

A Explanatory Notes in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

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.

A2. Changes in Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 31 December 2019.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) effective on 1 January 2020.

| Title | Effective Date |
|---|-----------------------|
| <i>Amendments to References to the Conceptual Framework in MFRS Standards</i> | 1 January 2020 |
| <i>Amendments to MFRS 3 Definition of a Business</i> | 1 January 2020 |
| <i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i> | 1 January 2020 |
| <i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i> | 1 January 2020 |

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.

A3. Qualification of Financial Statements

The auditors’ report for the preceding audited financial statements was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group’s operations were not materially affected by any seasonal or cyclical factors.

A5. Nature and Amount of Unusual Items

There were no unusual items for the current quarter and financial year-to-date.

A6. Nature and Amount of Changes in Estimates

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current quarter and financial year-to-date.

A7. Issuance and Repayment of Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations and shares held as treasury shares for the current quarter.

As at the end of the current quarter and financial year-to-date, a total of 1,165,744 shares were held as treasury shares.

A8. Dividend Paid

There is no dividend payment in current quarter.

A9. Segmental Information

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.

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A9. Segmental Information (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

| | Construction RM'000 | Property Development RM'000 | Other RM'000 | Inter-segment Elimination RM'000 | Total RM'000 |
|--|------------------------|-----------------------------------|-----------------|--|------------------|
| 6 months ended 30 June 2020 | | | | | |
| Segment Revenue | | | | | |
| External | 38,140 | (20,231) | 5,677 | - | 23,586 |
| Inter-segment | 23,367 | - | 3,249 | (26,616) | - |
| Total revenue | 61,507 | (20,231) | 8,926 | (26,616) | 23,586 |
| Interest income | 2,157 | 52 | 481 | (1,353) | 1,337 |
| Finance cost | (1,478) | (1,036) | (888) | 1,493 | (1,909) |
| Net finance expense | 679 | (984) | (407) | 140 | (572) |
| Segment profit/(loss) before taxation | (31,366) | (38,881) | 2,723 | (1,118) | (68,642) |
| Share of profit of an associate | 139 | - | - | - | 139 |
| Share of profit of a joint venture | - | - | 196 | - | 196 |
| Taxation | (41) | - | (1,141) | (100) | (1,282) |
| Segment profit/(loss) after taxation | (31,407) | (38,881) | 1,582 | (1,218) | (69,924) |
| Other material non-cash item: | | | | | |
| - Depreciation | (2,607) | (280) | (999) | 734 | (3,152) |
| Additions to non-current assets other than financial instruments and deferred tax assets | 914 | 41 | 1 | - | 956 |
| Segment assets | 977,994 | 528,876 | 417,716 | (582,362) | 1,342,224 |
| Segment liabilities | 743,171 | 436,029 | 25,921 | (308,231) | 896,890 |
| | | | | | |
| | Construction RM'000 | Property Development RM'000 | Other RM'000 | Inter-segment Elimination RM'000 | Total RM'000 |
| 6 months ended 30 June 2019 | | | | | |
| Segment Revenue | | | | | |
| External | 193,512 | 15,147 | 5,678 | - | 214,337 |
| Inter-segment | 21,220 | (5,389) | 4,156 | (19,987) | - |
| Total revenue | 214,732 | 9,758 | 9,834 | (19,987) | 214,337 |
| Interest income | 667 | 16 | 184 | - | 867 |
| Finance cost | (1,407) | - | (642) | - | (2,049) |
| Net finance expense | (740) | 16 | (458) | - | (1,182) |
| Segment profit/(loss) before taxation | 25,943 | 1,333 | 2,158 | 86 | 29,520 |
| Share of loss of an associate | 106 | - | - | - | 106 |
| Share of profit of a joint venture | - | - | 226 | - | 226 |
| Taxation | (7,344) | - | (988) | 924 | (7,408) |
| Segment profit after taxation | 18,598 | 1,333 | 1,171 | 1,010 | 22,112 |
| Other material non-cash item: | | | | | |
| - Depreciation | 4,583 | 35 | 745 | (133) | 5,230 |
| Additions to non-current assets other than financial instruments and deferred tax assets | 94 | 8 | 11 | - | 113 |
| Segment assets | 979,732 | 545,271 | 511,914 | (597,331) | 1,439,586 |
| Segment liabilities | 785,390 | 407,307 | 129,565 | (390,248) | 932,014 |

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A10. Valuation of Property, Plant and Equipment

There is no valuation of property, plant and equipment performed in the current quarter and financial year-to-date.

