

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.06.2021 RM'000	Previous year corresponding quarter 30.06.2020 RM'000	6 months ended 30.06.2021 RM'000	6 months ended 30.06.2020 RM'000
Revenue	9,882	59,825	17,419	79,000
Cost of sales	(8,562)	(19,596)	(15,385)	(37,759)
Gross profit	1,320	40,229	2,034	41,241
Other operating income	163	295	355	560
Operating expenses	(1,652)	(12,591)	(3,791)	(15,239)
(Loss)/Profit from operations	(169)	27,933	(1,402)	26,562
Finance costs	(4,277)	(4,968)	(8,795)	(10,712)
Share of results of associate	(84)	(150)	(110)	(293)
(Loss)/Profit before tax (Note 25)	(4,530)	22,815	(10,307)	15,557
Tax expenses (Note 19)	340	(10,157)	340	(9,392)
(Loss)/Profit for the period	(4,190)	12,658	(9,967)	6,165
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/profit for the period	(4,190)	12,658	(9,967)	6,165
(Loss)/Profit and total comprehensive (loss)/profit attributable to :				
Owners of the Parent	(4,190)	12,658	(9,967)	6,165
 (LOSS)/EARNING PER SHARE (Note 30)				
Basic (sen)	(0.47)	1.51	(1.12)	0.74
Diluted (sen)	(0.47)	1.51	(1.12)	0.74

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 30 JUNE 2021

	As at 30.06.2021 RM'000	Audited as at 31.12.2020 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,511	1,701
Available-for-sale investment	90	90
Investment in associate	2,284	2,395
Investment properties	90	90
Inventory properties – Land held	122,355	122,355
Deferred tax assets	20,183	19,879
	<u>146,513</u>	<u>146,510</u>
CURRENT ASSETS		
Inventory properties - Development properties	1,151,436	1,120,451
Inventories	64,418	68,122
Trade and other receivables	124,982	157,600
Contract assets	14,384	23,215
Prepayments	1,717	1,369
Tax recoverable	4,331	1,950
Cash and bank balances	43,178	41,720
	<u>1,404,446</u>	<u>1,414,427</u>
TOTAL ASSETS	1,550,959	1,560,937
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	767,141	726,946
Reserves	28,111	38,078
Shareholders' equity	<u>795,252</u>	<u>765,024</u>
NON-CURRENT LIABILITIES		
Long term borrowings	2	42
Trade and other payables	238,939	233,933
Deferred tax liabilities	96,601	96,638
	<u>335,542</u>	<u>330,613</u>
CURRENT LIABILITIES		
Short term borrowings	178,567	187,107
Trade and other payables	223,246	256,989
Contract liabilities	2,338	4,347
Provisions	5,034	5,876
Tax payable	10,980	10,981
	<u>420,165</u>	<u>465,300</u>
TOTAL LIABILITIES	755,707	795,913
TOTAL EQUITY AND LIABILITIES	1,550,959	1,560,937
Net assets per share (RM)	0.86	0.91

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2021

	Share capital RM'000	Retained profits RM'000	Total equity RM'000
Opening balance at 1 January 2021	726,946	38,078	765,024
Issuance of ordinary shares	40,195	-	40,195
Total comprehensive loss for the period	-	(9,967)	(9,967)
Closing balance at 30 June 2021	767,141	28,111	795,252
Opening balance at 1 January 2020 (restated)	726,946	39,755	766,701
Total comprehensive loss for the period	-	6,165	6,165
Closing balance at 30 June 2020	726,946	45,920	772,866

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 2020 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2021

