

INTERIM FINANCIAL REPORT

THIRD QUARTER
ENDED 31ST MARCH 2020

RIVERA CITY
- KL SENTRAL -



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (UNAUDITED)⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2020 TO 31.03.2020 RM'000	01.01.2019 TO 31.03.2019 Restated RM'000	01.07.2019 TO 31.03.2020 RM'000	01.07.2018 TO 31.03.2019 Restated RM'000
Revenue	55,815	121,329	143,938	267,680
Costs of sales	(37,267)	(94,607)	(96,180)	(192,501)
Gross Profit	18,548	26,722	47,758	75,179
Other Income	826	230	3,456	3,543
Selling and distribution expenses	(1,496)	(1,512)	(3,574)	(3,902)
Administrative expenses	(6,312)	(7,260)	(17,972)	(18,512)
Other expenses	(2,947)	(2,925)	(8,269)	(7,547)
Operating Profit	8,619	15,255	21,399	48,761
Finance income	462	588	3,095	3,746
Finance costs	(2,491)	(1,876)	(5,610)	(6,456)
Share of results of associates, net of tax	-	(1)	(1)	(2)
Profit before taxation	6,590	13,966	18,883	46,049
Income tax expense	(3,977)	(4,017)	(8,634)	(13,247)
Net profit for the period	2,613	9,949	10,249	32,802
Other comprehensive income for the financial period	-	-	-	-
Total comprehensive income for the financial period	2,613	9,949	10,249	32,802
Profit attributable to:				
- Owners of the Company	2,053	9,557	7,116	30,556
- Non-controlling interests	560	392	3,133	2,246
	2,613	9,949	10,249	32,802
Earnings per share (sen) attributable to owners of the Company				
- Basic ⁽²⁾	0.16	0.71	0.56	2.32
- Diluted ⁽³⁾	0.15	0.67	0.53	2.17

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to these interim financial statements.

(2) Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (a)).

(3) Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (b)).

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020
(UNAUDITED) ⁽¹⁾**

	UNAUDITED	AUDITED
	As At	As At
	31.03.2020	30.06.2019
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	11,025	11,584
Inventories - Land held for property development	820,275	769,819
Investment in an associate	448	449
Investment properties	180,510	170,590
Goodwill on consolidation	2,063	2,063
Deferred tax assets	2,555	844
Total non-current assets	1,016,876	955,349
Current assets		
Inventories - Property development costs	541,633	501,422
Inventories - Completed properties	179,549	202,122
Trade and other receivables	464,300	469,019
Contract assets	1,647	219
Contract costs	12,515	10,877
Current tax assets	15,777	12,021
Cash and short-term deposits	181,426	137,494
Total current assets	1,396,847	1,333,174
TOTAL ASSETS	2,413,723	2,288,523

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020
(UNAUDITED) (CONTINUED) ⁽¹⁾**

	UNAUDITED As At 31.03.2020 RM'000	AUDITED As At 30.06.2019 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	781,161	773,239
ICPS	63,443	71,365
Redeemable preference shares	141	141
Reserve arising from reverse acquisition	(47,426)	(47,426)
Treasury Shares	(25,291)	(22,230)
Retained earnings	382,394	389,510
Equity attributable to equity holders of the Company	1,154,422	1,164,599
Non-controlling interest	6,811	5,263
Total equity	1,161,233	1,169,862
Non-current liabilities		
Loans and borrowings	308,010	358,877
Deferred tax liabilities	31,322	31,430
Total non-current liabilities	339,332	390,307
Current liabilities		
Trade and other payables	611,918	547,833
Contract liabilities	156,705	50,481
Loans and borrowings	139,258	116,621
Current tax payables	5,277	13,419
Total current liabilities	913,158	728,354
Total liabilities	1,252,490	1,118,661
TOTAL EQUITY AND LIABILITIES	2,413,723	2,288,523
Net assets per share attributable to owners of the Company (RM)	0.86 ⁽¹⁾	0.86

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to these interim financial statements.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (UNAUDITED) ⁽¹⁾

