

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.06.2020 RM'000	Previous year corresponding quarter 30.06.2019 RM'000 (restated)	6 months ended 30.06.2020 RM'000	6months ended 30.06.2019 RM'000 (restated)
Revenue	59,825	72,447	79,000	107,928
Cost of sales	(19,596)	(62,228)	(37,759)	(92,089)
Gross profit	40,229	10,219	41,241	15,839
Other operating income	295	418	560	762
Operating expenses	(12,591)	(2,280)	(15,239)	(4,596)
Profit from operations	27,933	8,357	26,562	12,005
Finance costs	(4,968)	(7,035)	(10,712)	(12,365)
Share of results of associates	(150)	(190)	(293)	(441)
Profit/(Loss) before tax (Note 25)	22,815	1,132	15,557	(801)
Tax expenses (Note 19)	(10,157)	(1,636)	(9,392)	(2,059)
Profit/(Loss) for the period	12,658	(504)	6,165	(2,860)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive profit/(loss) for the period	12,658	(504)	6,165	(2,860)
Profit/(Loss) and total comprehensive loss attributable to :				
Owners of the Parent	12,658	(504)	6,165	(2,860)
EARNINGS PER SHARE (Note 30)				
Basic (sen)	1.51	(0.06)	0.73	(0.34)
Diluted (sen)	1.51	(0.06)	0.73	(0.34)

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 30 JUNE 2020

	As at 30.06.2020 RM'000	Audited as at 31.12.2019 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,949	2,210
Available-for-sale investment	90	90
Investment in associates	40,954	41,248
Investment properties	548	548
Inventory properties - Land held	122,355	122,355
Deferred tax assets	17,143	16,269
	<u>183,039</u>	<u>182,720</u>
CURRENT ASSETS		
Inventory properties - Development properties	1,094,286	1,186,518
Inventories	82,270	36,458
Trade and other receivables	416,311	407,800
Contract assets	59,953	49,265
Prepayments	674	540
Tax recoverable	1,404	1,052
Cash and bank balances	51,562	45,947
	<u>1,706,460</u>	<u>1,727,580</u>
TOTAL ASSETS	1,889,499	1,910,300
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	726,946	726,946
Reserves	77,620	71,455
Shareholders' equity	<u>804,566</u>	<u>798,401</u>
NON-CURRENT LIABILITIES		
Long term borrowings	62,652	66,497
Deferred tax liabilities	96,657	96,656
	<u>159,309</u>	<u>163,153</u>
CURRENT LIABILITIES		
Short term borrowings	149,663	184,950
Trade and other payables	743,823	734,509
Contract liabilities	8,454	3,266
Provisions	9,869	10,191
Tax payable	13,815	15,830
	<u>925,624</u>	<u>948,746</u>
TOTAL LIABILITIES	1,084,933	1,111,899
TOTAL EQUITY AND LIABILITIES	1,889,499	1,910,300
Net assets per share (RM)	0.96	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 30 JUNE 2020

	Share capital RM'000	Share based payment reserve RM'000	Retained profits RM'000	Total equity RM'000
Opening balance at 1 January 2020	726,946	-	71,455	798,401
Total comprehensive profit for the year	-	-	6,165	6,315
Closing balance at 30 June 2020	726,946	-	77,620	804,716
Opening balance at 1 January 2019	726,946	56,187	27,713	810,846
Effect of adoption of the MFRS Framework			(7,701)	(7,701)
Opening balance at 1 January 2019 (restated)	726,946	56,187	20,012	803,145
Total comprehensive loss for the year	-	-	(2,860)	(2,860)
Expired of equity-settled share options to employees	-	(56,187)	56,187	-
Closing balance at 30 June 2019	726,946	-	73,339	800,285

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 30 JUNE 2020

	6 months ended 30.06.2020 RM'000	6 months ended 30.06.2019 (restated) RM'000
Operating activities		
Profit/(Loss) before tax	15,557	(801)
Adjustment for :		
Depreciation	269	306
Provisions for liquidated ascertained damages	6,333	920
Provisions for sales commission & legal fees	6,225	4,188
Transaction cost on borrowings	498	536
Interest income	(347)	(512)
Share of results of associate	293	441
Interest expenses	10,712	12,365
Operating profit before changes in working capital	39,540	17,443
Change in trade and other receivables	(19,865)	28,539
Change in trade and other payables	(13,317)	81,767
Change in inventory	(45,812)	-
Change in development property	92,232	(142,897)
Cash flows from/(used in) operating activities	52,778	(15,148)
Interest paid	(3,879)	(7,435)
Taxes paid	(7,074)	(621)
Net cash from/(used in) operating activities	41,825	(23,204)
Investing activities		
Purchase of property, plant and equipment	(9)	(17)
Interest received	347	512
Net cash from investing activities	338	495

