

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DEC 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.2021 RM'000	Previous year corresponding quarter 31.12.2020 RM'000	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
Revenue	3,473	19,648	22,154	108,247
Cost of sales	(3,250)	(18,030)	(22,120)	(64,849)
Gross profit	223	1,618	34	43,398
Other operating income	525	1,122	952	1,896
Operating expenses	(6,264)	(8,094)	(11,720)	(21,016)
(Loss)/Profit from operations	(5,516)	(5,354)	(10,734)	24,278
Finance costs	(4,489)	(5,784)	(18,069)	(22,475)
Share of results of associate	-	(68)	(2,394)	(285)
(Loss)/Profit before tax (Note 25)	(10,005)	(11,206)	(31,197)	1,518
Tax expenses (Note 19)	1,376	7,041	3,268	(3,195)
Loss for the period	(8,629)	(4,165)	(27,929)	(1,677)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(8,629)	(4,165)	(27,929)	(1,677)
Loss and total comprehensive loss attributable to :				
Owners of the Parent	(8,629)	(4,165)	(27,929)	(1,677)
LOSS PER SHARE (Note 30)				
Basic (sen)	(0.97)	(0.50)	(3.13)	(0.20)
Diluted (sen)	(0.97)	(0.50)	(3.13)	(0.20)

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 31 DEC 2021

	As at 31.12.2021 RM'000	Audited as at 31.12.2020 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,322	1,701
Available-for-sale investment	90	90
Investment in associate	-	2,395
Investment properties	95	90
Inventory properties – Land held	122,355	122,355
Deferred tax assets	21,556	19,879
	<u>145,418</u>	<u>146,510</u>
CURRENT ASSETS		
Inventory properties - Development properties	1,151,575	1,120,451
Inventories	65,318	68,122
Trade and other receivables	124,514	157,600
Contract assets	14,358	23,215
Prepayments	2,694	1,369
Tax recoverable	4,281	1,950
Cash and bank balances	41,459	41,720
	<u>1,404,199</u>	<u>1,414,427</u>
TOTAL ASSETS	1,549,617	1,560,937
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	766,883	726,946
Reserves	10,149	38,078
Shareholders' equity	<u>777,032</u>	<u>765,024</u>
NON-CURRENT LIABILITIES		
Long term borrowings	-	42
Trade and other payables	251,712	233,933
Deferred tax liabilities	96,596	96,638
	<u>348,308</u>	<u>330,613</u>
CURRENT LIABILITIES		
Short term borrowings	169,351	187,107
Trade and other payables	235,565	256,989
Contract liabilities	2,743	4,347
Provisions	5,638	5,876
Tax payable	10,980	10,981
	<u>424,277</u>	<u>465,300</u>
TOTAL LIABILITIES	772,585	795,913
TOTAL EQUITY AND LIABILITIES	1,549,617	1,560,937
Net assets per share (RM)	0.84	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 31 DEC 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
Transaction cost of an equity transaction	(258)	-	(258)
Total comprehensive loss for the period	-	(27,929)	(27,929)
Closing balance at 31 December 2021	766,883	10,149	777,032
Opening balance at 1 January 2020 (restated)	726,946	39,755	766,701
Total comprehensive loss for the period	-	(1,677)	(1,677)
Closing balance at 31 December 2020	726,946	38,078	765,024

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 31 DEC 2021

	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
Operating activities		
(Loss)/Profit before tax	(31,197)	1,518
Adjustment for :		
Depreciation	384	526
Provisions for liquidated ascertained damages	4,193	-
Write off of property, plant and equipment	-	3
Fair value gain on investment property	(5)	(2)
Provisions for sales commission & legal fees	(1,993)	1,879
Reversal of foreseeable loss in respect of construction contracts	-	(211)
Loss on winding up of associate	-	18
Transaction cost on borrowings	262	-
Interest income	(850)	(1,628)
Share of results of associate	2,394	285
Gain on disposal of investment property	-	(20)
Interest expenses	18,069	22,475
Operating (loss)/profit before changes in working capital	(8,743)	24,843
Change in trade and other receivables	(33,086)	103,084
Change in trade and other payables	(3,001)	(81,148)
Change in inventories	(2,804)	9,466
Change in development properties	30,961	29,813
Cash flows (used in)/from operating activities	(16,673)	86,058
Interest paid	(4,403)	(12,135)
Taxes paid	(2,165)	(12,570)
Net cash (used in)/from operating activities	(23,241)	61,353

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 31 DEC 2021 (CONT'D)

