

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(RM'000)	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31.3.2021 (unaudited)	31.3.2020 (restated)	31.3.2021 (unaudited)	31.3.2020 (restated)
Revenue		226,709	425,752	226,709	425,752
Expenses		(220,921)	(394,084)	(220,921)	(394,084)
Other operating income	13	9,083	7,861	9,083	7,861
Profit from operations		14,871	39,529	14,871	39,529
Finance costs		(18,244)	(15,504)	(18,244)	(15,504)
Share of results of associates		4,222	3,457	4,222	3,457
Share of results of joint ventures		4,865	120	4,865	120
Profit before tax		5,714	27,602	5,714	27,602
Income tax expense	15	(1,790)	(11,434)	(1,790)	(11,434)
Profit for the financial period		3,924	16,168	3,924	16,168
Other comprehensive income for the financial period, net of tax					
Item that may be reclassified subsequent to comprehensive income					
- currency translation differences		824	(1,162)	824	(1,162)
- share of associate's gain on re-measurement of financial derivatives		-	332	-	332
Total comprehensive income for the financial period, net of tax		4,748	15,338	4,748	15,338
Profit for the financial period attributable to:					
Equity holders of the Company		5,201	16,093	5,201	16,093
Non-controlling interests		(1,277)	75	(1,277)	75
		3,924	16,168	3,924	16,168
Total comprehensive income for the financial period attributable to:					
Equity holders of the Company		6,018	15,254	6,018	15,254
Non-controlling interests		(1,270)	84	(1,270)	84
		4,748	15,338	4,748	15,338
Basic/diluted earnings per share attributable to the ordinary equity holders of the Company (sen)	23	0.12	0.36	0.12	0.36

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(RM'000)	Note	As at 31.03.2021 (unaudited)	As at 31.12.2020 (restated)	As at 1.1.2020 (restated)
ASSETS				
Non-current assets				
Property, plant and equipment		680,838	683,581	600,431
Investment properties		1,453,276	1,445,339	1,419,633
Right-of-use assets		48,280	56,547	77,207
Inventories		1,751,934	1,731,132	1,686,165
Associates		472,029	478,695	467,541
Joint ventures		340,634	335,769	295,148
Long term loan and receivable		231,438	224,326	242,767
Amount due from joint venture		80,105	79,562	79,086
Lease receivable		2,507	2,894	-
Intangible assets		218,373	219,396	224,259
Deferred tax assets		100,375	94,611	86,395
		<u>5,379,789</u>	<u>5,351,852</u>	<u>5,178,632</u>
Current assets				
Inventories		840,963	816,111	927,778
Trade and other receivables		569,903	601,440	868,094
Amount due from associates and joint ventures		19,630	15,578	139,472
Contract assets		714,580	665,374	719,107
Lease receivables		1,316	1,234	-
Tax recoverable		19,442	19,189	19,060
Financial assets at fair value through profit or loss		274,798	302,997	889
Deposits, cash and bank balances		353,017	540,412	516,945
		<u>2,793,649</u>	<u>2,962,335</u>	<u>3,191,345</u>
Assets held for sale		-	-	77,679
TOTAL ASSETS		<u>8,173,438</u>	<u>8,314,187</u>	<u>8,447,656</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

(RM'000)	Note	As at 31.03.2021 (unaudited)	As at 31.12.2020 (restated)	As at 1.1.2020 (restated)
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the Company				
Share capital		4,331,702	4,331,702	4,331,702
Retained earnings		218,922	213,721	434,564
Other reserves		6,452	5,211	(844)
		<u>4,557,076</u>	<u>4,550,634</u>	<u>4,765,422</u>
Non-controlling interests		8,842	10,112	30,758
Total equity		<u>4,565,918</u>	<u>4,560,746</u>	<u>4,796,180</u>
Non-current liabilities				
Post-employment benefit obligations		18,755	18,540	20,673
Long term borrowings		1,229,777	1,331,023	1,003,314
Long term liabilities		395,757	388,098	367,918
Government grant		130,773	130,919	131,541
Deferred tax liabilities		71,232	70,068	70,873
Contract liabilities		140,258	140,258	140,258
Lease liabilities		35,198	40,624	58,118
		<u>2,021,750</u>	<u>2,119,530</u>	<u>1,792,695</u>
Current liabilities				
Trade and other payables		934,525	960,525	952,868
Current tax liabilities		11,099	13,773	4,265
Short term borrowings		598,271	601,737	824,799
Contract liabilities		2,177	2,230	37,628
Lease liabilities		16,886	19,053	20,979
Other liabilities		22,812	36,593	18,016
		<u>1,585,770</u>	<u>1,633,911</u>	<u>1,858,555</u>
Liabilities associated with assets held for sale		-	-	226
		<u>3,607,520</u>	<u>3,753,441</u>	<u>3,651,476</u>
Total liabilities		<u>3,607,520</u>	<u>3,753,441</u>	<u>3,651,476</u>
TOTAL EQUITY AND LIABILITIES		<u>8,173,438</u>	<u>8,314,187</u>	<u>8,447,656</u>
Net assets per share attributable to the equity holders of the Company (sen)		<u>103.3</u>	<u>103.1</u>	<u>108.0</u>

The condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

C. CONSOLIDATED STATEMENT OF CASH FLOWS

(RM'000)	3 MONTHS ENDED	
	31.3.2021 (unaudited)	31.3.2020 (unaudited)
Operating activities		
Cash receipts from customers	222,505	263,253
Cash paid to suppliers and employees	(315,147)	(359,032)
Cash used in operations	(92,642)	(95,779)
Bank service charges paid	(575)	(394)
Net taxes paid	(10,213)	(6,274)
Net cash used in operating activities	(103,430)	(102,447)
Investing activities		
Dividend received	12,528	14,153
Non-equity investments	30,712	(2,333)
Net cash generated from investing activities	43,240	11,820
Financing activities		
Proceeds from borrowings	164,618	147,822
Repayment of borrowings	(266,624)	(43,193)
Finance costs paid	(25,199)	(20,669)
Pledge of restricted cash	(9,202)	(16,647)
Net cash (used in)/generated from financing activities	(136,407)	67,313
Net decrease in cash and cash equivalent	(196,597)	(23,314)
Cash and cash equivalents at beginning of the financial period	431,287	300,926
Cash and cash equivalent at end of financial period	234,690	277,612

For the purpose of the consolidated statements of cash flows, the cash and cash equivalents comprised the following:

Bank balances and deposits	353,017	510,277
Less: Bank balances and deposits held as security value	(118,327)	(232,665)
	234,690	277,612

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(RM'000)	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				Non-controlling Interests	Total Equity
	Share Capital	Other Reserves	Retained Earnings	Total		
As at 1 January 2021 (as previously stated)	4,331,702	5,211	241,103	4,578,016	10,727	4,588,743
Prior year adjustments (Note 25)	-	-	(27,382)	(27,382)	(615)	(27,997)
As at 1 January 2021 (restated)	4,331,702	5,211	213,721	4,550,634	10,112	4,560,746
Comprehensive income/(loss)						
Profit/(loss) for the financial period	-	-	5,201	5,201	(1,277)	3,924
Other comprehensive income						
Currency translation differences	-	817	-	817	7	824
Total comprehensive income/(loss)	-	817	5,201	6,018	(1,270)	4,748
Transaction with owners						
Share-based payment transaction	-	424	-	424	-	424
Total transaction with owners	-	424	-	424	-	424
As at 31 March 2021 (unaudited)	4,331,702	6,452	218,922	4,557,076	8,842	4,565,918

(RM'000)	OTHER RESERVES				Total
	Other Reserves	Currency Translation Reserves	Share Scheme Reserves	Retirement Benefit Reserves	
As at 1 January 2021	1,666	1,012	8,369	(5,836)	5,211
Other comprehensive income					
Currency translation differences	-	817	-	-	817
Total comprehensive income	-	817	-	-	817
Transactions with owners					
Share-based payment transaction	-	-	424	-	424
Total transaction with owners	-	-	424	-	424
As at 31 March 2021 (unaudited)	1,666	1,829	8,793	(5,836)	6,452

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(RM'000)	Share Capital	Other Reserves	Retained Earnings	Total	Non- controlling Interests	Total Equity
As at 1 January 2020 (as previously stated)	4,331,702	(844)	460,716	4,791,574	31,901	4,823,475
Prior year adjustment (Note 25)	-	-	(26,152)	(26,152)	(1,143)	(27,295)
As at 1 January 2020 (restated)	4,331,702	(844)	434,564	4,765,422	30,758	4,796,180
Comprehensive income/(loss) (Loss)/profit for the financial year (restated)	-	-	(177,373)	(177,373)	805	(176,568)
Other comprehensive income						
Currency translation differences	-	2,156	-	2,156	(6)	2,150
Share of associate's gain on re-measurement of financial derivatives	-	332	-	332	-	332
Post-employment benefit obligation	-	(650)	650	-	-	-
Actuarial gain on post-employment benefit obligations	-	1,230	-	1,230	115	1,345
Total comprehensive income/(loss)	-	3,068	(176,723)	(173,655)	914	(172,741)
Transactions with owners						
Share-based payment transaction	-	2,987	-	2,987	-	2,987
Dividends paid for financial year ended						
- 31 December 2019	-	-	(44,120)	(44,120)	-	(44,120)
- 31 December 2020	-	-	-	-	(21,560)	(21,560)
Total transactions with owners	-	2,987	(44,120)	(41,133)	(21,560)	(62,693)
As at 31 December 2020 (restated)	4,331,702	5,211	213,721	4,550,634	10,112	4,560,746

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

(RM'000)	OTHER RESERVES				Total
	Other Reserves	Currency Translation Reserves	Share Scheme Reserves	Retirement Benefit Reserves	
As at 1 January 2020	1,334	(1,144)	5,382	(6,416)	(844)
Other comprehensive income					
Currency translation differences	-	2,156	-	-	2,156
Share of associate's gain on re-measurement of financial derivatives	332	-	-	-	332
Post-employment benefit obligations	-	-	-	(650)	(650)
Actuarial gain on post-employment benefit obligations	-	-	-	1,230	1,230
Total comprehensive income	332	2,156	-	580	3,068
Transactions with owners					
Share-based payment transaction	-	-	2,987	-	2,987
Total transaction with owners	-	-	2,987	-	2,987
As at 31 December 2020 (audited)	1,666	1,012	8,369	(5,836)	5,211

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT****1. BASIS OF PREPARATION**

This unaudited quarterly financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2020.