	6 months ended 30.06.2021 RM'000	6 months ended 30.06.2020 RM'000
Operating activities		
(Loss)/Profit before tax	(10,307)	15,557
Adjustment for :		
Depreciation	194	269
Provisions for liquidated ascertained damages	716	6,333
Provisions for sales commission & legal fees	-	6,225
Transaction cost on borrowings	198	498
Interest income	(201)	(347)
Share of results of associate	110	293
Interest expenses	8,795	10,712
Operating (loss)/profit before changes in working capital	(495)	39,540
Change in trade and other receivables	33,018	(19,865)
Change in trade and other payables	(33,136)	(13,317)
Change in inventories	3,704	(45,812)
Change in development properties	(29,078)	92,232
Cash flows (used in)/from operating activities	(25,987)	52,778
Interest paid	(1,988)	(3,879)
Taxes paid	(2,165)	(7,074)
Net cash (used in)/from operating activities	(30,140)	41,825
Investing activities		
Purchase of property, plant and equipment	(4)	(9)
Interest received	201	347
Proceeds from issuance of ordinary shares	40,195	-
Net cash from investing activities	40,392	338

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 30 JUNE 2021 (CONT'D)

	6 months ended 30.06.2021 RM'000	6 months ended 30.06.2020 RM'000
Financing activities		
Drawdown of borrowings	-	6,846
Repayment of borrowings	(8,541)	(45,914)
Advance from related party	-	2,500
Repayment of obligations under finance leases	(72)	(202)
Net cash (used in)/from financing activities	(8,613)	(36,770)
Net increase in cash and cash equivalents	1,639	5,393
Cash and cash equivalents at beginning of period	(4,357)	(2,788)
Cash and cash equivalents at the end of period	(2,718)	2,605
Cash and cash equivalents comprise:		
Cash and bank balances	2,004	10,333
Deposits with licensed banks	41,173	41,229
	43,177	51,562
Less: Deposits with licensed banks pledged for banking facilities	(37,512)	(40,543)
Less : Bank overdraft	(8,383)	(8,414)
	(2,718)	2,605

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

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 2020. 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 2020.

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 2020 except for the adoption of the following new amendments to MFRSs:

Amendments to MFRS 16: Covid-19 - Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 : Interest Rate Benchmark Reform - Phase 2

The adoption of the abovementioned new and amendments to MFRS 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:

Annual Improvements to MFRS Standards 2018-2020
Amendments to MFRS 16 : Covid-19 – Related Rent Concessions beyond 30 June 2021
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 and Disclosure of Accounting Policies
Amendments to MFRS 108 : Definition of Accounting Estimates
Amendments to MFRS 112 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

2.CHANGES IN ACCOUNTING POLICIES (cont'd)

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

MFRS 17 Insurance Contracts

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 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

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.

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2020

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2020 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 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

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 30 June 2021 and 31 December 2020, which are within the Group's objectives for capital management, are as follows:-

	30.06.2021	31.12.2020
	RM'000	RM'000
Borrowings	178,569	187,149
Trade and other payables	462,185	490,922
Less: Cash and bank balances	<u>(43,178)</u>	<u>(41,720)</u>
Net debt	<u>597,576</u>	<u>636,351</u>
Equity	<u>795,252</u>	<u>765,024</u>
Total capital	<u>795,252</u>	<u>765,024</u>
Capital and net debt	1,392,828	1,401,375
Gearing ratio	42.9%	45.4%

The decrease in gearing ratio from 45.4% to 42.9% is mainly due to the decrease in borrowings, trade and other payables and increase of share capital.

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

	Current year quarter 30.06.2021 RM'000	6 months cumulative to date 30.06.2021 RM'000
a) Drawdown on new bank borrowings	-	-
b) Repayment of bank borrowings	(1,459)	(8,541)
c) Repayment of obligations under finance leases	(36)	(72)
d) Change in bank overdraft	(83)	(166)
e) Transaction costs on bank borrowings	99	198

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 JUNE 2021

9. DIVDENDS

No dividends were recommended, declared or paid during the financial period ended 30 June 2021.