A11. Acquisition/Disposal of Property, Plant and Equipment

There was no material acquisition or disposal of property, plant and equipment during the current quarter and financial year-to-date.

A12. Material Subsequent Event

There were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

A13. Changes in the Composition of the Group

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

A14. Capital Commitment

| | As at 30 June 20 RM'000 | As at 31 Dec 19 RM'000 |
|--|--|---------------------------------------|
| Contracted but not provided for: | | |
| - Freehold land held under development | <u>478</u> | <u>688</u> |

A15. Contingent Liabilities

| | As at 30 June 20 RM'000 | As at 31 Dec 19 RM'000 |
|--|--|---------------------------------------|
| Bank guarantees given by financial institutions in respect of construction and property projects | <u>156,401</u> | <u>205,506</u> |

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B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia

B1. Review of Performance

Performance of current quarter against the preceding year corresponding quarter

Group

| | Individual Period (2 nd Quarter) | | Changes (%) | Cumulative Period | | Changes (%) |
|-----------------------|--|--------------------------------------|----------------|----------------------|-------------------------------------|----------------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | | Current Year To-date | Preceding Year Corresponding Period | |
| | 30/6/2020 | 30/6/2019 | | 30/6/2020 | 30/6/2019 | |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Revenue | (53,267) | 127,991 | (141.6) | 23,586 | 214,337 | (89.00) |
| Profit Before Tax | (74,599) | 16,757 | (545.2) | (68,642) | 29,520 | (332.5) |
| Profit After Taxation | (74,046) | 11,102 | (767.0) | (69,924) | 22,112 | (416.2) |

In view of the unprecedented challenges due to the Covid-19 pandemic that caused the Movement Control Order (MCO) and the Conditional Movement Control Order (CMCO) being enforced, the Group has taken necessary steps to reprice its completed inventories, in bid to expedite sales and generate cashflow. We have been successful, as demand for the completed property development inventories have significantly increased, evidenced by the booking rates that we have been able to achieve.

During the current quarter, the Group recorded a negative revenue of RM53.3 million as a result of the recognition of one-off impairments coupled with the almost standstill business activities during the MCO and CMCO period. The contributors to the negative revenue are due to the Liquidated Ascertained Damages (LAD) and budget revision as shown in the table below. Excluding these, the Group would have reported a revenue of RM8.2 million.

| | Individual Period | | Cumulative Period | |
|---------------------------------------|-------------------|---------|-------------------|----------|
| | 2Q20 | 2Q19 | YTD 2Q20 | YTD 2Q19 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Reported Revenue | (53,267) | 127,991 | 23,586 | 214,337 |
| Less impact from: | | | | |
| LAD | (17,011) | - | (17,011) | - |
| Construction projects budget revision | (44,488) | - | (44,488) | - |
| Core Operational Revenue | 8,232 | 127,991 | 85,085 | 214,337 |

As a result of the above, the Group reported a loss before tax of RM74.6 and loss after tax of RM74.0 million during the quarter. The main contributors of the losses are: a) the recognition of RM17.0 million in Liquidated Ascertained Damages (LAD), b) an impairment of completed inventories and c) impairment of construction profits. Excluding the above, the Group would have reported a loss before tax and loss after tax of RM4.9 million and RM5.0 million respectively.

| (Loss)/Profit before tax | Individual Period | | Cumulative Period | |
|-------------------------------------|-------------------|--------|-------------------|----------|
| | 2Q20 | 2Q19 | YTD 2Q20 | YTD 2Q19 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Loss before tax, LAD and impairment | (4,965) | 16,757 | 991 | 29,520 |
| LAD | (17,011) | - | (17,011) | - |
| Impairment on inventories | (19,286) | - | (19,286) | - |
| Impairment on construction project | (33,336) | - | (33,336) | - |
| Reported Loss Before Tax | (74,598) | 16,757 | (68,642) | 29,520 |