Below are the applicable new standards and amendments to standards and interpretations effective for the current financial year beginning on 1 January 2021;

(1) Amendments to MFRS 9, 139, 7, 4 & 16 - Interest Rate Benchmark Reform - Phase 2

The adoption of the above Amendments to MFRSs does not have any significant effect on the consolidated financial statements of the Group.

(2) IFRIC Agenda Decisions that have been concluded and published

In view of the fact that MFRS is fully converged with IFRS, the Group considers all agenda decisions published by the IFRS Interpretation Committee ('IFRIC'). Where relevant, the Group may change its accounting policy to be aligned with agenda decisions.

In March 2019, IFRIC published an agenda decision on borrowing costs confirming, receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysian Accounting Standards Board decided an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The IFRIC agenda decision explained that receivables and contract assets are not qualifying assets for the purpose of the capitalisation of borrowing costs. The agenda decision also clarified that work-in-progress inventories are not qualifying assets because such inventories are ready for intended sale under their current condition, as the inventories will be transferred to the customer as soon as the Group finds a buyer and signs the contract with the customer.

The impact of the adoption of the agenda decision above to the Group's reported financial position and comprehensive income are disclosed in Note 25.

2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's preceding annual financial statements was not subject to any qualification.

3. SEASONAL OR CYCLICAL FLUCTUATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial quarter under review. However, the results of the quarter under review were affected by the unprecedented challenging operating environment due to the Covid-19 pandemic.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE**

There were no items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows in the financial quarter under review.

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no changes in estimates of amounts reported in the prior financial year that would have a material effect on the results of the financial quarter under review.

6. DEBT AND EQUITY SECURITIES

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial quarter under review.

7. DIVIDENDS

The Company paid a first and final single tier dividend in respect of the financial year ended 31 December 2020 of 1.00 sen per ordinary share, amounting to RM44,120,463.

The Company also determined that the Dividend Reinvestment Plan would apply to the single tier dividend, in which the entire 1.00 sen could be elected to be reinvested in new ordinary shares. The cash portion of the dividend paid was RM19,716,638 and the issuance of new 55,463,239 units of ordinary shares amounted to RM24,403,825 on 19 May 2021 and 20 May 2021 respectively.

There was no dividend declared or paid by the Company for the financial quarter under review.



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
3 months ended 31.3.2021					
Total revenue	139,344	159,792	9,747	45,308	354,191
Inter-segment revenue	(7,182)	(75,358)	(857)	(44,085)	(127,482)
External revenue	132,162	84,434	8,890	1,223	226,709
Segment profit/(loss)	13,117	(1,645)	433	4,411	16,317
Unallocated corporate expenses					(5,273)
Finance income					3,828
Finance costs					(18,244)
Share of results of associates and joint ventures	3,173	5,914	-	-	9,087
Profit before tax					5,715



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING (cont'd)

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
3 months ended 31.3.2020 (restated)					
Total revenue	239,805	239,070	13,852	42,944	535,671
Inter-segment revenue	(3,393)	(64,238)	(1,200)	(41,088)	(109,919)
External revenue	236,412	174,832	12,652	1,856	425,752
Segment profit	24,197	12,566	2,380	529	39,672
Unallocated corporate expenses					(3,675)
Finance income					3,532
Finance costs					(15,504)
Share of results of associates and joint ventures	2,370	1,207	-	-	3,577
Profit before tax					27,602

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****9. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT**

The valuations of property, plant and equipment have been brought forward without any material amendments from the previous financial statements.

10. MATERIAL EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

There was no material event subsequent to the end of the financial quarter ended 31 March 2021 that has not been reflected in this report.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the financial quarter under review.

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(RM'000)	As at 31.3.2021	As at 31.12.2020
Performance guarantees extended to third parties *	1,015,769	1,027,313

* Included in the performance guarantees extended to third parties is an amount of RM31.3 million that had been called on previously by third parties. The Group has instituted injunction proceedings against the third parties. In the Financial Year 2019, the Group and the third parties entered into a Dispute Resolution Agreement whereby the third parties agreed to an interim injunction to preserve the status quo on the performance guarantees pending determination of the dispute between the parties via Arbitration. On this basis, the performance guarantees have not been provided for in the financial statements.