	Share Capital RM'000	Treasury Shares RM'000	Redeemable Preference Shares RM'000	Irredeemable Convertible Preference Shares RM'000	Reserve arising from Reverse Acquisition RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
Group									
Balance at 30 June 2018	773,239	(134)	235	71,365	(47,426)	449,262	1,246,541	2,968	1,249,509
Purchase of treasury shares	-	(22,096)	-	-	-	-	(22,096)	-	(22,096)
Dividend paid	-	-	-	-	-	(8,980)	(8,980)	-	(8,980)
Redemption of RPS of a subsidiary	-	-	(94)	-	-	(83,906)	(84,000)	-	(84,000)
Changes in ownership interests in subsidiaries	-	-	-	-	-	(182)	(182)	(718)	(900)
Total comprehensive income for the financial year	-	-	-	-	-	33,316	33,316	3,013	36,329
Balance at 30 June 2019	773,239	(22,230)	141	71,365	(47,426)	389,510	1,164,599	5,263	1,169,862
Conversion of ICPS	7,922	-	-	(7,922)	-	-	-	-	-
Purchase of treasury shares	-	(3,061)	-	-	-	-	(3,061)	-	(3,061)
Dividend paid	-	-	-	-	-	(14,232)	(14,232)	-	(14,232)
NCI shares of purchase of subsidiary	-	-	-	-	-	-	-	(1,585)	(1,585)
Total comprehensive income for the financial period	-	-	-	-	-	7,116	7,116	3,133	10,249
Balance at 31 March 2020	781,161	(25,291)	141	63,443	(47,426)	382,394	1,154,422	6,811	1,161,233

Notes:

- (1) The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 31 MARCH 2020 (UNAUDITED) (1)

	01.07.2019 TO 31.03.2020 RM'000	01.07.2018 TO 31.03.2019 Restated RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	18,883	46,049
Adjustments for:		
Non cash item	3,745	6,136
Operating Profit Before Working Capital Changes	<u>22,628</u>	<u>52,185</u>
Net changes in working capital		
Inventories - property development costs	(44,406)	127,596
Inventories - completed properties	22,573	(116,612)
Receivables	107,877	58,726
Payables	33,295	24,081
Net Cash Generated from Operations	<u>141,967</u>	<u>145,976</u>
Interest paid	(5,610)	(6,456)
Interest received	3,095	3,746
Tax paid	(22,350)	(29,339)
Net Operating Cash Flows	<u>117,102</u>	<u>113,927</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(114)	(188)
Investment properties costs incurred	(10,487)	(3,595)
Other investment	-	6
Land held for property development costs incurred	(47,846)	(14,898)
Acquisition of a subsidiary	-	(900)
Net Investing Cash Flows	<u>(58,447)</u>	<u>(19,575)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(14,232)	(8,980)
Payment for treasury shares	(3,061)	(13,591)
Changes in hire purchase payables	(190)	(243)
Changes in bank borrowings	(78,039)	(62,343)
Proceed for issuance of Class A shares	39,400	-
Capital reduction of Class A shares	(8,600)	-
Withdrawn of fixed deposits	1,507	18,146
Net Financing Cash Flows	<u>(63,215)</u>	<u>(67,011)</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD ENDED 31 MARCH 2020 (UNAUDITED) (CONTINUED) ⁽¹⁾

	01.07.2019 TO 31.03.2020 RM'000	01.07.2018 TO 31.03.2019 Restated RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,560)	27,341
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	70,539	134,421
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>65,979</u>	<u>161,762</u>
Cash and cash equivalents at end of financial period comprises:		
Cash and bank balances	159,859	195,332
Fixed deposit placed with licensed banks	21,567	32,610
Islamic commercial paper	(100,000)	(50,000)
	<u>81,426</u>	<u>177,942</u>
Less: Fixed deposit pledged to licensed banks	(15,447)	(16,180)
	<u>65,979</u>	<u>161,762</u>

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2019 and the accompanying explanatory notes attached to these interim financial statements*

A EXPLANATORY NOTES

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board, and paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2019 and the explanatory notes attached therein.

These explanatory notes attached to these 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 financial year ended 30 June 2019.

