

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.2020 RM'000	Previous year corresponding quarter 31.12.2019 RM'000 (restated)	12 months ended 31.12.2020 RM'000	12 months ended 31.12.2019 RM'000
Revenue	19,648	43,311	108,247	219,048
Cost of sales	(18,030)	(31,695)	(64,626)	(186,868)
Gross profit	1,618	11,616	43,621	32,180
Other operating income	1,122	899	1,894	1,887
Operating expenses	(8,094)	(3,906)	(21,237)	(10,655)
(Loss)/Profit from operations	(5,354)	8,609	24,278	23,412
Finance costs	(5,784)	(6,300)	(22,475)	(25,908)
Share of results of associate	(68)	(72)	(285)	(692)
(Loss)/Profit before tax (Note 25)	(11,206)	2,237	1,518	(3,188)
Tax expenses (Note 19)	7,040	(1,177)	(3,195)	(1,556)
Loss for the period	(4,166)	1,060	(1,677)	(4,744)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/profit for the period	(4,166)	1,060	(1,677)	(4,744)
(Loss)/Profit and total comprehensive (loss)/profit attributable to :				
Owners of the Parent	(4,166)	1,060	(1,677)	(4,744)
(LOSS)/EARNINGS PER SHARE (Note 30)				
Basic (sen)	(0.50)	0.13	(0.20)	(0.57)
Diluted (sen)	(0.50)	0.13	(0.20)	(0.57)

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 DECEMBER 2020

	As at 31.12.2020 RM'000	Audited as at 31.12.2019 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,701	2,210
Available-for-sale investment	90	90
Investment in associates	34,093	41,248
Investment properties	90	548
Inventory properties - Land held	122,355	122,355
Deferred tax assets	19,879	16,269
	<u>178,208</u>	<u>182,720</u>
CURRENT ASSETS		
Inventory properties - Development properties	1,173,903	1,186,518
Inventories	68,122	36,458
Trade and other receivables	157,600	407,800
Contract assets	17,181	49,265
Prepayments	1,369	540
Tax recoverable	1,950	1,052
Cash and bank balances	41,720	45,947
	<u>1,461,845</u>	<u>1,727,580</u>
TOTAL ASSETS	1,640,053	1,910,300
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	726,946	726,946
Reserves	69,777	71,455
Shareholders' equity	<u>796,723</u>	<u>798,401</u>
NON-CURRENT LIABILITIES		
Long term borrowings	46,237	66,497
Deferred tax liabilities	96,637	96,656
	<u>142,874</u>	<u>163,153</u>
CURRENT LIABILITIES		
Short term borrowings	140,912	184,950
Trade and other payables	514,479	734,509
Contract liabilities	348	3,266
Provisions	33,736	10,191
Tax payable	10,981	15,830
	<u>700,456</u>	<u>948,746</u>
TOTAL LIABILITIES	843,330	1,111,899
TOTAL EQUITY AND LIABILITIES	1,640,053	1,910,300
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 DECEMBER 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 loss for the year	-	-	(1,677)	(1,677)
Closing balance at 31 December 2020	726,946	-	73,943	796,723
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	-	-	(4,744)	(4,744)
Expired of equity-settled share options to employees	-	(56,187)	56,187	-
Closing balance at 31 December 2019	726,946	-	71,455	798,401

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 DECEMBER 2020

	12 months ended 31.12.2020 RM'000	12 months ended 31.12.2019 RM'000
Operating activities		
Profit/(loss) before tax	1,518	(3,188)
Adjustment for :		
Depreciation	526	609
Provisions	1,630	5,553
Transaction cost on borrowings	1,502	-
Fair value adjustment on investment property	(2)	-
Reversal of foreseeable loss in respect of constructions contracts	-	(913)
Interest income	(1,628)	(1,721)
Gain on disposal of investment property	(20)	-
Share of results of associate	285	692
Interest expenses	22,475	25,908
Operating profit before changes in working capital	26,286	26,940
Change in trade and other receivables	250,200	(25,202)
Change in trade and other payables	(182,618)	40,707
Change in inventories	(31,664)	2,384
Change in development properties	12,615	(25,321)
Cash flows from operating activities	74,819	19,508
Interest paid	(8,757)	(16,046)
Taxes paid	(10,007)	(13,096)
Net cash from/(used in) operating activities	56,055	(9,634)
Investing activities		
Purchase of property, plant and equipment	(9)	(24)
Interest received	1,628	1,721
Net cash from investing activities	1,619	1,697