B1. Review of Performance (Cont'd)

The Group's balance sheet remains solid, and as at 30 June 2020, the Group has a total gross debt of RM252.1 million with a net gearing ratio of 0.28x, backed by a cash and cash equivalents of RM128.6 million. About 75% of the debt that we have today is project-financing related for the construction division and would be fully-paid towards the completion of the projects. The construction division, by itself, is expected to generate RM1.4 billion until FYE 2024 from future work certifications of its current projects. Additionally, 1% of the total debts carried by the group is related to our rental-generating basecamp facility in Sipitang, which will be fully-paid by October 2020. Additionally, the Group does not foresee for it needing to raise additional financing in the near term, with the exception of operational funding for ongoing projects.

Construction segment:

The construction division reported a negative revenue and loss after tax of RM33.7 million and RM36.1 million in 2Q20 respectively. The negative revenue is as a result of the recognition of project budget revision, leading to reversal of over recognition of revenue, coupled with a near standstill in construction activities during the quarter. Excluding the impairments, the division would have reported a revenue and lower loss after tax of RM10.8 million and RM3.4 million respectively.

The Group recommenced operations in May 2020 after obtaining the necessary approvals from the authorities. Thereafter, we had to take the necessary steps to begin site operations, while abiding to the strict operating procedures (SOP) required by the authorities. The project sites were only able to resume the work in mid of June 20, after adhering to the SOPs which include undertaking Covid-19 swab tests for site workers before resuming work.

Property development segment:

The property development division reported a negative revenue of RM21.0 million in 2Q20 as a result of LAD and impairment on inventories, which contributed to the division reporting a loss after tax of RM38.1 million. As a result of the contraction in economy, the Group has taken the step to reprice its completed inventories – Contours Melawati Heights and Permas Centro, impacting PBT by negative RM19.3 million. Thus far, the repricing of completed inventories has generated strong interest that led to bookings.

B2. Material Changes in the Result for the Current Quarter Compared with the Results for the Preceding Quarter

| | Current Quarter | Immediate Preceding Quarter | Changes (%) |
|-------------------------------|-----------------|-----------------------------|-------------|
| | 30/06/2020 | 31/03/2020 | |
| | RM'000 | RM'000 | |
| Revenue | (53,267) | 76,853 | (169.3) |
| Profit After Taxation ('PAT') | (74,046) | 4,122 | (1,896.5) |

The Group's revenue for the current quarter of negative RM53.3 million is 169.3% lower compared to the immediate preceding quarter of RM76.9 million. The decrease in revenue is due to lower work progress achieved in the current quarter for construction segment which was affected by MCO and the recognition of impairments. The Group's recorded loss after tax of RM74.0 million as compared to the profit after tax of RM4.1 million registered during the preceding quarter. The decrease in PAT is due the abovementioned reasons.

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The Group has a total of RM2.3 billion in future gross revenue to be recognised from its existing businesses that will provide earnings and cashflow visibility up to FYE 2024, on a net debt of RM123.5 million. The MCO and CMCO resulted in a large part of our business operations being halted. Whilst no work could be executed, our future revenue, earnings and cashflow generation are still intact; albeit at a pushed timeline. Presently, the construction and property development divisions' balance cashflow to be received stands at RM1.4 billion and RM0.9 billion respectively.

Armed with a future collection of RM911.0 million, an estimated cost of RM411.8 million and borrowings of RM42.5 million, the property development division is expected to generate RM456.7 million in operating cashflow for the Group. As a result of the contraction in economy, the Group has taken the step to reprice its completed inventories – Contours Melawati Heights and Permas Centro. Thus far, the repricing of completed inventories has generated strong interest that led to bookings.

Despite the 17.1% contraction in the Malaysian economy for the second quarter ended 2020 due to the MCO, the Group's property development division has been receiving encouraging response, with booking rates hitting a record high in throughout July and August 2020. From April 2020 to 27 August 2020, we have signed RM24.6 million worth of SPAs for a total of 52 units; and have received bookings for 267 units worth RM192.7 million.