A2. Accounting Policies

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted in the financial statements for the financial year ended 30 June 2019. As a result of early adoption of MFRS 123 *Borrowing Costs*, the following comparatives in the interim financial report have been restated and disclosed as below:

Consolidated Statement of Comprehensive Income

3 months ended 31 March 2019

	As previously announced RM'000	Effects of Adoption of MFRS 123 RM'000	31-Mar-19 Restated RM'000
Revenue	117,569	3,760	121,329
Costs of sales	(89,435)	(5,172)	(94,607)
Gross profit	28,134	(1,412)	26,722
Other income	230	-	230
Selling and distribution expenses	(1,512)	-	(1,512)
Administrative expenses	(7,260)	-	(7,260)
Other expenses	(2,925)	-	(2,925)
Operating Profit	16,667	(1,412)	15,255
Finance income	588	-	588
Finance costs	(1,622)	(254)	(1,876)
Share of result of associates, net of tax	(1)	-	(1)
Profit before taxation	15,632	(1,666)	13,966
Income tax expense	(4,417)	400	(4,017)
Net profit for the period	11,215	(1,266)	9,949
Other comprehensive income	-	-	-
Total comprehensive income for the financial period	11,215	(1,266)	9,949
Profit attributable to:			
- Owners of the parent	10,823	(1,266)	9,557
- Non-controlling interests	392	-	392
	11,215	(1,266)	9,949

A EXPLANATORY NOTES (CONTINUED)

A2. Accounting Policies (Continued)

Consolidated Statement of Comprehensive Income

9 months ended 31 March 2019

	As previously announced RM'000	Effects of Adoption of MFRS 123 RM'000	31-Mar-19 As Restated RM'000
Revenue	267,756	(76)	267,680
Costs of sales	(191,739)	(762)	(192,501)
Gross profit	76,017	(838)	75,179
Other income	3,543	-	3,543
Selling and distribution expenses	(3,902)	-	(3,902)
Administrative expenses	(18,512)	-	(18,512)
Other expenses	(7,547)	-	(7,547)
Operating Profit	49,599	(838)	48,761
Finance income	3,746	-	3,746
Finance costs	(4,408)	(2,048)	(6,456)
Share of result of assoictaes, net of tax	(2)	-	(2)
Profit before taxation	48,935	(2,886)	46,049
Income tax expense	(13,940)	693	(13,247)
Net profit for the period	34,995	(2,193)	32,802
Other comprehensive income	-	-	-
Total comprehensive income for the fiannical period	34,995	(2,193)	32,802
Profit attributable to:			
- Owners of the parent	32,887	(2,356)	30,531
- Non-controlling interests	2,108	163	2,271
	34,995	(2,193)	32,802

A EXPLANATORY NOTES (CONTINUED)

A2. Accounting Policies (Continued)

Consolidated Statement of Cash Flows

For financial period ended 31 March 2019

	As previously reported RM'000	Effects of Adoption of MFRS 123 RM'000	31-Mar-19 Restated RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	48,935	(2,886)	46,049
Adjustment for:			
Non cash item	4,088	2,048	6,136
Operating Profit before Working Capital Changes	53,023	(838)	52,185
Net changes in current assets			
Inventories - property development costs	124,786	2,810	127,596
Inventories - completed properties	(116,612)	-	(116,612)
Receivables	58,650	76	58,726
Payables	24,081	-	24,081
Net Cash Generated from Operation	143,928	2,048	145,976
Interest paid	(4,408)	(2,048)	(6,456)
Interest received	3,746	-	3,746
Tax paid	(29,339)	-	(29,339)
Net Operating Cash Flows	113,927	-	113,927
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(188)	-	(188)
Other investment	6	-	6
Investment properties costs incurred	(3,595)	-	(3,595)
Land held for property development	(14,898)	-	(14,898)
Acquisition of a subsidiary	(900)	-	(900)
Net Investing Cash Flows	(19,575)	-	(19,575)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid	(8,980)	-	(8,980)
Proceed from treasury shares	(13,591)	-	(13,591)
Changes in hire purchase payables	(243)	-	(243)
Changes in bank borrowing	(62,343)	-	(62,343)
Withdrawn of fixed deposits	18,146	-	18,146
Net Financing Cash Flows	(67,011)	-	(67,011)
Net Change In Cash and Cash Equivalents	27,341	-	27,341
Cash and Cash Equivalents At The			
Beginning of the Financial Period	134,421	-	134,421
Cash and Cash Equivalents At The			
End of the Financial Period	161,762	-	161,762