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2020 (CONT'D)

	6 months ended 30.06.2020 RM'000	6 months ended 30.06.2019 (restated) RM'000
Financing activities		
Drawdown of borrowings	6,846	36,527
Repayment of borrowings	(45,914)	(12,993)
Advance from related party	2,500	-
Repayment of obligations under finance leases	(202)	(286)
Net cash (used in)/from financing activities	(36,770)	23,248
Net (decrease)/increase in cash and cash equivalents	5,393	539
Cash and cash equivalents at beginning of period	(2,788)	(4,432)
Cash and cash equivalents at the end of period	2,605	(3,893)
Cash and cash equivalents comprise:		
Cash and bank balances	10,333	2,675
Deposit with licensed banks	41,229	40,204
	51,562	42,879
Less: Deposit with licensed banks pledged for banking facilities	(40,543)	(37,918)
Less : Bank overdraft	(8,414)	(8,854)
	2,605	(3,893)

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 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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:

Amendments to MFRS 16: Covid-19 – Related Rent Concessions
MFRS 17 Insurance Contracts
Annual Improvements to MFRS Standards 2018-2020 Cycles
Amendments to MFRS 116 : Property, Plant and Equipment – Proceeds before Intended Use
Amendments to References to the Conceptual Framework in MFRS 3 Business Combinations
Amendments to MFRS 137 : Onerous Contracts – Cost of Fulfilling a Contract
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

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2020

2.CHANGES IN ACCOUNTING POLICIES (cont'd)

2.2 Standards, amendments and interpretations issued but not yet effective (cont'd)

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.

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 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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 RM10.2 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 RM7.3 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.

(d) Restatement – Borrowing and transaction costs on loan

Retrospective adjustments were made on inventory properties and deferred tax liabilities due the IFRIC Agenda Decision issued in March 2019 with regards to MFRS 123 Borrowing Cost, as a result of capitalization of borrowing costs in relation to the construction of the Company’s development properties in 2018 and offset paid transaction costs against loan and borrowings instead of capitalizing these in inventory properties.

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 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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 30 June 2020 and 31 December 2019, which are within the Group's objectives for capital management, are as follows:-

	30.06.2020	31.12.2019
	RM'000	RM'000
Borrowings	212,315	251,447
Trade and other payables	743,823	734,509
Less: Cash and bank balances	<u>(51,562)</u>	<u>(45,947)</u>
Net debt	<u>904,576</u>	<u>940,009</u>
Equity	<u>804,566</u>	<u>798,401</u>
Total capital	<u>804,566</u>	<u>798,401</u>
Capital and net debt	1,709,142	1,738,410
Gearing ratio	52.9%	54.1%

The improvement in gearing ratio from 54.1% to 52.9% is mainly due to the decrease in bank borrowings.

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 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:

	Current year quarter 30.06.2020 RM'000	6 months cumulative to date 30.06.2020 RM'000
a) Drawdown on new bank borrowings	-	6,846
b) Repayment of bank borrowings	(19,852)	(45,914)
c) Repayment of obligations under finance leases	(70)	(202)
d) Change in bank overdraft	56	222
e) Transaction costs on bank borrowings	(249)	(498)

9. DIVIDENDS

No dividends were recommended, declared or paid during the financial period ended 30 June 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 :

	30.06.2020 RM'000	31.12.2019 RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	113,070	152,490
Performance bond issued by subsidiaries involved in construction activities	34,863	34,863

**NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2020**

14. OPERATING SEGMENTS

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

As at 30 June 2020 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	79,485	(485)	-	-	79,000
Other income	457	69	-	-	526
Unallocated other income	-	-	-	-	-
	79,942	(416)	-	-	79,526
RESULT					
Segment results	30,732	(3,623)	-	7	27,116
Unallocated corporate expenses					(552)
Share of result of associates					(293)
Finance costs					(10,712)
Loss before tax					15,557

As at 30 June 2019 (restated) RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	104,477	3,451	-	-	107,928
Other income	533	227	-	-	760
Unallocated other income	-		-	-	2
	105,010	3,678	-	-	108,690
RESULT					
Segment results	13,092	(297)	-	(95)	12,700
Unallocated corporate expenses					(694)
Share of result of associates					(441)
Finance costs					(12,366)
Loss before tax					(801)