Going forward, the Group is targeting to speed up the construction progress at its key construction projects after 3 months of non-work activity during the MCO and CMCO period. Whilst we plan to expedite our construction progress, strict precautionary measures are adhered to, to prevent the spread of Covid-19 and ensure the safety and wellbeing of all our staff and subcontractors.

In preparation for the contraction in the economy, we have, since 4Q19 taken the necessary steps to improve our business fundamentals, including the reduction of operating costs and interest expenses. This would enable the Group to ride through the negative headwinds, particularly avoiding any cash crunch via ensuring that cashflow generation and conservation is strategically planned. So far, these measures have allowed for the Group to ride through the economic crises.

Currently, we are on track to reduce our operating expenses by 40% this year. In 1H20, our operating costs have declined by 69% year-on-year.

Barring any unforeseen circumstances, the Group expects earnings in the subsequent quarters of FYE 2020 to improve driven by the increase in site work activities and better property sales of the property development division compared to before the implementation of the MCO.

(a) Construction division

The Group's construction division is armed with an outstanding orderbook of RM1.3 billion, which would enable it to weather through the turbulent economic recession period between 2020-2021, whilst sustaining income up to FYE 2023. Moreover, a bulk of our clients and projects are government-related, eliminating the non-payment risk.

Year to date, we have secured a RM36.7 million construction job from China Communications Construction (ECRL) Sdn Bhd for the construction and completion of subgrade, drainage works and culvert work from Chainage 325+110 to Chainage 331+683 – Section 6 for the East Coast Rail Line mega project. The contract is for a duration of 22 months.

We practice an asset light strategy when it comes to executing our construction projects, which bodes well in the current operating climate as lease rates for major equipment and machineries are competitive.

B3. Prospects (Cont'd)

(a) Construction division (Cont'd)

We will only focus on new projects that would add value based on our current track record and would not place the group in any unnecessary risks. Future jobs have to meet strict operating and financial measures', including being value creating with a healthy generation of cashflows to the Group.

Our strong financial standing and operational efficiency would be able to strategically place us in a good position to secure new projects by the Government, which amongst others include the revival of the mega rail-line projects including the KL-Singapore High Speed Rail and Mass Rapid Transit 3.

(b) Property Development Division

To spur the economy, in July 2020, Bank Negara Malaysia has further reduced the Overnight Policy Rate (OPR) to a historic low rate of 1.75%. The lower OPR has improved the accessibility to financing for purchase of properties. In addition, the Government via the National Economy Recovery Plan (PENJANA) has introduced incentives to revive the real estate market, which include the stamp duty exemption under the Home Ownership Campaign, uplifting of the 70% financing limit for third home loans worth >RM600,000 and the exemption of RPGT upon disposal of residential properties between 1 June 2020 to 31 December 2021.

Currently, a bulk of our developments are within the affordable range, with prices of E'Island Lake Haven starting only from RM268,000 per unit while The Peak, a freehold and commercial titled development, starts from RM520,000 per unit.

The property development division is currently undertaking project Gross Development Values (GDV) of RM1.1 billion that is spread across three projects – E'Island Lake Haven in Puchong, The Peak in Johor Bahru City Centre and Contours in Melawati Heights.

GDV Summary of Ongoing and Completed Projects as at April 2019

| Development | GDV (RM million) | No of Units |
|---------------------|-----------------------------|--------------------|
| E'Island Lake Haven | 501.8 | 1,140 |
| The Peak | 552.5 | 488 |
| Contours* | 37.6 | 8 |
| Total | 1,091.9 | 1,636 |

**completed inventory*

As a result of the contraction in economy, the Group has taken the step to reprice its completed inventories – Contours Melawati Heights and Permas Centro. Thus far, the repricing of completed inventories has generated strong interest that led to bookings.

On 8 July 2020, GBG signed a partnership agreement with Maybank Islamic to offer HouzKey, an inventive home financing solution that allows potential buyers to be given 100% financing with zero down payment and only 3-months of refundable deposit. Buyers will only need to start paying monthly installment upon vacant possession as no progressive payment is required during the construction.

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B3. Prospects (Cont'd)

(b) Property Development Division (Cont'd)

Since the revival of the division and up to 27 August 2020, the property development division has secured sales of RM110.6 million. Additionally, approximately RM192.7 million worth of properties have been booked and are in the process of being converted into sales.