A EXPLANATORY NOTES (CONTINUED)**A3. Auditors' Report on Preceding Annual Financial Statements**

There was no audit qualification reported in the Auditors' Report on the financial statements for the financial year ended 30 June 2019.

A4. Seasonality or Cyclicity of Operations

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no significant items affecting the assets, liabilities, equity, net income or cash flows for the current financial period to-date.

A6. Changes in Estimates

There were no changes in the estimates that have had a material effect in the current quarter and current financial period to-date results.

A7. Debt and Equity Securities

Save for the following, there was no issuance, cancellation, share buyback, resale or repayment of debt and equity securities during the current financial period under review.

Repurchase of shares

During the quarter under review, the Company has repurchased 233,600 of its ordinary shares from the open market price at average RM 0.268 per shares.

As at 31 March 2020, the Company held a total of 83,572,100 or RM 25,290,710 treasury shares at average price of RM 0.303 per share.

A8. Dividend Paid

On 24 March 2020, Epoch Property Sdn. Bhd., a wholly owned subsidiary of the Company has paid a single tier final dividend of 2.41 sen per Class A ordinary shares amounting to RM 9,257,455 in respect of the financial year ended 30 June 2020.

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the previous audited financial statements.

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

There was no material events subsequent to the end of the financial period reported that have not been reflected in the financial statement.

A11. Changes in Composition of the Group

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

A EXPLANATORY NOTES (CONTINUED)**A12. Changes in Contingent Liabilities and Contingent Assets****Contingent Liabilities**

	As At 31.03.2020 RM'000	As At 30.06.2019 RM'000
Corporate guarantees for credit facilities granted to subsidiaries	<u>377,984</u>	<u>393,043</u>

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 31 March 2020.

A13. Significant Related Party Transactions

There was no significant related party transaction in the current quarter under review.

A14. Segmental Information

The segmental analysis for the financial year ended 31 March 2020 was as follows.

Analysis by Operating Divisions:-

	Property Development RM'000	Investment Holding & Others RM'000	Total RM'000
Segment profit	<u>42,564</u>	<u>(1,153)</u>	<u>41,411</u>
Included in the measure of segment profit are:-			
Revenue from external customers	143,364	574	143,938
Inter-segment revenue	34,297	18,519	52,816
Interest income	2,363	732	3,095
Interest expense	(1,500)	(4,110)	(5,610)
Depreciation	(151)	(1,088)	(1,239)
Not included on the measure of segment profit but provided to the Management :-			
Tax (expense)/credit	<u>(9,132)</u>	<u>498</u>	<u>(8,634)</u>
Segment assets	<u>2,613,565</u>	<u>1,581,327</u>	<u>4,194,892</u>
Segment liabilities	<u>2,074,489</u>	<u>650,878</u>	<u>2,725,367</u>

A EXPLANATORY NOTES (CONTINUED)**A14. Segmental Information (continued)**

Reconciliation of reportable segment revenues, profit and loss, assets and other material items.

	Total RM'000
Total revenue for reportable segments	196,754
Elimination of inter-segment revenue	<u>(52,816)</u>
Consolidated total	<u>143,938</u>
Total profit or loss for reportable segment	41,411
Elimination of inter-segment profits	<u>(22,528)</u>
Consolidated profit before tax	<u>18,883</u>
Total reportable segments assets	4,194,892
Elimination of inter-segment transactions or balances	<u>(1,781,169)</u>
Consolidated total	<u>2,413,723</u>
Total reportable segments liabilities	2,725,367
Elimination of inter-segment transactions or balances	<u>(1,508,277)</u>
Consolidated total	<u>1,252,490</u>