	12 months ended 31.12.2021 RM'000	12 months ended 31.12.2020 RM'000
Investing activities		
Purchase of property, plant and equipment	(4)	(20)
Interest received	850	1,628
Subscription of redeemable preference shares in associate	-	(2,000)
Proceeds from disposal of investment properties	-	480
Proceeds from issuance of ordinary shares	40,195	-
Net cash from investing activities	41,041	220
Withdrawal of pledged deposits	-	3,015
Repayment of borrowings	(17,826)	(72,658)
Repayment of obligations under finance leases	(145)	(346)
Net cash used in financing activities	(17,971)	(63,143)
Net decrease in cash and cash equivalents	(171)	(1,570)
Cash and cash equivalents at beginning of period	(4,358)	(2,788)
Cash and cash equivalents at the end of period	(4,529)	(4,358)
Cash and cash equivalents comprise:		
Cash and bank balances	2,950	3,548
Deposits with licensed banks	38,150	38,172
	41,460	41,720
Less: Deposits with licensed banks pledged for banking facilities	(37,528)	(37,528)
Less : Bank overdraft	(8,461)	(8,550)
	(4,529)	(4,358)

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 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 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 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 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 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 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 RM7.7 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 RM8.3 million based on the revised project schedule and has arrived at this estimation based on its prior experience with similar property development projects.

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

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 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 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 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 31 December 2021 and 31 December 2020, which are within the Group's objectives for capital management, are as follows:-

	31.12.2021	31.12.2020
	RM'000	RM'000
Borrowings	169,351	187,149
Trade and other payables	487,277	490,922
Less: Cash and bank balances	<u>(41,459)</u>	<u>(41,720)</u>
Net debt	<u>615,169</u>	<u>636,351</u>
Equity	<u>777,032</u>	<u>765,024</u>
Total capital	<u>777,032</u>	<u>765,024</u>
Capital and net debt	1,392,201	1,401,375
Gearing ratio	44.19%	45.4%

The decrease in gearing ratio from 45.4% to 44.19 % is mainly due to the repayment of borrowings, trade and other payables and issuance of RM83.74 million new ordinary shares during the financial year.

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

	Current year quarter 31.12.2021 RM'000	12 months cumulative to date 31.12.2021 RM'000
a) Repayment of bank borrowings	(2,737)	(17,826)
b) Repayment of obligations under finance leases	(37)	(145)
c) Change in bank overdraft	(1)	(89)
d) Transaction costs on bank borrowings	26	262

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DEC 2021

9. DIVDENDS

No dividends were recommended, declared or paid during the financial period ended 31 December 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 amounted to RM2,000 was recognised in the statements of profit or loss for the previous financial year ended 31 December 2020. A similar valuation was carried out for the current financial year ended 31 December 2021 and the net fair value gain arose from the valuation amounted to RM5,000 was recognised in the statements of profit or loss for current financial year ended 31 December 2021.

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 :

	31.12.2021	31.12.2020
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	69,309	86,962
Performance bond issued by subsidiaries involved in construction activities	37,463	37,463

**NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 2021**

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 2021 RM'000	Property Development	Construction	Elimination	Consolidated
Revenue				
Revenue	21,766	388	-	22,154
Other income	470	453	-	923
Unallocated other income	-	-	-	29
	22,236	841	-	23,106
RESULT				
Segment results	(6,174)	(3,001)	(171)	(9,346)
Unallocated corporate expenses				(1,388)
Share of result of associate				(2,394)
Finance costs				(18,069)
Loss before tax				(31,197)

As at 31 Dec 2020 RM'000	Property Development	Construction	Elimination	Consolidated
Revenue				
Revenue	103,043	5,204	-	108,247
Other income	692	1,094	-	1,786
Unallocated other income	-	-	-	110
	103,735	6,298	-	110,143
RESULT				
Segment results	27,281	(1,844)	(76)	25,361
Unallocated corporate expenses				(1,083)
Share of result of associate				(285)
Finance costs				(22,475)
Profit before tax				1,518

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DEC 2021

14. OPERATING SEGMENTS (cont'd)

ASSETS AND LIABILITIES

As at 31 Dec 2021 RM'000	Property Development	Construction	Elimination	Consolidated
<u>ASSETS</u>				
Segment assets	1,459,920	295,709	(552,686)	1,202,943
Investment in associate Investment properties				- 95
Available-for-sale investments				90
Unallocated corporate assets				346,489
Consolidated total assets				1,549,617
<u>LIABILITIES</u>				
Segment liabilities	(632,111)	(588,752)	554,767	(666,096)
Unallocated corporate liabilities				(104,093)
Consolidated total liabilities				(770,189)

As at 31 Dec 2020 RM'000	Property Development	Construction	Elimination	Consolidated
<u>ASSETS</u>				
Segment assets	1,468,581	307,504	(524,932)	1,251,153
Investment in associates Investment properties				2,395 90
Available-for-sale investments				90
Unallocated corporate assets				307,209
Consolidated total assets				1,560,937
<u>LIABILITIES</u>				
Segment liabilities	(608,954)	(586,234)	502,589	(692,599)
Unallocated corporate liabilities				(103,314)
Consolidated total liabilities				(795,913)