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2020

14. OPERATING SEGMENTS (cont'd)

ASSETS AND LIABILITIES

As at 30 June 2020 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<u>ASSETS</u>					
Segment assets	1,572,738	507,768	-	(540,165)	1,540,341
Investment in associates					40,953
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					307,617
Consolidated total assets					1,889,499
<u>LIABILITIES</u>					
Segment liabilities	(676,575)	(753,158)	-	447,821	(981,912)
Unallocated corporate liabilities					(103,021)
Consolidated total liabilities					(1,084,933)

As at 30 June 2019 (restated) RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<u>ASSETS</u>					
Segment assets	1,599,066	534,761	-	(571,137)	1,562,690
Investment in associates					45,862
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					309,025
Consolidated total assets					1,918,165
<u>LIABILITIES</u>					
Segment liabilities	(709,542)	(776,132)	-	478,793	(1,006,881)
Unallocated corporate liabilities					(103,298)
Consolidated total liabilities					(1,110,179)

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 JUNE 2020

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		6 months ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	390	17,644	20,539	35,053
Construction related services to an associate company of which certain directors of the Company have interest	773	2,374	773	4,767
Rental and maintenance related services from a company of which certain directors of the Company have interest	103	17	117	56

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 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2020

16. REVIEW OF PERFORMANCE

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

	3 months Quarter ended		Changes		6 months cumulative to-date		Changes	
	30.06.2020 (RM'000)	30.06.2019 (RM'000) (Restated)	Amount (RM'000)	%	30.06.2020 (RM'000)	30.06.2019 (RM'000) (Restated)	Amount (RM'000)	%
Revenue								
Property development	61,117	71,011	(9,894)	(13.9)	79,485	104,477	(24,992)	(23.9)
Constructions	(1,292)	1,436	(2,728)	(190.0)	(485)	3,451	(3,936)	(114.1)
	59,825	72,447	(12,622)	(17.4)	79,000	107,928	(28,928)	(26.8)
Profit/(loss) before tax								
Property development	29,934	5,760	24,174	419.7	26,899	7,984	18,915	236.9
Constructions	(6,814)	(4,066)	(2,748)	(67.6)	(10,599)	(7,589)	(3,010)	(39.7)
Others	(305)	(562)	257	45.7	(741)	(1,196)	455	38.0
	22,815	1,132	21,683	1,915	15,557	(801)	16,358	(2041)

- a) Performance review for current quarter against the same quarter in the preceding year (Q2 2020 vs Q2 2019)

The Group's profit before tax was higher by RM21.7 million to RM22.8 million for the quarter ended 30 June 2020 compared to the corresponding quarter ended 30 June 2019 of RM1.13 million. This was mainly due to the completion of the terrace houses component and revision of the cost allocation of its development project.

The contribution from each business segment is set out below:

Property Development

Revenue for current quarter has decreased slightly by RM9.9 million to RM61.1 million compared to the preceding quarter of RM71.0 million. Despite the decrease in revenue, this sector registered a profit before tax of RM29.9 million in the current quarter ended 30 June 2020 compared to profit before tax of RM5.8 million in the corresponding quarter ended 30 June 2019 mainly due to higher progress billings and revision of the cost allocation.

Construction

The construction sector registered negative revenue of RM1.3 million in the current quarter. Consequently, the sector also registered a higher loss before tax of RM6.8 million in the current quarter compared to loss before tax of RM4.1 million in the preceding quarter ended 30 June 2019. Negative revenue and higher loss were due to additional provision of LAD for its construction project due to the implementation of Movement Control Order ("MCO") resulted from the outbreak of Coronavirus Disease 2019 ("Covid-19") pandemic.

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2020

16. REVIEW OF PERFORMANCE (cont'd)

b) Performance review for financial period to–date (6M FP 2020 vs 6M FP 2019)

The Group's revenue of RM79.0 million for the financial period ended 30 June 2020 has decreased by RM28.9 million as compared to the preceding year corresponding period ended 30 June 2019 of RM107.9 million. Profit before tax for the financial period ended 30 June 2020 has increased by RM16.4 million to RM15.6 million compared to loss of RM801,000 for the financial period ended 30 June 2019, mainly due to the revision of cost allocation for the development project.

The contribution from each business segment is set out below:

Property Development

Revenue for the financial period ended 30 June 2020 has decreased by RM25.0 million to RM79.5 million as compared to the preceding year corresponding period ended 30 June 2019 of RM104.5 million. Profit before tax has improved by RM18.9 to RM26.9 million for the period ended 30 June 2020 compared to RM8.0 million for the period ended 30 June 2019 due to the completion of terrace houses components and revision of cost allocation for the development project.

Construction

The construction sector had registered negative revenue of RM485,000 for the financial period ended 30 June 2020 compared to a revenue in the preceding year corresponding period 30 June 2019 of RM3.5 million. Consequently, the sector also registered a higher loss before tax of RM10.6 million in the current period ended 30 June 2020 compared to loss before tax of RM7.6 million in the preceding period ended 30 June 2019. Negative revenue and the higher loss were due to additional provision of LAD for its construction project.

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

	Current quarter	Immediate preceding quarter	Changes	
	30.06.2020 (RM'000)	31.03.2020 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	61,117	18,368	42,749	232.7
Constructions	(1,292)	806	(2,098)	(260.3)
	59,825	19,174	40,651	212.0

Profit/(loss) before tax				
Property development	29,934	(3,036)	32,970	1,086
Constructions	(6,814)	(3,785)	(3,029)	(80.0)
Others	(305)	(437)	132	30.2
	22,815	(7,258)	30,073	414.3

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2020

16. REVIEW OF PERFORMANCE (cont'd)

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

The Group's revenue of RM59.8 million in the current quarter was RM40.7 million or 212% higher when compared to preceding quarter ended 31 March 2020 of RM19.2 million, due to higher percentage of work done and progress billings recorded in the current quarter.

Consequently, the Group has also registered a higher profit before tax of RM22.8 million as compared to a loss before tax of RM7.3 million in the immediate preceding quarter and this was mainly due to the revision of cost allocation for the development project.

17. PROSPECTS

The COVID-19 pandemic and the various phases of MCO implemented by the Government have significantly affected the economy and disrupted the business and operations of property developers. The property sector is expected to be sluggish for a period of time. 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. 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.

18. PROFIT FORECAST

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

19. TAXATION

	Quarter ended		6 months cumulative to date	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Income tax	10,234	1,589	10,264	2,069
Deferred tax	(77)	47	(872)	(10)
	<u>10,157</u>	<u>1,636</u>	<u>9,392</u>	<u>2,059</u>

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 JUNE 2020

19. TAXATION (Cont'd)

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

	Current quarter 30.06.2020 RM'000	6 months cumulative to date 30.06.2020 RM'000
Major components of tax expenses:		
Profit before tax	22,815	15,557
Taxation at the Malaysian statutory tax rate of 24%	5,476	3,733
Adjustments:		
- Income not subject to tax	(3)	(18)
- Overprovision in deferred tax prior years	(911)	(911)
- Non - deductible expenses	5,595	6,587
	<u>10,157</u>	<u>9,392</u>
Effective tax rate	44.5%	60.4%

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.

22. STATUS OF CORPORATE PROPOSALS

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

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2020

23. BORROWINGS AND DEBT EQUITIES

Details of the Group's borrowings (all denominated in Malaysian currency) as at 30 June 2020 are as follows:

	Current	Non current	Total
Secured	RM'000	RM'000	RM'000
Term loan and bridging loans – Note 1	41,089	62,480	103,569
Revolving credit – Note 2	100,000	-	100,000
Obligations under finance lease	160	172	332
Bank overdraft	8,414	-	8,414
Total	149,663	62,652	222,315

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. RM110 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. PROFIT/(LOSS) BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax:

	Quarter ended		6months	
	30.06.2020	30.06.2019	cumulative to date	cumulative to date
	RM'000	RM'000	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Depreciation	133	153	269	306
Interest income	(126)	(223)	(347)	(512)
Interest expenses	4,968	7,035	10,712	12,365
Provision for LAD	2,880	761	2,562	920
Share of results of associates	150	190	293	441
Other income	(170)	(194)	(214)	(248)

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 2nd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 JUNE 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 30 June 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 30 June 2020 (31 December 2019 : RM Nil).

30. EARNINGS 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		6 months cumulative to date	
	30.06.2020	30.06.2019 (Restated)	30.06.2020	30.06.2019 (Restated)
Profit/(loss) for the period attributable to owners of the Company (RM'000)	12,658	(504)	6,165	(2,860)
Weighted average number of ordinary shares for earnings per share ('000 units)	837,389	837,389	837,389	837,389
Basic earnings per share (sen)	1.51	(0.06)	0.74	(0.34)
Diluted earnings per share (sen)	1.51	(0.06)	0.74	(0.34)

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 JUNE 2020

31. STATUS OF JOINT VENTURE PROJECT

Following is the status of the existing joint venture projects as at 30 June 2020 :

	Paradise Realty Sdn. Bhd.	Greenland Tebrau Sdn. Bhd. (Lot 1A)
<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 26 August 2020.