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 2020 and the net fair value gain arising from the valuation amounting to RM2,000 was recognised in the statements of profit or loss for the previous 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

Except for as disclosed in Note 24 and as disclosed below, the Group has no other contingent liabilities :

	30.06.2021	31.12.2020
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	78,452	86,962
Performance bond issued by subsidiaries involved in construction activities	37,463	37,463

**NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021**

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 2021 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
Revenue					
Revenue	16,212	1,207	-	-	17,419
Other income	369	(14)	-	-	355
	16,581	1,193	-	-	17,774
RESULT					
Segment results	191	(581)	-	(151)	(541)
Unallocated corporate expenses					(861)
Share of result of associate					(110)
Finance costs					(8,795)
Loss before tax					(10,307)

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
	79,942	(416)	-	-	79,526
RESULT					
Segment results	30,732	(3,623)	-	7	27,116
Unallocated corporate expenses					(552)
Share of result of associate					(293)
Finance costs					(10,712)
Profit before tax					15,557

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

14. OPERATING SEGMENTS (cont'd)

ASSETS AND LIABILITIES

As at 30 June 2021 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<u>ASSETS</u>					
Segment assets	1,455,153	294,429	-	(547,483)	1,202,099
Investment in associates					2,284
Investment properties					90
Available-for-sale investments					90
Unallocated corporate assets					346,396
Consolidated total assets					1,550,959
<u>LIABILITIES</u>					
Segment liabilities	(627,553)	(571,676)	-	546,714	(652,515)
Unallocated corporate liabilities					(103,192)
Consolidated total liabilities					(755,707)

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					2,395
Investment properties					498
Available-for-sale investments					90
Unallocated corporate assets					307,617
Consolidated total assets					1,850,941
<u>LIABILITIES</u>					
Segment liabilities	(676,575)	(753,158)	-	447,821	(981,912)
Unallocated corporate liabilities					(103,021)
Consolidated total liabilities					(1,084,933)

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 JUNE 2021

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		6 months ended	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	8,611	390	24,949	20,539
Construction related services to an associate company of which certain directors of the Company have interest	-	773	-	773
Rental and maintenance related services from a company of which certain directors of the Company have interest	43	17	439	117

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 2021

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	
	30.06.2021 (RM'000)	30.06.2020 (RM'000)	Amount (RM'000)	%	30.06.2021 (RM'000)	30.06.2020 (RM'000)	Amount (RM'000)	%
Revenue								
Property development	9,882	61,117	(51,235)	(83.9)	16,212	79,485	(63,273)	(79.6)
Constructions	-	(1,292)	1,292	100	1,207	(485)	1,692	349
	9,882	59,825	(49,943)	(83.5)	17,419	79,000	61,581	78
(Loss)/profit before tax								
Property development	(211)	29,934	(30,145)	(100.7)	(1,738)	26,899	(28,637)	(1,738)
Constructions	(3,731)	(6,814)	3,083	45.3	(7,579)	(10,599)	3,020	28.5
Others	(588)	(305)	(283)	(92.8)	(990)	(741)	(249)	(33.6)
	(4,530)	22,815	(27,345)	(119.8)	(10,307)	15,557	(25,864)	166.3

- a) Performance review for current quarter against the same quarter in the preceding year (Q2 2021 vs Q2 2020)

For the current quarter under review, the Group recorded revenue of RM9.9 million which was RM49.9 million or 83.5% lower as compared to the quarter ended 30 June 2020 of RM59.8 million. Consequently, the Group recorded a loss before tax of RM4.5 million for the quarter ended 30 June 2021 as compared to a profit before tax of RM22.8 million for the quarter ended 30 June 2020. Lower revenue and loss before tax was due to lower level of work and billings achieved in the current quarter whereas the higher revenue and profit before tax in the quarter ended 30 June 2020 was mainly due to 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 the current quarter ended 30 June 2021 has significantly decreased by RM51.2 million to RM9.9 million as compared to the quarter ended 30 June 2020 of RM61.1 million. A loss before tax of RM211,000 was reported for the current quarter as compared to profit before tax of RM29.9 million due to lower level of work and progress billings achieved as a result of various Movement Control Order ("MCO") imposed by the government.