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 2021

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	10,758	6,207	37,869	26,807
Construction related services to an associate company of which certain directors of the Company have interest	-	12,157	-	12,930
Rental and maintenance related services from a company of which certain directors of the Company have interest	9	42	457	1,857
Sales of properties to a a company of which certain directors of the Company have interest	-	-	5,006	-

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 DEC 2021

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	
	31.12.2021 (RM'000)	31.12.2020 (RM'000)	Amount (RM'000)	%	31.12.2021 (RM'000)	31.12.2020 (RM'000)	Amount (RM'000)	%
Revenue								
Property development	6,906	15,466	(8,560)	(55.4)	21,766	103,044	(81,178)	(78.8)
Constructions	(3,433)	4,182	(7,615)	(182)	388	5,203	(4,815)	(92.6)
	3,473	19,648	(16,175)	(82.3)	22,154	108,247	(85,993)	(79.5)
(Loss)/profit before tax								
Property development	(4,551)	(9,445)	4,894	51.8	(10,270)	19,037	(29,307)	(153.9)
Constructions	(5,194)	(1,473)	(3,721)	(252.6)	(17,051)	(16,052)	(999)	(6.2)
Others	(260)	(288)	28	9.7	(3,876)	(1,467)	(2,409)	(164.2)
	(10,005)	(11,206)	1,201	10.7	(31,197)	1,518	(32,715)	(2155)

a) Performance review for current quarter against the same quarter in the preceding year (Q4 2021 vs Q4 2020)

For the current quarter under review, the Group recorded revenue of RM3.5 million which was RM16.2 million or 82.3% lower as compared to the quarter ended 31 December 2020 of RM19.6 million. The Group recorded a lower loss before tax of RM10.0 million for the quarter ended 31 December 2021 as compared to a loss before tax of RM11.2 million for the quarter ended 31 December 2020. The lower loss before tax for the current quarter ended 31 December 2021 was mainly due to lower loss before tax recorded by the property development segment, however it was also noted that the construction segment incurred higher loss due to additional provision for liquidated ascertained damages ("LAD").

The contribution from each business segment is set out below:

Property Development

Revenue for the current quarter of RM6.9 million has decreased by RM8.6 million as compared to the quarter ended 31 December 2020 of RM15.5 million which was mainly due to lower level of work activities resulting a loss before tax of RM4.6 million. The higher loss before tax of RM9.4 million recorded for the quarter ended 31 December 2020 was due to the change in basis of cost allocation and revision of budgeted costs.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 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 (Q4 2021 vs Q4 2020) (cont'd)

Construction

Construction sector registered a negative revenue of RM3.4 million and loss before tax of RM5.2 million in the current quarter compared to revenue of RM4.2 million and loss before tax of RM1.5 million in the preceding quarter ended 31 December 2020. The negative revenue and higher loss recorded in current quarter was due to revision of budgeted costs to cater for the impact of rising material prices and also higher costs to be incurred for mobilisation activities as a result of business disruption caused by the Covid-19 pandemic and additional provision for LAD due to the expected delay in completion for its project.

- b) Performance review for financial year to-date (12M FY 2021 vs 12M FY 2020)

The Group's revenue of RM22.2 million for the financial year ended 31 December 2021 has decreased by RM86.0 million as compared to the preceding year corresponding period ended 31 December 2020 of RM108.2 million. With lower revenue, the Group recorded a loss before tax of RM31.2 million for the financial year ended 31 December 2021 as compared to a profit before tax of RM1.5 million for the financial year ended 31 December 2020.

The contribution from each business segment is set out below:

Property Development

Revenue for the year ended 31 December 2021 has decreased by RM81.2 million to RM21.8 million as compared to the preceding year corresponding period ended 31 December 2020 of RM103.0 million. The lower revenue was mainly due to lower level of work activities and billings achieved. This has resulted in a loss before tax of RM10.3 million for the financial year ended 31 December 2021 which was also partly due to additional provision for LAD.

Construction

Revenue of RM388,000 was recorded for the financial year ended 31 December 2021, a decrease of RM4.8 million as compared to the preceding year corresponding period ended 31 December 2020 of RM5.2 million mainly due to slower work progress at construction site. Consequently, the Group recorded a higher loss before tax of RM17.1 million for the financial year ended 31 December 2021 as compared to loss of RM16.1 million in preceding year corresponding period ended 31 December 2020 which was also partly due to the revision of budgeted costs and additional provision for LAD.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 2021

16. REVIEW OF PERFORMANCE (cont'd)

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

	Current quarter	Immediate preceding quarter	Changes	
	31.12.2021 (RM'000)	30.09.2021 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	6,906	524	6,382	121.8
Constructions	(3,433)	2,930	(6,363)	(217.2)
	3,473	3,454	19	0.6
Loss before tax				
Property development	(4,551)	(4,005)	(546)	(13.6)
Constructions	(5,194)	(4,278)	(916)	(21.4)
Others	(260)	(2,602)	2,342	90.0
	(10,005)	(10,885)	880	8.08

For the current quarter under review, the Group recorded revenue and loss before tax of RM3.47 million and RM10.0 million respectively, compared to immediate preceding quarter's revenue of RM3.45 million and RM10.9 million respectively.