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

	12 months ended 31.12.2020 RM'000	12 months ended 31.12.2019 RM'000
Financing activities		
Placement of deposits	-	(1,654)
Drawdown of borrowings	6,846	76,503
Repayment of borrowings	(72,659)	(62,605)
Advance from related party	3,900	-
Repayment of obligations under finance leases	(346)	(579)
Net cash (used in)/from financing activities	(62,259)	11,665
Net (decrease)/increase in cash and cash equivalents	(4,585)	3,728
Cash and cash equivalents at beginning of period	(2,788)	(6,516)
Cash and cash equivalents at the end of period	(7,373)	(2,788)
Cash and cash equivalents comprise:		
Cash and bank balances	1,495	4,775
Deposits with licensed banks	40,225	41,172
	41,720	45,947
Less: Deposits with licensed banks pledged for banking facilities	(40,543)	(40,543)
Less : Bank overdraft	(8,550)	(8,192)
	(7,373)	(2,788)

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 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 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
Amendments to MFRS 101 : Classification of Liabilities as Current or Non-current – Deferral of Effective Date

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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 : Interest Rate Benchmark Reform – Phase 2
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

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

2.CHANGES IN ACCOUNTING POLICIES (cont'd)

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

Amendments to MFRS 101 : Classification of Liabilities as Current or Non-current
Amendments to MFRS 101 : Disclosure of Accounting Policies
Amendments to MFRS 108 : Definition of Accounting Estimates and Error
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.

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.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

2.3 Significant accounting judgement and estimates (cont'd)

(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.

(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 RM7.6 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 RM6.9 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 in 2019 – Borrowing and transaction costs on loan

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

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

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.

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 line with 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.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

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

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

	31.12.2020 RM'000	31.12.2019 RM'000
Borrowings	187,149	251,447
Trade and other payables	514,479	734,509
Less: Cash and bank balances	<u>(41,720)</u>	<u>(45,947)</u>
Net debt	<u>659,905</u>	<u>940,009</u>
Equity	<u>796,723</u>	<u>798,401</u>
Total capital	<u>796,723</u>	<u>798,401</u>
Capital and net debt	1,456,628	1,738,410
Gearing ratio	45.3%	54.1%

The improvement in gearing ratio from 54.1% to 45.3% is mainly due to repayment of bank borrowings and payment made to trade and other payables.

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

	Current year quarter 31.12.2020 RM'000	12 months cumulative to date 31.12.2020 RM'000
a) Drawdown on new bank borrowings	-	6,846
b) Repayment of bank borrowings	(9,032)	(72,659)
c) Repayment of obligations under finance leases	(81)	(346)
d) Change in bank overdraft	118	358
e) Transaction costs on bank borrowings	755	1,502

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DECEMBER 2020

9. DIVIDENDS

No dividends were recommended, declared or paid during the financial period ended 31 December 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 adjustment arose from the valuation. A similar valuation was also carried out for the current financial year ended 31 December 2020 and the fair value gain arose from the valuation amounted to RM2,000 was recognised in the statements of profit or loss for the financial year ended 31 December 2020.