Pursuant to paragraph 8.23(1)(ii) of Bursa Malaysia Securities Berhad's Listing Requirements, the financial assistance provided by the Company is as follows:

Company Guarantee

The Company issued a joint and several corporate guarantee to guarantee the due performance and obligations of MRCB George Kent Sdn Bhd ("MRCBGK") in relation to the design and construction work of the Light Rail Transit Line 3. MRCBGK is a jointly controlled entity of the Company and equally owned by George Kent (Malaysia) Berhad and the Company.

The directors are of the opinion that the transaction above has been entered into in the normal course of business.

There were no material contingent assets to be disclosed.

13. OTHER OPERATING INCOME

There were no items of an unusual nature in the other operating income in the financial quarter under review.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

E. NOTES TO THE REPORT (cont'd)

14. PROFIT FROM OPERATIONS

Profit from operations was arrived at after (charging)/crediting:

(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
Depreciation of:				
- investment properties	(2,978)	(3,383)	(2,978)	(3,383)
- property, plant and equipment	(4,606)	(4,483)	(4,606)	(4,483)
(Amortisation)/recognition of:				
- order book	(642)	(673)	(642)	(673)
- right-of-use assets	(4,623)	(5,566)	(4,623)	(5,566)
- government grant	145	66	145	66
- patent	(306)	(297)	(306)	(297)

15. INCOME TAX EXPENSE

(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2021	31.3.2020 (restated)	31.3.2021	31.3.2020 (restated)
In Malaysia				
Current tax	(6,879)	(4,380)	(6,879)	(4,380)
(Under)/over provision in prior years	664	(669)	664	(669)
Deferred tax	4,409	(5,554)	4,409	(5,554)
	<u>(1,806)</u>	<u>(10,603)</u>	<u>(1,806)</u>	<u>(10,603)</u>
Foreign				
Current tax	(17)	(44)	(17)	(44)
Deferred tax	33	(787)	33	(787)
	<u>16</u>	<u>(831)</u>	<u>16</u>	<u>(831)</u>
Income tax expense	<u>(1,790)</u>	<u>(11,434)</u>	<u>(1,790)</u>	<u>(11,434)</u>

The dividend income received from the Group's associate, Sentral REIT is taxable. The computation of the tax for the financial quarter under review has been accounted for accordingly.

The deferred tax was mainly due to the net impact of the reversal of deferred tax liabilities and some non-deductible temporary differences, as well as the recognition of unabsorbed tax losses and deductible timing differences as deferred tax assets.

16. CORPORATE PROPOSALS

There were no corporate proposals announced that are yet to be completed at the date of this report.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****17. GROUP BORROWINGS**

The tenure of the Group borrowings classified as long and short term were as follows:

Denomination (‘000)	Long term RM	Short term RM	Short term AUD	Total RM
As at 1st quarter of 2021				
Secured	1,229,777	448,271	-	1,678,048
Unsecured	-	150,000	-	150,000
	1,229,777	598,271	-	1,828,048
As at 1st quarter of 2020				
Secured	1,003,229	618,660	149,337	1,621,889
Unsecured	-	150,781	-	150,781
	1,003,229	769,441	149,337	1,922,007

The net increase of RM93.96 million in the Group’s borrowings compared to 31 March 2020 was mainly due to the issuance of Sukuk Murabahah of RM600.0 million completed on 14 August 2020. Subsequently, part of the proceeds were utilised to redeem a land loan that was earlier secured at a higher interest rate. A loan denominated in Australian Dollars was also fully repaid in Australia.

As at 31 March 2021, the borrowings consisted mainly of:

Secured term loans

- (a) Financing facility of RM216.7 million for the Group’s working capital;
- (b) Sukuk Murabahah Program totaling RM600.7 million, comprising RM600.0 million principal and RM0.7 million accrued profits, for the Group’s working capital;
- (c) Other project loans of RM860.6 million for the Group’s on-going property development and construction projects.

Unsecured short term loans

- (d) Short term borrowings of RM150.0 million for the Group’s working capital.

The Group’s borrowings as at 31 March 2021 were denominated in Ringgit Malaysia. The weighted average interest rate as at 31 March 2021 was 3.83% per annum (31 March 2020: 5.18%).

The Group’s Net Gearing as at 31 March 2021 was 0.26 times (31 March 2020: 0.29 times).

18. MATERIAL LITIGATION

There was no material litigation arising from the Group’s operational transactions as at the date of this report.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

E. NOTES TO THE REPORT (cont'd)

19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE

(RM'000)	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 MONTHS ENDED		VARIANCE (Value / %)	3 MONTHS ENDED		VARIANCE (Value / %)
	31.3.2021	31.3.2020 (restated)		31.3.2021	31.3.2020 (restated)	
Revenue	226,709	425,752	(199,043) (47%)	226,709	425,752	(199,043) (47%)
Operating profit	14,871	39,529	(24,658) (62%)	14,871	39,529	(24,658) (62%)
Profit before interest and tax	11,043	35,997	(24,954) (69%)	11,043	35,997	(24,954) (69%)
Profit before tax	5,714	27,602	(21,888) (79%)	5,714	27,602	(21,888) (79%)
Profit after tax	3,924	16,167	(12,243) (76%)	3,924	16,167	(12,243) (76%)
Total profit attributable to equity holders of the Company	2,133	16,093	(13,960) (87%)	2,133	16,093	(13,960) (87%)

The Group recorded lower revenue and profit before tax of RM226.7 million and RM5.7 million respectively in the financial quarter ended 31 March 2021, compared to revenue of RM425.8 million and profit before tax of RM27.6 million recorded in the corresponding financial quarter in 2020.