The improvement in property development revenue was offsetted by the negative revenue in construction sector due to revision of budgeted costs in the construction project. Despite lower revenue recorded, the Group has registered a lower loss of RM10.0 million for the current quarter as compared to the preceding quarter of RM10.9 million. The higher loss recorded in the preceding quarter was mainly due to the share of loss in the investment in associate.

17. PROSPECTS

After a prolonged nationwide lockdown coupled with stricter public health measures, the Government has re-opened the economy in the last quarter of 2021 which is expected to aid the gradual recovery of all business activities. However, despite the high vaccination rates, implementation of recovery plans by government and expected re-opening of international borders, the market sentiment of the property sector of which the Group is dependant on, is expected to be sluggish for a period of time. Market confidence in 2022 will continue to be heavily influenced by positive or negative developments of containing Covid-19.

Nevertheless, the Group will continue to monitor the market situation whilst adopting prudent approach for any new products' launches, and shall unlock the value of its land bank when opportunities arises. Given the uncertain business environment coupled with the higher price of building materials, the Group expects its operating performance for the next financial year to remain challenging.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 2021

18. PROFIT FORECAST

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

19. TAXATION

	Quarter ended		12 months cumulative to date	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Income tax	-	(3,599)	(1,551)	6,384
Deferred tax	(1,376)	(3,442)	(1,717)	(3,189)
	<u>(1,376)</u>	<u>(7,041)</u>	<u>(3,268)</u>	<u>3,195</u>

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

	Current quarter 31.12.2021 RM'000	12 months cumulative to date 31.12.2021 RM'000
Major components of tax expenses:		
Loss before tax	<u>(10,005)</u>	<u>(31,197)</u>
Taxation at the Malaysian statutory tax rate of 24%	(2,401)	(7,487)
Adjustments:		
- Income not subject to tax	(1)	(8)
- Over provision tax for prior year	(1,551)	(1,551)
- Non - deductible expenses	<u>2,577</u>	<u>5,778</u>
	<u>(1,376)</u>	<u>(3,268)</u>
Effective tax rate	13.75%	10.48%

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.

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FOR THE QUARTER ENDED 31 DEC 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 31 December 2021 are as follows:

	Current	Non current	Total
	RM'000	RM'000	RM'000
Secured			
Bridging loans – Note 1	60,847	-	60,847
Revolving credit – Note 2	100,000	-	100,000
Obligations under finance lease	43	-	43
Bank overdraft	8,461	-	8,461
Total	169,351	-	169,351

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 ("TBCSB") 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.

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DEC 2021

24. MATERIAL LITIGATION (cont'd)

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

The Company wishes to inform that following the Case Management on 22 February 2022, the Court has allowed the withdrawal of the Application of TBCSB and the Company to amend their Statement of Defence, with no order as to costs.

The Court has fixed the next Case Management on 7 March 2022 for the Plaintiff to update the Court regarding whether the Plaintiff will continue opposing TBCSB's Application to amend Notice of Application to strike out the Plaintiff's action and the Application of TBCSB and the Company for extension of time to file interlocutory applications.

Further, the Court would also like parties to update their position to pursue a Court-annexed/judge-led mediation in the next Case Management.

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		12 months cumulative to date	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Depreciation	95	123	384	526
Interest income	(554)	(1,075)	(850)	(1,628)
Interest expenses	4,489	5,784	18,069	22,475
Provision for LAD	3,182	(2,216)	4,193	346
Share of results of associate	-	68	2,394	285
Gain on disposal of investment property	-	(20)	-	(20)
Other income	29	(47)	(103)	(266)

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 4th QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 DEC 2021

28. DERIVATIVES

- a. There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 31 December 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 31 December 2021 (31 December 2020 : RM Nil).

30. LOSS PER SHARE

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

	Quarter ended		12 months cumulative to date	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Loss for the period attributable to owners of the Company (RM'000)	(8,629)	(4,165)	(27,929)	(1,677)
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 per share (sen)	(0.97)	(0.50)	(3.13)	(0.20)
Diluted loss per share (sen)	(0.97)	(0.50)	(3.13)	(0.20)

NOTES TO THE 4th QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 DEC 2021

31. STATUS OF JOINT VENTURE PROJECT

Following is the status of the existing joint venture projects as at 31 December 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 25 February 2022.