Sales Update as at 27 August 2020 – Signed SPA

| Development | Apr 19 - Mar 20 | | Apr 20 - 27 Aug 20 | | Apr 19 - 27 Aug 20 | |
|---------------------|-----------------|-------------|--------------------|-------------|--------------------|-------------|
| | RM million | No of Units | RM million | No of Units | RM million | No of Units |
| E'Island Lake Haven | 79.8 | 191 | 21.4 | 51 | 101.2 | 242 |
| The Peak | 1.7 | 2 | - | - | 1.7 | 2 |
| Contours* | 4.5 | 1 | 3.2 | 1 | 7.7 | 2 |
| Total | 86.0 | 194 | 24.6 | 52 | 110.6 | 246 |

*completed inventory

Bookings in the Process of Sales Conversion

| Development | Bookings | No of Units |
|---------------------|------------------------|-------------|
| E'Island Lake Haven | RM72.6 million | 170 |
| The Peak | RM100.2 million | 93 |
| Contours* | RM19.9 million | 4 |
| Total | RM192.7 million | 267 |

*completed inventory

The slowdown in the local economy due to domestic and external headwinds will negatively impact the sentiment of the sector. We would not be adversely impacted by the headwinds as the property development division is lowly geared, allowing us to have greater flexibility in terms of timing of sales.

As at 30 June 2020, our unbilled sales stood at RM157.5 million.

(c) Recurring Income

The Petronas Basecamp in Sipitang, is part of the Group's strategy to expand its recurring income base. Currently, we have an agreement with Petronas to provide "base-camp" facilities in Sipitang, Sabah for a tenancy period of 5+5 years, with the first 5-years is set to expire in 1Q21. As at 30 June 2020, 92% of the borrowings of RM40 million that we undertook to build the facility has been paid, and will be fully-paid by October 2020. The Group has formally commenced negotiations with Petronas to extend the agreement for another 5-years until 2026.

B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate in any public document.

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B5. Items included in the Statements of Comprehensive Income include:

| | Current Quarter | | Cumulative Quarter | |
|--|-----------------|------------|--------------------|------------|
| | 3 months ended | | 6 months ended | |
| | 30 June 20 | 30 June 19 | 30 June 20 | 30 June 19 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | 666 | 464 | 1,337 | 867 |
| Other income | 780 | 3,561 | 1,104 | 3,745 |
| Interest expense (excluding interest capitalised) | (876) | (756) | (1,909) | (2,049) |
| Depreciation and amortisation | (1,534) | (2,184) | (3,152) | (5,230) |
| Impairment losses of receivables | - | - | (123) | - |
| Impairment losses of inventories | - | - | - | - |
| Provision for and write off of inventories | * | * | * | * |
| Property, plant and equipment written off | (1) | (23) | (4) | (23) |
| Gain/(loss) on disposal of property, plant and equipment | 80 | - | 80 | - |
| Exceptional items | * | * | * | * |

* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

B6. Taxation

| | Current Quarter | | Cumulative Quarter | |
|-------------------|-----------------|------------|--------------------|------------|
| | 3 months ended | | 6 months ended | |
| | 30 June 20 | 30 June 19 | 30 June 20 | 30 June 19 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current taxation | | | | |
| - Current year | (537) | 5,552 | 1,182 | 7,378 |
| - Previous year | - | 118 | - | 45 |
| | (537) | 5,671 | 1,182 | 7,424 |
| Deferred taxation | | | | |
| - Current year | (16) | (16) | 100 | (16) |
| - Prior years | - | - | - | - |
| | (16) | (16) | 100 | (16) |
| | (553) | 5,655 | 1,282 | 7,408 |

The Group effective tax rate for the cumulative quarter is higher than the statutory rate mainly due to certain expenses not deductible for tax purposes.