The decline in Q1 2021 was due to the residual impact of multiple site closures at several construction project sites undertaken as a precautionary measure when Covid-19 cases were detected towards the end of 2020. While this hampered construction progress at the end of 2020, the impact continued into the period under review due to the resultant impact to construction progress and billings. The lower revenue and profit recorded in Q1 2021 was also due to the Movement Control Order (MCO) being imposed in the last 2 weeks of the quarter ended 31 March 2020, thus sparing the corresponding period in 2020 from the full impact of the movement restrictions and loss of productivity. This resulted in a higher revenue and profit being recorded in Q1 2020 in comparison to the quarter under review in 2021. In addition to these setbacks, most of the Group's key construction projects are also nearing completion, where recognition of revenue and profits are minimal.

Operating profits were mainly derived from the sale of completed unsold inventory and on-going property development projects, namely Sentral Suites in KL Sentral, the 9 Seputeh mixed residential developments in Jalan Klang Lama and Alstonia in Bukit Rahman Putra. The Group also continued to recognise revenue from the Group's property development project 1060 Carnegie in Melbourne, Australia, albeit at a much slower pace as the speed of achieving financial settlement for the units sold has only just started to pick up following the easing of multiple Covid-19 related restrictions imposed in the State of Victoria, Australia in November 2020.

The Group's 50%-owned LRT 3 project joint venture company MRCB George Kent Sdn Bhd contributed higher profit after tax of RM5.9 million to the Group compared to RM1.2 million in 2020 due to construction progress which reached 51% as at 31 March 2021. The Group's 27.94% equity owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd, contributed a combined profit after tax of RM4.3 million to the Group compared with RM3.9 million in the preceding financial quarter ended 31 March 2020.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

E. NOTES TO THE REPORT (cont'd)

19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE (cont'd)

Segmental Breakdown of Revenue & Profit/(Loss) - Note 8*

RM'000	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
<u>Revenue</u>				
Property development & investment	132,162	236,412	132,162	236,412
Engineering, construction & environment	84,434	174,832	84,434	174,832
Facilities management & parking	8,890	12,652	8,890	12,652
Others	1,223	1,856	1,223	1,856
	<u>226,709</u>	<u>425,752</u>	<u>226,709</u>	<u>425,752</u>
RM'000	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2021	31.3.2020 (restated)	31.3.2021	31.3.2020 (restated)
<u>Profit/(Loss)</u>				
Property development & investment	13,118	24,197	13,118	24,197
Engineering, construction & environment	(1,645)	12,566	(1,645)	12,566
Facilities management & parking	433	2,380	433	2,380
Others	4,411	529	4,411	529
	<u>16,317</u>	<u>39,672</u>	<u>16,317</u>	<u>39,672</u>

* Profit before unallocated corporate expenses, finance costs and income and share of associates & joint ventures results.

The revenue and profit of the Group was mainly attributable to the two core operating segments below:

(i) Property Development & Investment

The Property Development & Investment Division recorded revenue of RM132.2 million. The main revenue contributors were the Group's on-going property development projects, namely Sentral Suites in KL Sentral, the 9 Seputeh mixed residential development in Jalan Klang Lama and Alstonia in Bukit Rahman Putra, as construction progressed further, reaching construction progress of 49%, 43% and 19% respectively. This was followed by the sale of completed units from 1060 Carnegie in Melbourne, which saw an additional 7 units reach financial settlement. Recurring rental income from the Group's investment properties such as Celcom Tower in PJ Sentral Garden City and Plaza Alam Sentral in Shah Alam also contributed to the revenue recognised by the Division.

The lower operating profit of RM13.1 million recorded in the first quarter ended 31 March 2021 compared to RM24.2 million in the corresponding period in 2020 was largely due to a much lower number of units reaching financial settlement for the 1060 Carnegie units sold compared to the corresponding period in 2020, which saw a high number of units reaching financial settlement in the three months after the project was completed in December 2019, prior to any Covid-19 related movement restrictions.

The Group's investment holding in Sentral REIT contributed income of RM3.9 million in the financial period ended 31 March 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE (cont'd)****(ii) Engineering, Construction & Environment**

The Engineering, Construction and Environment Division recorded a 52% decrease in revenue to RM84.4 million in the financial period ended 31 March 2021, compared to RM174.8 million in the corresponding period ended 31 March 2020.