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

16. REVIEW OF PERFORMANCE (cont'd)

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

- a) Performance review for current quarter against the same quarter in the preceding year (Q2 2021 vs Q2 2020) (cont'd)

Construction

Construction activities for the current quarter ended 30 June 2021 were temporary suspended due to the restriction imposed by Full MCO. This resulted in no work progress achieved during the current quarter. Despite no revenue for the current quarter, a loss before tax of RM3.7 million recorded was mainly due to administrative and finance costs incurred during the current quarter. Negative revenue and higher loss recorded in the preceding year corresponding quarter ended 30 June 2020 were due to additional provision of LAD for its construction project.

- b) Performance review for financial year to–date (6M FY 2021 vs 6M FY 2020)

The Group's revenue of RM17.4 million for the financial period ended 30 June 2021 has decreased by RM61.6 million as compared to the preceding year corresponding period ended 30 June 2020 of RM79 million. With the decrease in revenue, loss before tax of RM10.3 million was recorded. This was mainly due to lower progress billings and lower level of work achieved as a result of the pro-longed MCO imposed by the government.

The contribution from each business segment is set out below:

Property Development

Revenue for the period ended 30 June 2021 has decreased by RM63.3 million to RM16.2 million compared to the preceding year corresponding period ended 30 June 2020 of RM79.5 million, resulting a loss before tax of RM1.7 million was recorded for 6 month period ended 30 June 2021. This is mainly due to lower progress billings and lower level of work achieved during this period.

Construction

Revenue of RM1.2 million was recorded for the 6-month period ended 30 June 2021, an increase of RM1.7 million as compared to the 6-month period ended 30 June 2020. Negative revenue and the higher loss before tax for the 6-month period ended 30 June 2020 were due to additional provision of LAD for its construction project

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

16. REVIEW OF PERFORMANCE (cont'd)

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

	Current quarter	Immediate preceding quarter	Changes	
	30.06.2021 (RM'000)	31.03.2021 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	9,882	6,330	3,552	56.12
Constructions	-	1,207	(1,207)	(100)
	9,882	7,537	2,345	(31.12)
Loss before tax				
Property development	(211)	(2,414)	2,203	91.26
Constructions	(3,731)	(2,962)	(769)	(25.97)
Others	(588)	(400)	(188)	(47)
	(4,530)	(5,776)	1,246	21.58

For the current quarter under review, the Group recorded revenue and loss before tax of RM9.9 million and RM4.5 million respectively, compared to immediate preceding quarter's revenue and loss before tax of RM7.5 million and RM5.8 million.

The improvement in revenue and lower loss before tax for the current quarter was mainly due to recognition of inventories sold during this period.

17. PROSPECTS

The COVID-19 pandemic and the on-going stringent lockdown as a result of the various 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 2021.

18. PROFIT FORECAST

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

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

19. TAXATION

	Quarter ended		6 months cumulative to date	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Income tax	-	10,234	-	10,264
Deferred tax	(340)	(77)	(340)	(872)
	<u>(340)</u>	<u>10,157</u>	<u>(340)</u>	<u>9,392</u>

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

	Current quarter 30.06.2021 RM'000	6 months cumulative to date 30.06.2021 RM'000
Major components of tax expenses:		
Loss before tax	<u>(4,530)</u>	<u>(10,307)</u>
Taxation at the Malaysian statutory tax rate of 24%	(1,087)	(2,474)
Adjustments:		
- Income not subject to tax	(4)	(4)
- Non - deductible expenses	750	2,138
	<u>(340)</u>	<u>(340)</u>
Effective tax rate	7.5%	3.3%

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 2nd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 JUNE 2021

22. STATUS OF CORPORATE PROPOSALS

There are no other corporate proposals announced but not completed as of the reporting date except for the completion of the placement of 83.74 million new shares at the issue price of RM0.48 under Private Placement and the new shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 23 April 2021.

