31 Mar 2020 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	18,368	806	-	-	19,174
Other income	208	56	-	-	264
Unallocated other income	-	-	-	-	1
	<b>18,576</b>	<b>862</b>	<b>-</b>	<b>-</b>	<b>19,439</b>
<b>RESULT</b>					
Segment results	(850)	(258)	-	12	(1,096)
Unallocated corporate expenses					(275)
Share of result of associates					(143)
Finance costs					(5,744)
<b>Loss before tax</b>					<b>(7,258)</b>

<b>As at 31 Mar 2019 (restated) RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	33,467	2,015	-	-	35,482
Other income	166	176	-	-	342
Unallocated other income	-	-	-	-	1
	<b>106,433</b>	<b>2,192</b>	<b>-</b>	<b>-</b>	<b>35,825</b>
<b>RESULT</b>					
Segment results	5,071	(57)	-	4	5,018
Unallocated corporate expenses					(1,370)
Share of result of associates					(251)
Finance costs					(5,330)
<b>Loss before tax</b>					<b>(1,933)</b>

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

14. OPERATING SEGMENTS (cont'd)

**ASSETS AND LIABILITIES**

As at 31 Mar 2020 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b><u>ASSETS</u></b>					
Segment assets	1,559,864	509,588	-	(539,059)	1,530,393
Investment in associates					41,104
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					307,986
<b>Consolidated total assets</b>					<b>1,880,071</b>
<b><u>LIABILITIES</u></b>					
Segment liabilities	(684,818)	(746,968)	-	446,715	(985,071)
Unallocated corporate liabilities					(103,092)
<b>Consolidated total liabilities</b>					<b>(1,088,163)</b>

As at 31 Mar 2019 (restated) RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b><u>ASSETS</u></b>					
Segment assets	1,571,064	541,307	-	(570,338)	1,542,033
Investment in associates					46,054
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					308,471
<b>Consolidated total assets</b>					<b>1,897,146</b>
<b><u>LIABILITIES</u></b>					
Segment liabilities	(687,790)	(775,135)	-	477,994	(984,931)
Unallocated corporate liabilities					(103,386)
<b>Consolidated total liabilities</b>					<b>(1,088,317)</b>

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2020

**15. RELATED PARTY TRANSACTIONS**

Significant related party transactions are as follows:

	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Construction related services to a company of which certain directors of the Company have interest	20,149	17,409	20,149	17,409
Construction related services to an associate company of which certain directors of the Company have interest	-	2,393	-	2,393
Rental and maintenance related services from a company of which certain directors of the Company have interest	14	39	14	39

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

**16. REVIEW OF PERFORMANCE**

(i) Financial review for current quarter and financial period to-date

	3 months Quarter ended		Changes		3 months cumulative to-date		Changes	
	31.03.2020 (RM'000)	31.03.2019 (RM'000) (Restated)	Amount (RM'000)	%	31.03.2020 (RM'000)	31.03.2019 (RM'000) (Restated)	Amount (RM'000)	%
<b>Revenue</b>								
Property development	18,368	33,467	(15,099)	(45.12)	18,368	33,467	(15,099)	(45.12)
Constructions	806	2,015	(1,209)	(60)	806	2,015	(1,209)	(60)
	<b>19,174</b>	<b>35,482</b>	<b>(16,308)</b>	<b>(45.97)</b>	<b>19,174</b>	<b>35,482</b>	<b>(16,308)</b>	<b>(45.97)</b>
<b>(Loss)/profit before tax</b>								
Property development	(3,036)	3,152	(6,188)	(196.3)	(3,036)	3,152	(6,188)	(196.3)
Constructions	(3,785)	(1,559)	(2,226)	(142.8)	(3,785)	(1,559)	(2,226)	(142.8)
Others	(437)	(3,526)	3,089	87.6	(437)	(3,526)	3,089	87.6
	<b>(7,258)</b>	<b>(1,933)</b>	<b>(5,325)</b>	<b>(275)</b>	<b>(7,258)</b>	<b>(1,933)</b>	<b>(5,325)</b>	<b>(275)</b>

Performance review for financial period to–date (3M FP 2020 vs 3M FP 2019)

The Group's revenue of RM19.2 million for the financial period ended 31 March 2020 has decreased by RM16.3 million as compared to the preceding year corresponding period ended 31 March 2019 of RM35.5 million. Loss before tax for the financial period ended 31 March 2020 has increased by RM5.3 million to loss of RM7.3 million compared to loss of RM1.9 million for the financial period ended 31 March 2019. The performance was adversely affected as a result of lower progress work done and billings achieved in this period.

The contribution from each business segment is set out below:

**Property Development**

Revenue for the financial period ended 31 March 2020 has decreased by RM15.1 million to RM18.4 million as compared to the preceding year corresponding period ended 31 March 2019 of RM33.5 million. The financial performance for this segment has decreased from a profit of RM3.2 million for the financial period ended 31 March 2019 to a loss of RM3.04 million for the financial period ended 31 March 2020 due to the lower progress work done and billings achieved in this period partly due to the outbreak of Coronavirus Disease 2019 ("Covid-19") pandemic leading to the implementation of Movement Control Order ("MCO").

**Construction**

The construction sector had registered lower revenue of RM806,000 for the financial period ended 31 March 2020 compared to a revenue in the preceding year corresponding period 31 March 2019 of RM2.02 million. Lower revenue was due to lower percentage of work done for its construction projects

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

**16. REVIEW OF PERFORMANCE (cont'd)**

(ii) Financial review for current quarter compared with immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
	31.03.2020 (RM'000)	31.12.2019 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	18,368	47,646	(29,278)	(61.45)
Constructions	806	(4,336)	5,142	118.59
	<b>19,174</b>	<b>43,310</b>	(24,136)	(55.73)
<b>(Loss)/Profit before tax</b>				
Property development	(3,036)	2,332	(5,368)	(230.2)
Constructions	(3,785)	273	(4,058)	(1,486)
Others	(437)	(988)	551	55.8
	<b>(7,258)</b>	<b>1,617</b>	(8,875)	(548.9)

The Group registered lower revenue of RM19.2 million and a loss before tax of RM7.3 million for the current quarter as compared to RM43.3 million and profit of RM1.6 million or the preceding quarter. The outbreak of the COVID-19 pandemic has adversely impacted the results of the current quarter as compared with the better results in December 2019.

**17. PROSPECTS**

The business environment in which the Group operates in, is expected to be more challenging and demanding in this year as we are facing a global COVID-19 pandemic. The outbreak of COVID-19 pandemic has adversely affected both local and global economies resulting in suspensions of businesses, imposition of travel restrictions and restricted movement of people. The full impact of the COVID-19 pandemic, changes in consumer behaviour and time taken for the economy to recover cannot be ascertained at this juncture.

Considering the unprecedented difficult times filled with uncertainty, the prospects and impact of this crisis on the Group's business activities for the remaining year could not be determined at this juncture. Nevertheless, the Group continues to monitor this crisis, and will also take appropriate actions in selection of opportunities when the COVID-19 pandemic is over with renewed positive sentiment and optimism.

In pursuit to the new launch within its Danga Sutera, the Group remains focused on enhancing and extracting the full value from its development. Under the aforesaid circumstances, the Group is of the view that the operating performance will remain challenging for the financial year ending 31 December 2020 despite the Group's continuous strategic efforts.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

**18. PROFIT FORECAST**

The Group has not provided any profit forecast in a public document.

**19. TAXATION**

	Quarter ended		3 months cumulative to date	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Income tax	30	480	30	480
Deferred tax	(795)	(57)	(795)	(57)
	<u>(765)</u>	<u>423</u>	<u>(765)</u>	<u>423</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable loss for the period.

	Current quarter 31.03.2020 RM'000	3 months cumulative to date 31.03.2020 RM'000
Major components of tax expenses:		
Loss before tax	<u>(7,258)</u>	<u>(8,411)</u>
Taxation at the Malaysian statutory tax rate of 24%	(1,742)	(1,742)
Adjustments:		
- Income not subject to tax	(15)	(15)
- Overprovision in deferred tax prior years	(911)	(911)
- Non - deductible expenses	<u>1,903</u>	<u>1,903</u>
	<u>(765)</u>	<u>(765)</u>
Effective tax rate	10.5%	10.5%

**20. UNQUOTED INVESTMENTS AND PROPERTIES**

There were no purchases or sales of unquoted investments and properties for the current quarter and financial period-to-date.