However, the financial performance for the period under review is compared against a financial quarter which was spared from the full impact of the Covid-19 pandemic as the MCO was only announced on 18 March 2020, effectively only impacting the last 2 weeks of the first quarter in 2020. Additionally, the stronger performance recorded in the corresponding period in 2020 was further amplified as the Division's key infrastructure construction projects were at the peak of their construction cycle, which yielded higher construction progress and revenue recognition.

The bulk of the Division's revenue was contributed from the construction progress of the EPF Headquarters at Kwasa Sentral, Damansara-Shah Alam Elevated Highway Package CB2 ("DASH"), Sungai Besi-Ulu Kelang Elevated Expressway Package CA2 ("SUKÉ") and Mass Rapid Transit Line 2 Package V210 ("MRT").

The Group's 50%-owned LRT 3 project joint venture company MRCB George Kent Sdn Bhd contributed higher profit after tax of RM5.9 million to the Group compared to RM1.2 million in 2020 due to construction progress achieved in 2021.

20. FINANCIAL REVIEW FOR THE QUARTER UNDER REVIEW COMPARED WITH THE PRECEDING QUARTER

	CURRENT QUARTER	IMMEDIATE PRECEDING QUARTER	VARIANCE (Value / %)
RM'000	31/3/2021	31/12/2020 (restated)	
Revenue	226,709	308,923	(82,214) / (27%)
Operating profit	14,871	45,351	(30,480) / (67%)
Profit before interest and tax	11,043	46,208	(35,165) / (76%)
Profit before tax	5,714	36,703	(30,989) / (84%)
Profit after tax	3,924	28,734	(24,810) / (86%)
Total profit attributable to equity holders of the Company	2,133	28,262	(26,129) / (92%)

The Group recorded revenue and profit before taxation of RM226.7 million and RM5.7 million respectively, in the quarter ended 31 March 2021, compared to revenue of RM308.9 million and profit before taxation of RM36.7 million recorded in the preceding quarter ended 31 December 2020.

Despite stringent adherence to Covid Standard Operating Procedures (SOPs), several project sites were voluntarily closed down for two weeks at a time as a precautionary measure when Covid-19 cases were detected. This hampered construction progress at the end of 2020, the impact of which continued into the period under review due to the resultant impact to construction progress and the billings.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****21. PROSPECTS**

The Group's major source of revenue and operating profits come from its Property Development & Investment and Engineering, Construction & Environment divisions.

(i) Property Development & Investment

The Group's Property Development & Investment Division achieved sales of RM51.6 million in the first quarter of 2021 from its residential developments. Of the Group's residential projects currently in development, Sentral Suites had achieved a sales rate of 84%, TRIA in 9 Seputeh had achieved a sales rate of 40% and Alstonia in Bukit Rahman Putra achieved a sales rate of 27%. The Division will continue to focus its marketing efforts on its residential development projects, namely Sentral Suites in KL Sentral (GDV: RM1,534 million), TRIA in 9 Seputeh (GDV: RM939 million) and Alstonia in Bukit Rahman Putra (GDV: RM248 million), as well as the remaining completed unsold units in Sentral Residences in KL Sentral, VIVO Residences in 9 Seputeh, Kalista Park Homes in Bukit Rahman Putra, and 1060 Carnegie in Melbourne, Australia. Of the Group's completed developments, as at 31 March 2021, Sentral Residences had achieved a sales rate of 99%, VIVO Residences in 9 Seputeh had achieved a sales rate of 82% and Kalista in Bukit Rahman Putra 85%. In Melbourne, 120 units of 1060 Carnegie in Melbourne have achieved financial settlement out of total of 141 units sold as at 31 March 2021.

Revenue and operating profit in the Property Development & Investment Division will continue to be progressively recognized in line with construction progress in 2021 and beyond. Sentral Suites had reached 49% construction progress, TRIA had reached 43% construction progress and Alstonia had reached 19% construction progress as at 31 March 2021 and will continue to contribute revenue and profits as construction at these projects progresses. The Division had total cumulative unbilled sales which are expected to deliver RM1,028 million in revenue to be booked over the construction period of its projects, of which all are residential projects.

Overall, the Group believes the outlook for the economy and the property market will remain challenging for the foreseeable future. This concern is further reinforced with the recent wave of increased Covid-19 infections experienced in Malaysia, and the Klang Valley in particular where most of the Company's on-going developments are located, and where full MCO has just been imposed. Nevertheless, construction of the Division's key ongoing property developments continues to progress during this MCO, albeit at lower productivity levels.

The company's immediate priorities in 2021 remain on enhancing cashflow by monetising its inventory of unsold completed stock, which stood at RM450.9 million on 31 March 2021. However, sales are likely to remain subdued due to the general Covid-19 environment, more stringent movement controls and the closure of borders, which has impacted access to foreign markets that have been a source of sales for both VIVO 9 Seputeh and Sentral Residences.

In the meantime, the Group will continue to closely monitor conditions in the broader economy and property market, revising its strategies and financial targets accordingly, including reviewing its future launches if conditions dictate.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

E. NOTES TO THE REPORT (cont'd)

21. PROSPECTS (cont'd)

(i) Property Development & Investment (continued)

With interests in 323 acres of urban land, the Group has a sustainable supply of land for future projects over the long term with a total GDV of RM32 billion, as shown in the following table:

Developments	Land Size (Acres)	GDV (RM' Mil)
Transport Oriented Developments	145.33	25,548
Commercial	67.52	770
Residential	93.96	5,803
International	1.00	300
Others	15.63	-
Grand Total	323.44	32,421

The Division also earns a relatively stable income stream from its remaining investment property in Shah Alam and from Celcom Tower, as well as its 27.94% interest in Sentral REIT.

(ii) Engineering, Construction & Environment

The Engineering, Construction & Environment Division continues to actively tender for more infrastructure contracting projects to replenish its order book, but there have been no new large infrastructure construction projects put out to tender. The Division had open tenders valued at RM2,136 million as at 31 March 2021, many of these project tenders have subsequently been delayed or indefinitely postponed due to the pandemic. As at 31 March 2021, the external client order book stood at RM21.7 billion. This will ensure that the Division has a steady pipeline of contracts to sustain its business over the very long term, but with no infrastructure projects being tendered out, the short term to medium term outlook remains challenging.

While revenues from the Division were adversely impacted by the halt in construction activity during the MCO in 2020, construction activity remains at a slower pace, with low productivity levels compared to before the pandemic, due to distancing and strict adherence to other Government imposed health and safety protocols, and the implementation of the full MCO. The Division is also grappling with a shortage of foreign labour due to Government imposed restrictions. Despite this, the Division anticipates the completion of several key construction projects in 2021, namely the DASH, SUKE, and MRT. The LRT3 project, which achieved construction progress of 51% as at 31 March 2021 and is expected to reach 65% construction progress by the end of 2021, should also see profit recognition pick up in 2021 compared to 2020, albeit at a slower pace than previously anticipated due to the implementation of stricter standard operating procedures to prevent the spread of Covid-19.

Major Construction Projects	Contract Value (RM' Mil)
Bukit Jalil Sentral	10,957
LRT3 *	5,686
Kwasa Utama C8	3,135
MRT2 Package V210	497
DASH - Package CB2	341
PR1MA Brickfields	335
Others	761
Total	21,712

* 50% of joint venture's total contract value

As at 31 March 2021, the unbilled construction order book stood at RM20.4 billion.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

E. NOTES TO THE REPORT (cont'd)

22. VARIANCE ON FORECAST PROFIT/PROFIT GUARANTEE

Not applicable.

23. EARNINGS PER SHARE (EPS)

Basic EPS

The basic EPS is calculated by dividing the net profit in the financial period by the weighted average number of shares in issue during the financial period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2021	31.3.2020 (restated)	31.3.2021	31.3.2020 (restated)
Net profit for the financial period attributable to the owners of the parent (RM'000)	5,201	16,093	5,201	16,092
Weighted average number of ordinary shares in issue ('000)	4,412,046	4,412,046	4,412,046	4,412,046
Basic EPS (sen)	0.12	0.36	0.12	0.36

Diluted EPS

The diluted EPS is calculated by dividing the net profit in the financial period by the adjusted weighted average number of shares in issue during the financial period.

	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2021	31.3.2020 (restated)	31.3.2021	31.3.2020 (restated)
Net profit for the financial period attributable to the owners of the parent (RM'000)	5,201	16,093	5,201	16,092
Weighted average number of ordinary shares in issue ('000)	4,412,046	4,412,046	4,412,046	4,412,046
- Adjustment for warrants B ('000)	-	-	-	-
- Adjustment for ordinary shares not yet granted under Restricted Share Plan ('000)	11,301	11,301	11,301	11,301
	4,423,347	4,423,347	4,423,347	4,423,347
Diluted EPS (sen)	0.12	0.36	0.12	0.36

Warrants B were not included in the calculation for the financial period under review because the fair value of the issued ordinary shares as at 31 March 2021 was lower than warrant B's exercise price. Accordingly, there is no bonus element in the outstanding shares for the purpose of computing the dilution.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****24. TRADE RECEIVABLES**Exposure to credit risk, credit quality and collateral

Given the varied nature of the Group's customer base, the following analysis of trade receivables by type of customers are considered the most appropriate disclosure of credit concentration.

(RM'000)	As at 31.3.2021	As at 31.12.2020
Property development	85,760	78,864
Property investment	21,846	20,310
Engineering, construction & environment	152,665	159,838
Facilities management & parking	5,992	5,601
Others	5,621	3,624
	<u>271,884</u>	<u>268,237</u>
Trade receivables include retention sums for contracts, under engineering, construction & environment	<u>131,543</u>	<u>128,369</u>

Impairment losses

(a) Property development

Generally, property units sold are progressively invoiced and settled by end-buyers' financiers posing minimal credit risk. The Group experiences a low risk of default from its property development activities as sales of development units are made to a large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default. In view of that, the Group has not recognised any further impairment losses in respect of trade receivables arising from its property development.

(b) Engineering, construction & environment

The Group is exposed to significant concentration of credit risk to a few customers, mainly consisting of Government-linked Companies ("GLCs"). The expected credit loss rate on the amounts outstanding from GLCs are determined subsequent to considering the capacity of the GLCs in meeting their contractual cash flow obligations in the near term and the economic and business conditions in the longer term.

The closing allowances for trade receivables of the engineering, construction and environmental segment as at 31 March 2021 and 31 December 2020 were as follows:

(RM'000)	As at 31.3.2021	As at 31.12.2020
Opening loss allowance as at 1 January	35,565	32
Impairment loss recognised	9,159	35,533
As at 31 March/31 December	<u>44,724</u>	<u>35,565</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

E. NOTES TO THE REPORT (cont'd)

24. TRADE RECEIVABLES (cont'd)

Impairment losses (cont'd)

(c) Property investment and facilities management & parking

The Group applies MFRS 9 'Financial Instruments' simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables in its property investment and facilities management & parking segments.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The loss allowances as at 31 March 2021 and 31 December 2020 were determined as follows for trade receivables in the property investment and facilities management & parking segments:

The ageing of trade receivables of the Group arising from the property investment and facilities management & parking segments as at the end of the financial quarter under review were as follows:

(RM'000)	Gross	Individual impairment	Expected loss rate	Collective impairment	Net
31.3.2021					
Not past due	1,677	-	-	-	1,677
Past due					
- less than three months	5,152	-	-	-	5,152
- between three to six months	2,164	-	-	-	2,164
- between six months and one year	5,461	-	-	-	5,461
- more than one year	13,384	(8,879)	-	-	4,505
	27,838	(8,879)	-	-	18,959
31.12.2020					
Not past due	32	-	-	-	32
Past due					
- less than three months	3,506	-	-	-	3,506
- between three to six months	2,489	-	-	-	2,489
- between six months and one year	4,440	-	-	-	4,440
- more than one year	11,395	(8,876)	-	-	2,519
	21,862	(8,876)	-	-	12,986

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****24. TRADE RECEIVABLES (cont'd)**Impairment losses (cont'd)

(c) Property investment and facilities management & parking (cont'd)

The closing allowances for the Group's trade receivables in the property investment and facilities management & parking segments as at 31 March 2021 reconcile to the opening loss allowances as follows:

(RM'000)	As at 31.3.2021	As at 31.12.2020
Opening loss allowance as at 1 January	8,876	7,041
Impairment loss recognised	3	1,859
Impairment loss reversed	-	(24)
As at 31 March/31 December	<u>8,879</u>	<u>8,876</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****25. PRIOR YEAR ADJUSTMENTS**

During the financial year under review, the Group made prior year adjustments in relation to IFRIC Agenda Decisions that have been concluded and published as stated in Note 1.

The financial effects arising from the Group's prior year adjustments are as follows:

RM'000	As previously reported	Prior year adjustments	As restated
At 1 January 2020			
Consolidated statement of financial position			
<u>Assets</u>			
Deferred tax assets	84,394	2,001	86,395
Inventories	963,153	(35,375)	927,778
<u>Equity and liabilities</u>			
Retained earnings	460,716	(26,152)	434,564
Non-controlling interests	31,901	(1,143)	30,758
Deferred tax liabilities	76,953	(6,080)	70,873
At 31 December 2020			
Consolidated statement of financial position			
<u>Assets</u>			
Deferred tax assets	93,161	1,450	94,611
Inventories	852,281	(36,170)	816,111
<u>Liabilities</u>			
Retained earnings	241,103	(27,382)	213,721
Non-controlling interests	10,727	(615)	10,112
Deferred tax liabilities	76,791	(6,723)	70,068

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**E. NOTES TO THE REPORT (cont'd)****25. PRIOR YEAR ADJUSTMENTS (cont'd)**

The financial effects arising from the Group's prior year adjustments for the consolidated statements of comprehensive income are as follows:

RM'000	As previously reported	Prior year adjustments	As restated
Consolidated statements of comprehensive income 3 months ended 31 March 2020			
Expenses	(397,727)	3,643	(394,084)
Profit from operations	35,886	3,643	39,529
Finance costs	(12,595)	(2,909)	(15,504)
Profit before tax	26,868	734	27,602
Income tax expenses	(11,229)	(205)	(11,434)
Profit for the financial year	15,639	529	16,168
Total comprehensive income	14,809	529	15,338
Profit attributable to equity holders of the Company	15,645	448	16,093
Profit attributable to non-controlling interests	(6)	81	75
Total comprehensive income attributable to equity holders of the Company	14,806	448	15,254
Total comprehensive income attributable to non-controlling interests	3	81	84
Basic/diluted earnings per share (sen)	0.35	0.01	0.36

Kuala Lumpur
31 May 2021

By Order of the Board

Mohd Noor Rahim Yahaya
Company Secretary