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 :

	31.12.2020	31.12.2019
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	86,962	152,490
Performance bond issued by subsidiaries involved in construction activities	37,463	34,863

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

14. OPERATING SEGMENTS

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

As at 31 Dec 2020 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	103,044	5,203	-	-	108,247
Other income	692	1,092	-	-	1,784
Unallocated other income	-	-	-	-	110
	103,736	6,295	-	-	110,141
RESULT					
Segment results	27,281	(1,844)	-	(77)	25,360
Unallocated corporate expenses					(1,082)
Share of result of associate					(285)
Finance costs					(22,475)
Profit before tax					1,518

As at 31 Dec 2019 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	221,220	(2,172)	-	-	219,048
Other income	935	899	-	-	1,834
Unallocated other income	-	-	-	-	52
	222,155	(1,273)	-	-	220,934
RESULT					
Segment results	25,775	(194)	-	(227)	25,354
Unallocated corporate expenses					(1,942)
Share of result of associate					(692)
Finance costs					(25,908)
Loss before tax					(3,188)

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

14. OPERATING SEGMENTS (cont'd)

ASSETS AND LIABILITIES

As at 31 Dec 2020 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment assets	1,515,999	307,096	-	(524,932)	1,298,163
Investment in associates					34,093
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					307,209
Consolidated total assets					1,640,053
LIABILITIES					
Segment liabilities	(656,370)	(586,234)	-	502,589	(740,015)
Unallocated corporate liabilities					(103,315)
Consolidated total liabilities					(843,330)

As at 31 Dec 2019 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
ASSETS					
Segment assets	1,582,597	522,363	-	(545,469)	1,559,491
Investment in associates					41,248
Investment properties					548
Available-for-sale investments					90
Unallocated corporate assets					308,923
Consolidated total assets					1,910,300
LIABILITIES					
Segment liabilities	(710,970)	(750,376)	-	453,189	(1,008,157)
Unallocated corporate liabilities					(103,742)
Consolidated total liabilities					(1,111,899)

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DECEMBER 2020

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	6,207	36,112	26,807	53,504
Construction related services to an associate company of which certain directors of the Company have interest	12,157	-	12,930	16,630
Rental and maintenance related services from a company of which certain directors of the Company have interest	42	26	1,857	3,747

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 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

16. REVIEW OF PERFORMANCE

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

	3 months quarter ended		Changes		12 months cumulative to-date		Changes	
	31.12.2020 (RM'000)	31.12.2019 (RM'000) (Restated)	Amount (RM'000)	%	31.12.2020 (RM'000)	31.12.2019 (RM'000)	Amount (RM'000)	%
Revenue								
Property development	15,466	47,646	(32,180)	(67.6)	103,044	221,220	(118,176)	(53.5)
Constructions	4,182	(4,335)	8,517	197	5,203	(2,172)	7,375	340
	19,648	43,311	(23,663)	(54.7)	108,247	219,048	(110,801)	(50.6)

(Loss)/profit before tax								
Property development	(9,445)	2,626	(12,071)	(459.7)	19,037	13,609	5,428	39.9
Constructions	(1,473)	(273)	(1,200)	(440)	(16,052)	(14,509)	(1,543)	(11)
Others	(288)	(116)	(172)	(149)	(1,467)	(2,288)	821	36
	(11,206)	2,237	(13,443)	(601)	1,518	(3,188)	4,706	147.7

- a) Performance review for current quarter against the same quarter in the preceding year (Q4 2020 vs Q4 2019)

For the current quarter under review, the Group recorded revenue of RM19.6 million (Q3 2019 : RM43.3 million) which was RM23.7 million or 54.7% lower when compared to the corresponding quarter in preceding year. With the drop in revenue, the Group has also suffered a loss before tax of RM11.2 million for the quarter ended 31 December 2020 compared to profit of RM2.2 million for the corresponding quarter ended 31 December 2019. The loss incurred during this period is due to revision of cost allocation for the development segment and lower level of work achieved for construction segment.