**21. QUOTED INVESTMENTS**

There were no purchases or sales of quoted securities for the current quarter and financial period-to-date.

There were no investments in quoted securities as at the end of the current quarter.



NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 MARCH 2020

**22. STATUS OF CORPORATE PROPOSALS**

There are no other corporate proposals announced but not completed as of the reporting date.

**23. BORROWINGS AND DEBT EQUITIES**

Details of the Group's borrowings (all denominated in Malaysian currency) as at 31 March 2020 are as follows:

	<b>Current</b>	<b>Non current</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>			
Term loan and bridging loans – Note 1	77,659	45,762	123,421
Revolving credit – Note 2	100,000	-	100,000
Obligations under finance lease	207	195	534
Bank overdraft	8,359	-	8,359
<b>Total</b>	<u>186,225</u>	<u>45,957</u>	<u>232,182</u>

Note 1 : Term loan and bridging loan are for the development properties and land acquisition. RM110 million had been utilised for the land acquisition and RM104 million was drawn down for the project. RM88.9 million was repaid through redemption.

Note 2 : Revolving credit facility is for working capital.

**24. MATERIAL LITIGATION**

The Group was not engaged in any material litigation as of the reporting date and/or seven (7) days earlier from the date of issue of this interim financial report.

**25. LOSS BEFORE TAX**

The following amounts have been included in arriving at loss before tax:

	<b>Quarter ended</b>		<b>3 months</b>	
	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>cumulative to date</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
			<b>RM'000</b>	<b>RM'000</b>
Depreciation	136	153	136	153
Interest income	(221)	(289)	(221)	(289)
Interest expenses	5,744	5,330	5,744	5,330
Provision for LAD	2,562	159	2,562	159
Share of results of associates	143	251	143	251
Other income	(44)	(54)	(44)	(54)

Other than as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Malaysia Listing Requirement are not applicable.

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2020

**26. CAPITAL COMMITMENTS**

There are no material capital commitments as at the date of this report.

**27. EVENTS AFTER REPORTING PERIOD**

There are no material events subsequent to the end of the current quarter.

**28. DERIVATIVES**

- a. There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 31 March 2020; and
- b. The Group has not entered into any type of derivatives in the previous financial period under review.

**29. DIVIDEND PAYABLE**

No dividend has been declared for the financial period ended 31 March 2020 (31 December 2019 : RM Nil).

**30. LOSS PER SHARE**

The basic and diluted earnings per share has been calculated by dividing the Group's loss for the period attributable to owners of the Company by weighted average number of shares in issue. The weighted number of shares in issue is calculated as follows:

	Quarter ended		3 months cumulative to date	
	31.03.2020	31.03.2019 (Restated)	31.03.2020	31.03.2019 (Restated)
Loss for the period attributable to owners of the Company (RM'000)	(6,493)	(2,356)	(6,493)	(2,356)
Weighted average number of ordinary shares for basic earnings per share computation for the period ('000 units)*	837,389	837,389	837,389	837,389
Basic earnings per share (sen)	<u>(0.78)</u>	<u>(0.28)</u>	<u>(0.78)</u>	<u>(0.28)</u>
Diluted earnings per share (sen)	<u>(0.78)</u>	<u>(0.28)</u>	<u>(0.78)</u>	<u>(0.28)</u>

NOTES TO THE 1<sup>st</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 MARCH 2020

**31. STATUS OF JOINT VENTURE PROJECT**

Following is the status of the existing joint venture projects as at 31 March 2020 :

	<b>Paradise Realty Sdn. Bhd.</b>	<b>Greenland Tebrau Sdn. Bhd. (Lot 1A)</b>
<u>Development Status</u>		
Total land area	20.324 acres	11.013 acres
% land under development	100%	100%
% of development completed	49.96%	-
% of development not yet completed	50.04%	100%

**32. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 June 2020.