The total proceeds received from this Private Placement was RM40.2 million and the status of utilisation of proceeds raised was as follows:

Purposes	Actual utilisation RM'000
Payment for contractors, sub-contractors, suppliers and/or creditors	37,798
General working capital	2,162
Estimated expenses	235
	40,195

23. BORROWINGS AND DEBT EQUITIES

Details of the Group's borrowings (all denominated in Malaysian currency) as at 30 June 2021 are as follows:

	Current RM'000	Non current RM'000	Total RM'000
Secured			
Bridging loans – Note 1	70,068	-	70,068
Revolving credit – Note 2	100,000	-	100,000
Obligations under finance lease	115	2	117
Bank overdraft	8,384	-	8,384
Total	178,567	2	178,569

Note 1 : Bridging loan are for the development properties. The loans were repaid through redemption and cash.

Note 2 : Revolving credit facility is for working capital.

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24. MATERIAL LITIGATION

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

On 17 November 2020, the Company and its subsidiary, Tebrau Bay Constructions Sdn Bhd (“Defendants”) received a Writ of Summon and Statement of Claim filed by Tenaga Nasional Berhad (“TNB” or “the Plaintiff”) 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. In the claim, TNB alleged that reclamation works undertaken by the Group had trespassed on the right of way (“ROW”) of the TNB’s submarine cables.

The Group has appointed a counsel to defend the claim and made an application to strike out the plaintiff’s suit. The Group’s defence, amongst others, is that at all material times, the reclamation works were carried out by independent contractors outside of the Plaintiff’s ROW, in accordance with plans approved by the Johor Bahru City Council. Further, the Plaintiffs have not provided any evidence of the nature, cause and specifics of the alleged damage to the submarine cables.

The Company wish to inform that following the hearing on 24 August 2021, the Court has further fixed 12 September 2021 to resume hearing the Plaintiff’s Non-Joinder and Amendment Application, the Defendants’ Application to amend their Statement of Defence, TBCSB’s Application to amend Notice of Application to strike out the Plaintiff’s action and both Defendants’ Application for extension of time to file interlocutory applications.

Further, the Court has also fixed a Pre-Trial Case Management for the main suit on 3 October 2021.

The Company will make further announcements on the material development of the case in due course and has accordingly disclosed the details of the Claim as a contingent liability.

25. (LOSS)/PROFIT BEFORE TAX

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

	Quarter ended		6 months cumulative to date	
	30.06.2021 RM’000	30.06.2020 RM’000	30.06.2021 RM’000	30.06.2020 RM’000
Depreciation	96	133	194	269
Interest income	(134)	(126)	(201)	(347)
Interest expenses	4,277	4,968	8,795	10,712
Provision for LAD	-	3,771	716	6,333
Share of results of associate	84	150	110	293
Other income	(28)	(170)	(154)	(214)

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 2021

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 2021; 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 2021 (31 December 2020 : RM Nil).

30. (LOSS)/EARNING PER SHARE

The basic and diluted (loss)/earning 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		6 months cumulative to date	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	(4,190)	12,658	(9,967)	6,165
Number of shares at beginning of the period ('000)	837,389	837,389	837,389	837,389
Effects of shares issued pursuant to :				
- Private placement	55,826	-	55,826	-
Weighted average number of ordinary shares for earnings per share	893,215	837,389	893,215	837,389
Basic (loss)/earning per share (sen)	(0.47)	1.51	(1.12)	0.74
Diluted (loss)/earning per share (sen)	(0.47)	1.51	(1.12)	0.74

NOTES TO THE 2nd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 JUNE 2021

31. STATUS OF JOINT VENTURE PROJECT

Following is the status of the existing joint venture projects as at 30 June 2021 :

	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 30 August 2021.