B7. Status of Corporate Proposals Announced

There are no corporate proposals announced by the Company but not completed as at 21 August 2020, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

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B8. Group Borrowings and Debt Securities

| | As at 30 June 2020 | | |
|--------------------|---------------------|----------------------|-------------------------------|
| | Long term RM'000 | Short term RM'000 | Total borrowings RM'000 |
| Secured | | | |
| - Term loan | 16,751 | 19,186 | 35,937 |
| - Revolving credit | - | 2,000 | 2,000 |
| - Bank overdrafts | - | 209,800 | 209,800 |
| | <u>16,751</u> | <u>230,986</u> | <u>247,737</u> |
| | | | |
| | As at 30 June 2019 | | |
| | Long term RM'000 | Short term RM'000 | Total borrowings RM'000 |
| Secured | | | |
| - Term loan | 27,574 | 10,760 | 38,334 |
| - Hire purchase | 2,972 | 1,513 | 4,485 |
| - Revolving credit | - | 2,000 | 2,000 |
| - Bank overdrafts | - | 173,975 | 173,975 |
| | <u>30,546</u> | <u>188,248</u> | <u>218,794</u> |

B9. Dividend

No dividend has been proposed by the Board of Directors for the current quarter ended 30 June 2020.

B10. Status of Memorandum of Understanding announced

Reference is made to the announcements dated 20 July 2017, 19 October 2017, 16 January 2018, 13 April 2018, 28 May 2018, 28 August 2018, 28 November 2018, 31 December 2018, 29 March 2019, 28 June 2019, 1 July 2019, 30 September 2019, 31 December 2019 and 31 March 2020 made by the Company pertaining to the MOU between the Company and Tera Capital.

World Health Organization (WHO) has declared COVID-19 Public Health Emergency of International Concern on 30 January 2020 and was declared a pandemic on 11 March 2020. Prime Minister Tan Sri Muhyiddin bin Haji Muhammad Yassin has announced the Movement Control Order (MCO) that has taken effect from 18 March 2020 to 3 May 2020. Subsequently, Conditional Movement Control Order (CMCO) was imposed from 4 May 2020 until 9 June 2020. Malaysia is now under Recovery Movement Control Order (RMCO) since 10 June 2020 until 31 August 2020.

Due to this pandemic, the Company and Tera Capital has agreed to extend the MOU until 31 December 2020 while monitoring the progress of the pandemic from various countries. Both the Company and Tera Capital are committed on the project and will speed up the progress of the project once business is resumed back to normal.

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B11. Earnings Per Share

(a) Basic

The basic earnings per share are calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

| | Current Quarter 3 months ended | | Cumulative Quarter 6 months ended | |
|---|-----------------------------------|----------------------|--------------------------------------|----------------------|
| | 30 June 20 RM'000 | 30 June 19 RM'000 | 30 June 20 RM'000 | 30 June 19 RM'000 |
| Profit attributable to equity holders of the Company (RM'000) | (74,163) | 10,541 | (70,242) | 21,797 |
| Number of shares at the beginning of the year ('000) | 493,429 | 477,579 | 493,429 | 477,579 |
| Share resale | - | 4,680 | - | 4,680 |
| Dividend issue by shares | - | 7,679 | - | 7,679 |
| Weighted average number of ordinary shares ('000) | 493,429 | 489,939 | 493,429 | 489,939 |
| Basic earnings per share (sen) | (15.03) | 2.15 | (14.24) | 4.45 |

(b) Diluted

Diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment for the effects of dilutive potential ordinary shares, calculated as follows:

| | Current Quarter 3 months ended | | Cumulative Quarter 6 months ended | |
|---|-----------------------------------|----------------------|--------------------------------------|----------------------|
| | 30 June 20 RM'000 | 30 June 19 RM'000 | 30 June 20 RM'000 | 30 June 19 RM'000 |
| Profit attributable to equity holders of the Company (RM'000) | (74,163) | 10,541 | (70,242) | 21,797 |
| No of ordinary shares for basic earnings per share computation | 493,429 | 489,939 | 493,429 | 489,939 |
| Effect of dilution - on assumption that remaining warrants are exercised | 119,395 | 119,395 | 119,395 | 119,395 |
| Weighted average number of ordinary shares ('000) | 612,824 | 609,334 | 612,824 | 609,334 |
| Diluted earnings per share (sen) | (12.10) | 1.73 | (11.46) | 3.58 |

B12. Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors.