



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Accounting Policies and Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2019.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2019 except for the adoption of the following new MFRS, Amendments to MFRSs, Improvements to MFRS and IC Interpretation (“Standards”) which is effective for financial period beginning on or after 1 January 2020:

Effective for financial periods beginning on or after 1 January 2020

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 101 and 108: Definition of Material
- Amendments to references to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

The initial application of these Standards does not have a material impact on the financial statements.

A2. Status of Audit Qualification

Not applicable as the audited financial statements for the year ended 31 December 2019 were not qualified.

A3. Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by seasonality and cyclicity factors.



A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no other items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the financial quarter under review.

A5. Material Changes in Estimates

There were no other items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the financial quarter under review.

A6. Debts and Equity Securities

Share Buy-Back / Treasury Shares

The Company's shareholders had on 29 June 1999 approved the share buy-back exercise during the Extraordinary General Meeting ("EGM"). Subsequently, mandates were renewed at the last AGM which was on 27 August 2020.

Summary of the share buy-back / disposal as at the current financial year-to-date are as follows:-

Month	Number Of Shares Repurchased	Highest Price RM	Lowest Price RM	Average Price RM	Total Amount RM
B/F from 2019	2,173,500	-	-	-	7,054,205
Total	2,173,500	-	-	-	7,054,205

There were no other issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the period ended 31 December 2020.

A7. Dividend paid

There was no dividend paid during the quarter under review.



A8. Segmental Information

Segmental information in respect of the Group's business segments for the period ended 31 December 2020 and its comparative:-

12 months period ended 31/12/2020	Property development & investment							Consolidated RM'000
	Manufacturing RM'000	Hotel and Resort RM'000	Investment RM'000	Plantations RM'000	Share investment RM'000	Others RM'000	Eliminations RM'000	
REVENUE								
External sales	627,665	63,870	176,031	-	6,776	-	-	874,342
Inter-segment sales	73,535	-	856	28,202	15,180	-	(117,773)	-
Total revenue	701,200	63,870	176,887	28,202	21,956	-	(117,773)	874,342
RESULTS								
Operating results	17,360	(145,100)	61,052	9,854	(31,377)	19	(8,834)	(97,026)
Foreign exchange gain/(loss)	-	-	-	-	-	(61)	7	(54)
Finance costs	(151)	(583)	-	-	(6,279)	(1,875)	7,013	(1,875)
Interest income	-	-	-	-	-	20,229	(7,021)	13,208
Profit/(Loss) before tax	17,209	(145,683)	61,052	9,854	(37,656)	18,312	(8,835)	(85,747)
Income tax credit								13,416
Loss for the period								(72,331)

12 months period ended 31/12/2019	Property development & investment							Consolidated RM'000
	Manufacturing RM'000	Hotel and Resort RM'000	Investment RM'000	Plantations RM'000	Share investment RM'000	Others RM'000	Eliminations RM'000	
REVENUE								
External sales	525,883	256,375	184,184	-	12,164	-	-	978,606
Inter-segment sales	57,924	-	1,232	18,134	8,469	-	(85,759)	-
Total revenue	583,807	256,375	185,416	18,134	20,633	-	(85,759)	978,606
RESULTS								
Operating results	21,180	6,126	64,832	(494)	(30,902)	3,283	18,383	82,408
Foreign exchange gain/(loss)	-	-	-	-	-	(1,582)	15	(1,567)
Finance costs	(356)	(721)	-	-	(8,807)	(859)	9,884	(859)
Interest income	-	-	-	-	-	31,665	(9,881)	21,784
Profit before tax	20,824	5,405	64,832	(494)	(39,709)	32,507	18,401	101,766
Income tax expense								(10,125)
Profit for the period								91,641



A9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter ended 31 December 2020 up to the date of this report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter.

A12. Changes in Contingent Liabilities

At the date of this announcement, there were no material changes in contingent liabilities since the last balance sheet date.

A13. Significant Related Party Transactions

The significant related party transactions set out below were carried out in the normal course of business and on terms and conditions not more materially different from those obtainable in transactions with unrelated parties.

	12 months ended	
	31-Dec	
	2020	2019
	<u>RM'000</u>	<u>RM'000</u>
(i) Transactions with subsidiaries		
Purchases	48,416	33,868
Sales	52,105	41,009
Rental income	855	1,232
Dividend	15,180	8,469
Interest income	7,013	9,881
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(ii) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest.		
- Commission on sales and purchases - Keck Seng (Singapore) Private Limited	5,954	4,969
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ADDITIONAL INFORMATION REQUIRED BY THE BMSB'S LISTING REQUIREMENTS

B1. Taxation

The taxation charge for the current quarter and year to-date ended 31 December 2020 was made up as follows:-

	<u>Current Quarter</u> RM'000	<u>Year To-Date</u> RM'000
Current tax:		
Malaysian income tax	(8,574)	(22,921)
Real property gain tax	-	-
Foreign tax	15,072	14,488
	<u>6,498</u>	<u>(8,433)</u>
Over/(under) provision in respect of prior years		
Malaysian income tax	(40)	(16)
Foreign tax	-	-
	<u>(40)</u>	<u>(16)</u>
Deferred tax		
Transfer from/(to) deferred taxation	22,403	21,865
	<u>28,861</u>	<u>13,416</u>

B2. Status of Corporate Proposals

There were no corporate proposals.



B3. Group Borrowings

Details of Group borrowings were as follows:-

	US Dollar "000	Ringgit Equivalent "000
Short term borrowings:-		
Bank overdraft - unsecured	-	48,623
Term loan payable within a year - secured	2,962	11,931
Long term borrowings:-		
Term loan payable after 1 year - secured	41,978	169,109

B4. Derivative Financial Instruments

The Group uses forward foreign exchange contracts to manage its exposure to various financial risks.

Forward foreign exchange contracts

Forward foreign exchange currencies contracts were entered to hedge its exposure to fluctuations in foreign currency arising from sales.

As at 31 December 2020, the notional amount, fair value and maturity period of the forward foreign exchange contracts were as follows:-

Type of derivatives	Contract/Notional amount RM'000	Fair value gain/(loss) RM'000
Currency forward contracts - less than 1 year	7,599	83

B5. Changes In Material Litigation

There was no material litigation pending at the date of this announcement.



B6. Comparison with Preceding Quarter's Results

	<u>4th Quarter 2020</u>	<u>3rd Quarter 2020</u>	<---- Increase/(Decrease)---->	
	RM	RM	RM	%
	'000	'000	'000	
Revenue	259,097	213,313	45,784	21
Loss before taxation	(76,043)	(7,616)	(68,427)	(898)

Revenue

The Group's revenue in 4th Q 2020 was higher than 3rd Q 2020. The following segments had recorded a revenue in 4th Q 2020 materially different from 3rd Q 2020:-

Manufacturing

The segment recorded a higher revenue in 4th Q 2020 as compared to 3rd Q 2020. The increase in revenue was mainly due to higher selling price of refined oil sold in 4th Q 2020.

Property Development

A higher revenue was recorded by the segment in 4th Q 2020 as compared to 3rd Q 2020. The increase in revenue was due to higher number of units sold for residential properties at Tanjong Puteri Resort and commercial properties at Bandar Baru Kangkar Pulai as compared to preceding quarter.

Loss before taxation

The Group recorded a higher loss in 4th Q 2020 as compared to 3rd Q 2020. The following segments had recorded results materially different from 3rd Q 2020:-

Property Development

The segment recorded a higher profit due to increase in number of units sold for properties in 4th Q 2020 as compared to 3rd Q 2020.

Hotels

The segment recognised an impairment loss on an overseas hotel. As a result, the segment recorded a higher loss in 4th Q 2020 as compared to 3rd Q 2020.



B6. Comparison with Preceding Quarter's Results (cont'd)

Loss before taxation (cont'd)

Share Investments

The segment recorded a loss in 4th Q 2020 as compared to a profit in 3rd Q 2020. This was due to higher fair value losses recognised in 4th Q 2020 as compared to 3rd Q 2020 on an unquoted investment.

B7. Review of Performance

	To 4th Quarter <u>2020</u> RM '000	To 4th Quarter <u>2019</u> RM '000	< -- Increase/(Decrease)-- >	
			RM '000	%
Revenue	874,342	978,606	(104,264)	(11)
(Loss)/Profit before taxation	(85,747)	101,766	(187,513)	(184)

Revenue

The Group's revenue in 2020 was lower than 2019. The following segments had recorded a revenue in 2020 materially different from 2019:-

Manufacturing

The segment recorded a higher revenue in 2020 as compared to preceding year corresponding period. The increase in revenue was mainly due to higher selling price of refined oil sold in 2020.

Hotels

The segment revenue recorded a significant decrease in 2020 as compared to preceding year corresponding period. The decrease was due to the temporary closure of overseas hotels in most months of 2020 since April due to outbreak of Covid-19.



B7. Review of Performance (cont'd)

(Loss)/Profit before taxation

The Group recorded a loss in 2020 as compared to a profit in 2019. The results of the following segments in 2020 were materially different from 2019:-

Hotels

The segment recorded a higher loss in 2020 as compared to 2019 due to temporary closure of overseas hotels in most months of 2020 since April due to outbreak of Covid-19 and an impairment loss recognised on an overseas hotel.

Share Investments

The segment recorded a loss in 2020 as compared to a profit in 2019 due mainly to a fair value loss recorded in 2020 on an unquoted foreign investment held.

B8. Prospects for 2021

Plantation and Manufacturing

Plantation performance for 2021 is expected to be quite similar to 2020 as commodity prices firms up though FFB production is forecasted to be slightly lower than 2020 due to after effect of 2020 La Nina.

Labour shortage in plantation industry and the on-going Covid19 pandemic only adds further to the uncertainty in the harvesting of FFB. Overall, FFB intake by Palm Oil Mill is expected to be slightly lower than 2020. The performance of the Mill will remain challenging due to the increase in statutory compliance, sustainability and environmental costs.

Refinery is expected to fare better during the second half as compared to the first half of 2021 for there will be higher production and higher palm oil stock.

Property Development

The unprecedented Covid-19 pandemic will continue to affect and disrupt many aspects of property development. The re-introduction of Movement Control Order 2.0 ("MCO") has further aggravated the challenging economic activities across all sectors. We remain cautious and vigilant of the impact and challenges posed. However, the government's recent re-introduction of the Home Ownership Campaign ("HOC") and current low mortgage rates will help purchase sentiments.



B8. Prospects for 2021 (cont'd)

Property Development (cont'd)

In Bandar Baru Kangkar Pulai (“BBKP”), we are planning to launch new phases of residential houses comprising single storey terrace houses, double storey terrace houses and double storey cluster houses. We are actively promoting the sales of Phase 4B double storey terrace houses – Adenia II launched in early 2020. Sales activities are carried out to sell the remaining units in Phase 4C (double storey terrace houses- Adenia I) and Phase 5BII (single storey cluster houses). We will continue to market the remaining completed units in Phase 5A (double storey shop offices) and Phase 5BI (single storey cluster houses).

In Tanjong Puteri Resort (“TPR”), sales have been encouraging from our recently launched new Phase 7A comprising 115 units of single storey terrace houses and we will continue to market the remaining completed units in Phase 5B, double storey terrace houses.

For the completed double storey shop offices in TPR and three storey shop offices in Taman Daya, we are marketing the balance units for sale and rental.

On TD Point Retail Mall, comprising 40 units double storey and single storey shops and our recently completed Loon Sing Restaurant, all our tenants’ businesses are affected by the MCO. We have granted rental rebates to assist them through this difficult period to sustain and retain their continued tenancy with us.

Property Investment

The businesses of our tenants at Menara Keck Seng, our office building in Kuala Lumpur, have been adversely affected by the Covid-19 pandemic and the MCO. To assist them through this difficult period, we have provided some rental rebates to our SME tenants. For 2021, we expect occupancy to trend lower.

Similarly, at Regency Tower, our residential building at Kuala Lumpur, we expect business to trend down in 2021.

Hotels & Resort

The New York City (“NYC”) hotel market continues to be severely impacted by the pandemic. As is the case with many unionized hotels, the Springhill Suites Hotel is now closed with a targeted reopening date of April 1, 2021 should market forces allow for a financially viable reopening at that time. Overall market dynamics, travel trends within the group, leisure and business travel segments, and local demand generators are continually being monitored, in addition to union and governmental regulations. Although current demand patterns remain very short-term, we are starting to see some improved demand in the months ahead and, most importantly, the NYC Covid-19 vaccination program seems to be trending positively. During this lockdown period, the hotel continues to seek all possible cost efficiencies and is focusing on its health and safety protocols.



B8. Prospects for 2021 (cont'd)

Hotels & Resort (cont'd)

The “DoubleTree by Hilton Alana – Waikiki Beach” enters 2021 after 7-month of temporary suspension of operations in 2020. The Hawaii recovery continues to be impeded by subsequent waves of the pandemic in US and overseas, and its heavy reliance on tourism. Despite soft demand on business, our hotel has been capitalizing on Hilton’s e-commerce, marketing and loyalty program networks to sustain fair market share. Hilton hygiene protocols and local government ordinances are being adhered to protect both guests and team members as priority.

The Delta Hotels by Marriott – Toronto Airport, located in Canada’s main gateway city, re-opened on September 15, 2020 with limited rooms, services and amenities being offered in order to streamline operational costs. Overall demand continues to be muted at this time, as the Canadian government has recently enacted more restrictive travel and customs policies aimed at curtailing international travel. Strict regulations related to assemblies, meetings and social gatherings were also imposed in late 2020 as the “2nd wave” of the pandemic took effect. The hotel priority is to continue focusing on a lean and cost-effective operation, while respecting established health and safety standards.

In general, there is great uncertainty about the duration of the coronavirus pandemic, and it is very challenging to quantify the impact of the pandemic on business performance for 2021 for our Group’s Hotels. It is expected that the recovery for our Hotels will be slow and gradual, with most industry projections reflecting normalization only in 2 to 3 years’ time.

For Tanjong Puteri Golf Resort, the first quarter 2021 remains extremely challenging due to government enforced MCO. Large parts of the revenue generating areas including golf, banquet and restaurant operations are completely closed or restricted to “take-away” food only. While International borders continue to stay close and domestic travel either restricted or allowed only for essential movements, the resort will focus on the niche market of long-stay customers from the surrounding industrial companies. Management team will continue to enforce the established cost savings initiatives and development programs for its associates to ensure that operation is fully prepared for a restart and ramp up of business levels should travel restrictions be removed and borders reopened in the upcoming quarters of 2021.

Conclusion

The on-going coronavirus outbreak, US-China trade war, geopolitical events, global climate change and volatility of currency exchange will continue to have impacts on the performance of the Group in 2021.



B9. Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee

Not applicable.

B10. Dividends

The Board does not recommend any dividend for the current quarter under review.

B11. Earnings/(Loss) Per Share

a) Basic Earnings/(Loss) Per Share

The basic earnings/(loss) per share for the current quarter and year-to-date had been calculated as follows:-

	<u>Current Quarter</u>	<u>Year To-Date</u>
Earnings/(Loss) attributable to owners of the parent (RM'000)	(43,918)	(64,918)
Weighted average number of ordinary shares in issue ('000)	359,314	359,314
Basic earnings/(loss) per share (sen)	(12.22)	(18.07)

b) Diluted Earnings/(Loss) Per Share

There were no potential dilutive ordinary shares outstanding as at the end of the reporting period. Hence, the diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share.



B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

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

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31-Dec		31-Dec	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
a) Interest income	1,906	5,430	13,208	21,784
b) Dividend income	1,480	3,440	6,776	12,164
c) Other income	1,069	864	2,964	2,628
d) Interest expenses	(1,193)	(1,879)	(5,475)	(8,265)
e) Depreciation and amortisation	(10,127)	(10,821)	(39,265)	(40,074)
f) (Allowance for)/(write-off)/write back of receivables	(295)	(61)	(524)	(96)
g) (Allowance for)/(write-off)/write-back of inventories	56	110	59	394
h) Gain /(Loss) on disposal of properties, plant & equipment	7	(2)	(7)	(22)
i) Gain /(Loss) on disposal of investment properties	0	0	3	(18)
j) Impairment of assets	(66,465)	(45,400)	(66,465)	(45,400)
k) Realised exchange gain/(loss)	(1,566)	137	(2,086)	29
l) Unrealised exchange gain/(loss)	(2,343)	(5,830)	5,907	(6,615)
m) Assets (written off)/write-back	(6)	(9)	(12)	(64)
n) Gain/(Loss) on derivatives	156	(13)	83	(45)
o) Gain/(Loss) on disposal of Land from compulsory acquisition	0	0	0	854
p) Provision for land held for development	(44)	454	(44)	454
q) Fair value gain/(loss) on biological assets	(146)	132	(30)	(55)
r) Fair value gain/(loss) on short term funds	73	(9)	6	2,052
s) Gain/(Loss) on redemption of short term fund	13	0	13	1,231
t) Fair value gain/(loss) on unquoted investment	(22,528)	21,735	(56,749)	21,735