

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.09.2021 RM'000	Previous year corresponding quarter 30.09.2020 RM'000	9 months ended 30.09.2021 RM'000	9 months ended 30.09.2020 RM'000
Revenue	3,454	9,598	20,873	88,598
Cost of sales	(3,367)	(4,895)	(18,752)	(42,654)
Gross profit	87	4,703	2,121	45,944
Other operating income	72	212	426	773
Operating expenses	(3,975)	(1,847)	(7,765)	(17,085)
(Loss)/Profit from operations	(3,816)	3,068	(5,218)	29,632
Finance costs	(4,785)	(5,978)	(13,580)	(16,691)
Share of results of associate	(2,284)	76	(2,394)	(217)
(Loss)/Profit before tax (Note 25)	(10,885)	(2,834)	(21,192)	12,724
Tax expenses (Note 19)	1,551	(843)	1,892	(10,236)
(Loss)/Profit for the period	(9,334)	(3,677)	(19,300)	2,488
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/profit for the period	(9,334)	(3,677)	(19,300)	2,488
(Loss)/Profit and total comprehensive (loss)/profit attributable to :				
Owners of the Parent	(9,334)	(3,677)	(19,300)	2,488
(LOSS)/EARNING PER SHARE (Note 30)				
Basic (sen)	(1.05)	(0.44)	(2.16)	0.30
Diluted (sen)	(1.05)	(0.44)	(2.16)	0.30

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 SEPT 2021

	<b>As at 30.09.2021 RM'000</b>	<b>Audited as at 31.12.2020 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,416	1,701
Available-for-sale investment	90	90
Investment in associate	-	2,395
Investment properties	90	90
Inventory properties – Land held	122,355	122,355
Deferred tax assets	20,183	19,879
	<u>144,134</u>	<u>146,510</u>
<b>CURRENT ASSETS</b>		
Inventory properties - Development properties	1,146,810	1,120,451
Inventories	64,418	68,122
Trade and other receivables	122,728	157,600
Contract assets	20,765	23,215
Prepayments	3,533	1,369
Tax recoverable	4,115	1,950
Cash and bank balances	40,317	41,720
	<u>1,402,686</u>	<u>1,414,427</u>
<b>TOTAL ASSETS</b>	<b>1,546,820</b>	<b>1,560,937</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	767,141	726,946
Reserves	18,778	38,078
Shareholders' equity	<u>785,919</u>	<u>765,024</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	2	42
Trade and other payables	243,785	233,933
Deferred tax liabilities	96,601	96,638
	<u>340,388</u>	<u>330,613</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	172,123	187,107
Trade and other payables	227,747	256,989
Contract liabilities	4,633	4,347
Provisions	5,030	5,876
Tax payable	10,980	10,981
	<u>420,513</u>	<u>465,300</u>
<b>TOTAL LIABILITIES</b>	<b>760,901</b>	<b>795,913</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,546,820</b>	<b>1,560,937</b>
Net assets per share (RM)	0.85	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 SEPT 2021

	Share capital RM'000	Retained profits RM'000	Total equity RM'000
<b>Opening balance at 1 January 2021</b>	726,946	38,078	765,024
Issuance of ordinary shares	40,195	-	40,195
Total comprehensive loss for the period	-	(19,300)	(19,300)
<b>Closing balance at 30 Sept 2021</b>	<b>767,141</b>	<b>18,778</b>	<b>785,970</b>
<b>Opening balance at 1 January 2020 (restated)</b>	726,946	39,755	766,701
Total comprehensive profit for the period	-	2,488	2,488
<b>Closing balance at 30 Sept 2020</b>	<b>726,946</b>	<b>42,243</b>	<b>769,189</b>

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 SEPT 2021

	9 months ended 30.09.2021 RM'000	9 months ended 30.09.2020 RM'000
<b>Operating activities</b>		
(Loss)/Profit before tax	(21,192)	12,724
Adjustment for :		
Depreciation	289	403
Provisions for liquidated ascertained damages	2,193	346
Provisions for sales commission & legal fees	-	2,094
Transaction cost on borrowings	298	747
Interest income	(295)	(497)
Share of results of associate	2,394	217
Gain on disposal of investment property	-	(20)
Interest expenses	13,580	16,691
Operating (loss)/profit before changes in working capital	(2,733)	32,705
Change in trade and other receivables	31,672	249,601
Change in trade and other payables	(30,492)	(254,694)
Change in inventories	3,704	(43,116)
Change in development properties	(24,452)	79,872
<b>Cash flows (used in)/from operating activities</b>	<b>(22,301)</b>	<b>64,368</b>
Interest paid	(2,087)	(6,415)
Taxes paid	(2,165)	(7,690)
<b>Net cash (used in)/from operating activities</b>	<b>(26,553)</b>	<b>50,263</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(4)	(9)
Interest received	295	497
Proceeds from issuance of ordinary shares	40,195	-
<b>Net cash from investing activities</b>	<b>40,486</b>	<b>488</b>

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

	<b>9 months ended 30.09.2021 RM'000</b>	<b>9 months ended 30.09.2020 RM'000</b>
<b>Financing activities</b>		
Drawdown of borrowings	-	6,846
Repayment of borrowings	(15,125)	(63,627)
Advance from related party	-	3,900
Repayment of obligations under finance leases	(108)	(265)
<b>Net cash used in financing activities</b>	<b>(15,233)</b>	<b>(53,146)</b>
Net (decrease)/increase in cash and cash equivalents	(1,300)	2,395
Cash and cash equivalents at beginning of period	(4,357)	(2,788)
<b>Cash and cash equivalents at the end of period</b>	<b>(5,657)</b>	<b>(393)</b>
Cash and cash equivalents comprise:		
Cash and bank balances	2,134	7,305
Deposits with licensed banks	38,183	41,277
	40,317	48,582
Less: Deposits with licensed banks pledged for banking facilities	(37,512)	(40,543)
Less : Bank overdraft	(8,462)	(8,432)
	<b>(5,657)</b>	<b>(393)</b>

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

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 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 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 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 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 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 RM7.9 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 RM6.95 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 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 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 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 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 September 2021 and 31 December 2020, which are within the Group's objectives for capital management, are as follows:-

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Borrowings	172,125	187,149
Trade and other payables	471,532	490,922
Less: Cash and bank balances	<u>(40,317)</u>	<u>(41,720)</u>
Net debt	<u>603,340</u>	<u>636,351</u>
Equity	<u>785,919</u>	<u>765,024</u>
Total capital	<u>785,919</u>	<u>765,024</u>
<b>Capital and net debt</b>	<b>1,389,259</b>	<b>1,401,375</b>
<b>Gearing ratio</b>	<b>43.4%</b>	<b>45.4%</b>

The decrease in gearing ratio from 45.4% to 43.4 % is mainly due to the repayment of borrowings, trade and other payables and issuance of RM83.74 million new ordinary shares during the period.

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

	<b>Current year quarter 30.09.2021 RM'000</b>	<b>9 months cumulative to date 30.09.2021 RM'000</b>
a) Drawdown on new bank borrowings	-	-
b) Repayment of bank borrowings	(6,584)	(15,125)
c) Repayment of obligations under finance leases	(36)	(108)
d) Change in bank overdraft	78	(88)
e) Transaction costs on bank borrowings	100	298

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 SEPT 2021

**9. DIVDENDS**

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

	<b>30.09.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	72,044	86,962
Performance bond issued by subsidiaries involved in construction activities	37,463	37,463

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 2021

**14. OPERATING SEGMENTS**

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

<b>As at 30 Sept 2021 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	16,736	4,137	-	-	20,873
Other income	423	3	-	-	426
	15,232	3,824	-	-	21,299
<b>RESULT</b>					
Segment results	(2,241)	(1,667)	-	(157)	(4,065)
Unallocated corporate expenses					(1,153)
Share of result of associate					(2,394)
Finance costs					(13,580)
<b>Loss before tax</b>					<b>(21,192)</b>

<b>As at 30 Sept 2020 RM'000</b>	Property Development	Construction	Property Management	Elimination	Consolidated
<b>Revenue</b>					
Revenue	87,577	1,021	-	-	88,598
Other income	564	139	-	-	703
Unallocated other income	-	-	-	-	70
	88,141	1,160	-	-	89,371
<b>RESULT</b>					
Segment results	34,511	(4,000)	-	7	30,518
Unallocated corporate expenses					(886)
Share of result of associate					(217)
Finance costs					(16,691)
<b>Profit before tax</b>					<b>12,724</b>

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 2021

14. OPERATING SEGMENTS (cont'd)

**ASSETS AND LIABILITIES**

As at 30 Sept 2021 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b><u>ASSETS</u></b>					
Segment assets	1,452,433	299,021	-	(550,967)	1,200,487
Investment in associates					-
Investment properties					90
Available-for-sale investments					90
Unallocated corporate assets					346,153
<b>Consolidated total assets</b>					<b>1,546,820</b>
<b><u>LIABILITIES</u></b>					
Segment liabilities	(624,593)	(583,452)	-	550,393	(657,652)
Unallocated corporate liabilities					(103,249)
<b>Consolidated total liabilities</b>					<b>(760,901)</b>

As at 30 Sept 2020 RM'000	Property Development	Construction	Property Management	Elimination	Consolidated
<b><u>ASSETS</u></b>					
Segment assets	1,474,794	310,100	-	(527,667)	1,257,227
Investment in associates					34,161
Investment properties					88
Available-for-sale investments					90
Unallocated corporate assets					307,570
<b>Consolidated total assets</b>					<b>1,599,136</b>
<b><u>LIABILITIES</u></b>					
Segment liabilities	(610,396)	(590,133)	-	505,335	(695,194)
Unallocated corporate liabilities					(103,053)
<b>Consolidated total liabilities</b>					<b>(798,247)</b>

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 2021

**15. RELATED PARTY TRANSACTIONS**

Significant related party transactions are as follows:

	3 months ended		9 months ended	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	2,162	61	27,111	20,600
Construction related services to an associate company of which certain directors of the Company have interest	-	-	-	773
Rental and maintenance related services from a company of which certain directors of the Company have interest	9	59	448	1,813

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 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 2021

**16. REVIEW OF PERFORMANCE**

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

	3 months quarter ended		Changes		9 months cumulative to-date		Changes	
	30.09.2021 (RM'000)	30.09.2020 (RM'000)	Amount (RM'000)	%	30.09.2021 (RM'000)	30.09.2020 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>								
Property development	524	8,092	(7,568)	(93.5)	16,736	87,577	(70,841)	(83.1)
Constructions	2,930	1,506	1,424	94.5	4,137	1,021	3,116	274
	<b>3,454</b>	<b>9,598</b>	(6,144)	(64)	<b>20,873</b>	<b>88,598</b>	(67,725)	(76.4)
<b>(Loss)/profit before tax</b>								
Property development	(4,005)	1,434	(5,439)	(379)	(5,719)	28,481	(34,200)	(120)
Constructions	(4,278)	(3,980)	(298)	(7.5)	(11,857)	(14,579)	2,722	18.7
Others	(2,602)	(288)	(2,314)	(803)	(3,616)	(1,178)	(2,438)	(33.6)
	<b>(10,885)</b>	<b>(2,834)</b>	(8,051)	(284)	<b>(21,192)</b>	<b>12,724</b>	(33,366)	(262)

- a) Performance review for current quarter against the same quarter in the preceding year (Q3 2021 vs Q3 2020)

For the current quarter under review, the Group recorded revenue of RM3.5 million which was RM6.1 million or 64% lower as compared to the quarter ended 30 Sept 2020 of RM9.6 million. Consequently, the Group recorded a loss before tax of RM10.9 million for the quarter ended 30 Sept 2021 as compared to a loss before tax of RM2.8 million for the quarter ended 30 Sept 2020. The higher loss before tax recorded in current quarter of RM10.9 million was due to lower level of work and billings achieved, provision for liquidated ascertained damages (“LAD”) and higher share of loss from its associate.

The contribution from each business segment is set out below:

**Property Development**

Revenue for the current quarter of RM524,000 has significantly decreased by RM7.6 million as compared to the quarter ended 30 Sept 2020 of RM8.1 million. A loss before tax of RM4.0 million was recorded for the current quarter as compared to profit before tax of RM1.4 million due to lower level of work and progress billings achieved and provision of LAD due to the delay in completion for its project as a result of various restrictions imposed by the government on Movement Control Orders (“MCOs”).

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
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**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 (Q3 2021 vs Q3 2020) (cont'd)

**Construction**

The construction sector registered revenue of RM2.9 million and loss before tax of RM4.3 million in the current quarter compared to revenue of RM1.5 million and loss before tax of RM3.9 million in the preceding quarter ended 30 Sept 2020. The higher loss recorded in current quarter was due to additional provision of LAD for its construction project due to the delay in completion for its project as a result of various restrictions imposed by the government on MCOs.

- b) Performance review for financial year to-date (9M FY 2021 vs 9M FY 2020)

The Group's revenue of RM20.9 million for the financial period ended 30 Sept 2021 has decreased by RM67.7 million as compared to the preceding year corresponding period ended 30 Sept 2020 of RM88.6 million. With a lower revenue, the Group recorded a loss before tax of RM21.2 million for the financial period ended 30 Sept 2021 as compared to a profit before tax of RM12.7 million. This was mainly due to lower progress billings, lower level of work achieved and additional provision of LAD being recognised due to the a potential delay in completion for its projects as a result of the pro-longed MCOs.

The contribution from each business segment is set out below:

**Property Development**

Revenue for the period ended 30 Sept 2021 has decreased by RM70.8 million to RM16.7 million as compared to the preceding year corresponding period ended 30 Sept 2020 of RM87.6 million, resulting in a loss before tax of RM21.2 million being recorded for 9 month period ended 30 Sept 2021. This is mainly due to lower progress billings and lower level of work achieved and additional provision of LAD during this period.

**Construction**

Revenue of RM4.1 million was recorded for the 9-month period ended 30 Sept 2021, an increase of RM3.1 million as compared to the 9-month period ended 30 Sept 2020 of RM1.0 million. With the higher revenue, the Group recorded a lower loss before tax of RM11.8 million in current 9-month period as compared to preceding period ended 30 Sept 2020 of RM14.6 million in the preceding period ended 30 Sept 2020 due to lower provision of LAD for this 9-month period.



NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 2021

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

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

	Current quarter	Immediate preceding quarter	Changes	
	30.09.2021 (RM'000)	30.06.2021 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	524	9,882	(9,358)	(94.7)
Constructions	2,930	-	2,930	(100)
	<b>3,454</b>	<b>9,882</b>	<b>(6,428)</b>	<b>(65)</b>
<b>Loss before tax</b>				
Property development	(4,005)	(211)	(3,794)	(1,798)
Constructions	(4,278)	(3,731)	(547)	(14.7)
Others	(2,602)	(588)	(2,014)	(343)
	<b>(10,885)</b>	<b>(4,530)</b>	<b>(6,355)</b>	<b>(140)</b>

For the current quarter under review, the Group recorded revenue and loss before tax of RM3.5 million and RM10.9 million respectively, compared to immediate preceding quarter's revenue and loss before tax of RM9.8 million and RM4.5 million.

The lower revenue and higher loss before tax for the current quarter was mainly due to lower level of work and progress billings achieved, additional provision of LAD recognised and higher share of loss from its associate.

**17. PROSPECTS**

Although Covid-19 has not significantly subsided, the Government in its effort to boost the economy had decided to reopen most business activities albeit with strict Standard Operating Procedures ("SOP"). However, the property market is expected to remain sluggish for the rest of the year and will have an impact of the Goup performance for 2021.

The Group continues to monitor Covid-19 situation and will capitalise new opportunities which may arise post Covid-19 pandemic. Appropriate actions have been taken by the Group to move forward in 2022.

**18. PROFIT FORECAST**

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

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 SEPT 2021

**19. TAXATION**

	Quarter ended		9 months cumulative to date	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Income tax	(1551)	(439)	(1,551)	9,825
Deferred tax	-	1,282	(341)	(411)
	<u>(1,551)</u>	<u>843</u>	<u>(1,892)</u>	<u>10,236</u>

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

	Current quarter 30.09.2021 RM'000	9 months cumulative to date 30.09.2021 RM'000
Major components of tax expenses:		
Loss before tax	<u>(10,885)</u>	<u>(21,192)</u>
Taxation at the Malaysian statutory tax rate of 24%	(2,612)	(5,086)
Adjustments:		
- Income not subject to tax	(3)	(7)
- Over provision tax for prior year	(1,551)	(1,551)
- Non - deductible expenses	<u>2,615</u>	<u>4,752</u>
	<u>(1,551)</u>	<u>(1,892)</u>
Effective tax rate	14.3%	9%

**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 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 30 SEPT 2021

**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 30 September 2021 are as follows:

	<b>Current</b>	<b>Non current</b>	<b>Total</b>
<b>Secured</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Bridging loans – Note 1	63,583	-	63,584
Revolving credit – Note 2	100,000	-	100,000
Obligations under finance lease	79	2	81
Bank overdraft	8,461	-	8,462
<b>Total</b>	<b>172,123</b>	<b>2</b>	<b>172,125</b>

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.

**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 Summons 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.

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
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**24. MATERIAL LITIGATION (cont'd)**

**Johor Bahru High Court Summons No. JA-22NCVC-149-11/2020 (cont'd)**

The Company wish to inform that delivery of decision for the Plaintiff's Non-Joinder and Amendment Application and the hearing for 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 the Defendants' Application for extension of time to file interlocutory applications which were fixed on 21 November 2021 had been adjourned to 5 December 2021.

The Company will make further announcement(s) 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		9 months cumulative to date	
	30.09.2021 RM'000	30.09.2020 RM'000	30.09.2021 RM'000	30.09.2020 RM'000
Depreciation	95	133	289	403
Interest income	(94)	(149)	(295)	(497)
Interest expenses	4,785	5,978	13,580	16,691
Provision for LAD	2,193	(2,216)	2,193	346
Share of results of associate	2,284	(76)	2,394	217
Gain on disposal of investment property	-	(20)	-	(20)
Other income	23	(42)	(131)	(255)

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.

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 30 SEPT 2021

**28. DERIVATIVES**

- a. There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 30 September 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 September 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		9 months cumulative to date	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
(Loss)/Profit for the period attributable to owners of the Company (RM'000)	(9,334)	(3,677)	(19,300)	2,488
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)	(1.05)	(0.44)	(2.16)	0.30
Diluted (loss)/earning per share (sen)	(1.05)	(0.44)	(2.16)	0.30

NOTES TO THE 3<sup>rd</sup> QUARTER FINANCIAL REPORT  
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**31. STATUS OF JOINT VENTURE PROJECT**

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

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

**32. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 November 2021.