The contribution from each business segment is set out below:

Property Development

Revenue for the current quarter ended 31 December 2020 has significantly decreased by RM32.2 million to RM15.5 million compared to the preceding quarter ended 31 December 2019 of RM47.6 million. Current quarter incurred a loss before tax of RM9.4 million as compared to profit before tax of RM2.6 million due to the change in basis of cost allocation, revision in budgeted cost and lower progress billings across its on-going projects as a result of the Coronavirus Disease 2019 (“COVID-19”) outbreak.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

16. REVIEW OF PERFORMANCE (cont'd)

Construction

Construction sector registered revenue of RM4.2 million for the current quarter ended 31 December 2020, whereas a reversal revenue of RM4.3 million was recorded for the preceding year corresponding period ended 31 December 2019. Reversal revenue was due to revision of budgeted cost for construction projects. Despite the improvement in revenue, the construction sector registered a higher loss before tax of RM1.5 million in the current quarter compared to the loss before tax of RM273,000 in the preceding quarter due to higher costs incurred for mobilisation activities pending full roll-out as a result of business disruptions caused by the Covid-19 pandemic and the Movement Control Order (“MCO”) imposed by the Government.

b) Performance review for financial year to–date (12M FY 2020 vs 12M FY 2019)

For the financial year ended 31 December 2020, the Group recorded revenue of RM108.2 million, decrease of RM110.8 million as compared to the preceding year corresponding year ended 31 December 2019 of RM219.0 million. Despite the drop in revenue, the Group reported an improved result from a loss before tax of RM3.2 million to profit before tax of RM1.5 million. The overall increase in profit was mainly due to the completion of the terrace houses component and improvement in profit margin from the development segment during the year.

The contribution from each business segment is set out below:

Property Development

Revenue for the year ended 31 December 2020 has decreased by RM118.2 million to RM103.0 million compared to the preceding year corresponding year ended 31 December 2019 of RM221.2 million. Profit before tax has improved by RM5.4 to RM19.0 million for the year ended 31 December 2020 compared to RM13.6 million for the year ended 31 December 2019 due to the completion of the terrace houses component and improvement in profit margin from this segment during the year.

Construction

Revenue of RM5.2 million was registered for the year ended 31 December 2020 compared to a reversal revenue of RM2.2 million in the preceding year corresponding year ended 31 December 2019. Reversal revenue was due to revision of budgeted cost for construction projects. Despite the improvement in revenue, the construction sector registered a higher loss before tax of RM16.1 million for the year ended 31 December 2020 compared to the loss before tax of RM14.5 million in the preceding quarter due to higher costs incurred for mobilisation activities pending full roll-out as a result of business disruptions caused by the Covid-19 pandemic and the MCO imposed by the Government.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DECEMBER 2020

16. REVIEW OF PERFORMANCE (cont'd)

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

	Current quarter	Immediate preceding quarter	Changes	
	31.12.2020 (RM'000)	30.09.2020 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	15,466	8,092	7,374	912
Constructions	4,182	1,506	2,676	178
	19,648	9,598	10,050	104.7
(Loss)/Profit before tax				
Property development	(9,445)	1,434	(10,879)	(758.7)
Constructions	(1,473)	(3,980)	2,507	63
Others	(288)	(288)	-	-
	(11,206)	(2,834)	(8,372)	(295.5)

For the current quarter under review, the Group recorded revenue and loss before tax of RM19.6 million and RM11.2 million respectively, compared to immediate preceding quarter's revenue and loss before tax of RM9.6 million and RM2.8 million. The current quarter's net loss was largely due to the change in basis of cost allocation for the development segment.

17. PROSPECTS

The unprecedented COVID-19 pandemic and implementation of the various Movement Control Order by the Government continues to negatively affect Malaysia economy and property market. The Government has re-introduced the Home Ownership Campaign ("HOC") 2020 under the Short-Term Economic Recovery Plan (PENJANA) as well as the PRIHATIN economic stimulus packages; together with lower interest rates, which has assisted in the local demand of property sector.

The Group continues to closely monitor the market situation whilst adopting prudent approach for any new products' launches, and shall unlock the value of its land banks when opportunities arises. With the travel restriction for locals and internationals and also the weak consumer sentiments, the Group expects its performance for the next financial year to remain challenging.

18. PROFIT FORECAST

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

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DECEMBER 2020

19. TAXATION

	Quarter ended		12 months cumulative to date	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Income tax	(3,599)	163	6,384	2,678
Deferred tax	(3,441)	1,014	(3,189)	(1,122)
	<u>(7,040)</u>	<u>1,177</u>	<u>3,195</u>	<u>1,556</u>

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

	Current quarter 31.12.2020 RM'000	12 months cumulative to date 31.12.2020 RM'000
Major components of tax expenses:		
(Loss)/profit before tax	<u>(11,206)</u>	<u>1,518</u>
Taxation at the Malaysian statutory tax rate of 24%	(2,689)	364
Adjustments:		
- Income not subject to tax	(68)	(98)
- Deferred tax asset not recognised	1,001	1,001
- Over provision of income tax in prior year	(447)	(447)
- Over provision of income tax in prior period	(3,444)	-
- (Over)/under provision of deferred tax in prior years	(1,779)	888
- Utilisation of previously unrecognised tax losses	10	10
- Non - deductible expenses	<u>376</u>	<u>1,478</u>
	<u>(7,040)</u>	<u>3,195</u>
Effective tax rate	62.8%	210.5%

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 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DECEMBER 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 December 2020 are as follows:

	Current	Non current	Total
Secured	RM'000	RM'000	RM'000
Term loan and bridging loans – Note 1	32,217	46,194	78,411
Revolving credit – Note 2	100,000	-	100,000
Obligations under finance lease	145	43	188
Bank overdraft	8,550	-	8,550
Total	<u>140,912</u>	<u>46,237</u>	<u>187,149</u>

Note 1 : Term loan and bridging loan are for the development properties and land acquisition. The loans were repaid through redemption and cash.

Note 2 : Revolving credit facility is for working capital.

24. MATERIAL LITIGATION

Johor Bahru High Court Summons No. JA-22NCVC-149-11/2020

The Company and a subsidiary of the Company, namely Tebrau Bay Constructions Sdn Bhd ("TBCSB") on 17 November 2020 received a Writ of Summon and Statement of Claim filed by Tenaga Nasional Berhad ("TNB") claiming RM76.56 million, various injunctions, economic loss, other damages, interests and costs to be assessed by the High Court for the alleged damages on the Johor Bahru - Singapore TNB cable link.

The Court has fixed the next case management on 4 May 2021 to fix the hearing date for the Defendants' applications to amend the Statement of Defence and the Notice of Application on IWCity to strike out application. The Court has fixed another hearing date of 17 May 2021 to hear the Plaintiff's application to join another subsidiary of the Company, namely Tebrau Bay Sdn Bhd as a Co-Defendant and to amend the Plaintiff's Writ and Statement of Claim. The Company will make the necessary announcement on the material development of this matter in due course.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DECEMBER 2020

25. (LOSS)/PROFIT BEFORE TAX

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

	Quarter ended		12months cumulative to date	
	31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Depreciation	123	150	526	609
Interest income	(1,075)	(1,011)	(1,628)	(1,721)
Interest expenses	5,784	14,958	22,475	25,908
Provision for LAD	1,284	3,443	1,630	5,553
Share of results of associates	68	72	285	692
Fair value adjustment on investment property	(2)	-	(2)	-
Gain on disposal of Investment property	(20)	-	(20)	-
Other income	(47)	(194)	(266)	(166)

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.

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 December 2020; and
- b. The Group has not entered into any type of derivatives in the previous financial period under review.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DECEMBER 2020

29. DIVIDEND PAYABLE

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

30. (LOSS)/EARNINGS PER SHARE

The basic and diluted (loss)/earnings per share has been calculated by dividing the Group's (loss)/profit 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		12 months cumulative to date	
	31.12.2020	31.12.2019 (Restated)	31.12.2020	31.12.2019
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(4,166)	1,060	(1,677)	(4,744)
Weighted average number of ordinary shares for earnings per share ('000 units)	837,389	837,389	837,389	837,389
Basic (loss)/earnings per share (sen)	(0.50)	0.13	(0.20)	(0.57)
Diluted (loss)/earnings per share (sen)	(0.50)	0.13	(0.20)	(0.57)

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DECEMBER 2020

31. STATUS OF JOINT VENTURE PROJECT

Following is the status of the existing joint venture projects as at 31 December 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 29 March 2021.