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group Performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2020 TO 31.03.2020	01.01.2019 TO 31.03.2019 Restated	01.07.2019 TO 31.03.2020	01.07.2018 TO 31.03.2019 Restated
	RM'000	RM'000	RM'000	RM'000
Revenue				
Property Development	55,623	121,138	143,364	267,044
Other Operations	192	191	574	636
	55,815	121,329	143,938	267,680
Profit / (Loss) before tax				
Property Development	14,351	20,773	37,210	64,369
Other Operations	(7,761)	(6,807)	(18,327)	(18,320)
	6,590	13,966	18,883	46,049

Performance of the third quarter against the same quarter in the preceding year (Q3 FY2020 vs Q3 FY2019)

(a) Property Development

The Group's revenue of RM 55.62 million for the current quarter was lower by 54.08% or RM 65.52 million as compared to the revenue of RM 121.14 million registered in the previous year's corresponding quarter. Revenue was attributable to the property developments at H2O and Mizu @ Ara Damansara near completion during previous financial period. Whereas lower revenue for current period mainly contributed by current property developments still in progress that are, projects Neu Suites @3rdNvenue, The Shore @ Kota Kinabalu and The Riv @ Riveria City.

As a result of decrease in revenue which contributed to the lower profit before tax by RM 6.42 million for the current quarter as compared to the previous year's corresponding quarter.

(b) Other Operations

Revenue from Other Operations mainly contributed by rental business. Losses before tax were resulted mainly of the operating expenses and staff costs.

Performance of the third quarter cumulative period against the same period in the preceding year (Q3 YTD FY2020 vs Q3 YTD FY2019)

(a) Property Development

The Group's revenue in the current year to-date of RM 143.36 million is 46.31% lower than the corresponding period in the preceding year. The decline in revenue was partially affected by lower sales in the past years and absence of one-time compensation income from compulsory land acquisition during the previous financial period. Revenue for current financial period mainly contributed by property developments progress recognition from project Neu Suites @3rdNvenue, The Shore @ Kota Kinabalu and The Riv @ Riveria City. The sale of completed project from Roseville has also contributed to current year's revenue.

In line with the decrease in revenue, the Group current year to-date profit before tax has decreased by RM 27.16 million.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)**B1. Review of Group Performance (continued)****Performance of the third quarter cumulative period against the same period in the preceding year (Q3 YTD FY2020 vs Q3 YTD FY2019) (continued)****(b) Other Operation**

Revenue from Other Operation mainly resulted from rental collection. The decreases in losses before tax were resulted from the operating expenses and staff costs and finance expense on banking facilities utilised for working capital.

B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

	INDIVIDUAL QUARTER		CHANGES RM'000
	01.01.2020 TO 31.03.2020 RM'000	01.10.2019 TO 31.12.2019 RM'000	
Revenue	55,815	42,062	13,753
Gross Profit	18,548	14,682	3,866
Profit before interest and tax	8,619	4,984	3,635
Profit before tax	6,590	6,239	351
Profit after tax	2,613	3,582	(969)
Profit attributable to owners of the Company	2,053	2,141	(88)

The increase in revenue totaling RM 13.75 million was mainly attributed by the sales of completed units at Roseville @ Klang and Embun & Emery during the current financial period. This contributed higher revenue and resulted profit before tax is higher by RM 0.35 million as compare to preceding quarter. Profit after tax is lower by RM 0.97 million as result of under provision of taxation for the previous financial year.

B3. Prospects and progress on previously announced financial estimate**(a) Prospects**

The outbreak of COVID-19 pandemic has severely disrupted and continues to disrupt the majority of the economy and social activities due to the unprecedented implementation of the Movement Control Order (“MCO”) by our government. Even with the recent announcements by our government on relaxing the MCO by slowly allowing more businesses to open up, our national economy will not be anticipated to recover to pre-COVID-19 pandemic environment in a short period, but rather is expected to worsen and will be prolonged. With the unforeseen COVID-19 pandemic, the property industry is expected to face with a tighter environment as compared to the past few years.

Moving forward, other than concentrating on selling the completed inventories, the Group will remain prudent with very few new launches and by refocusing in developing affordable properties. Moreover, the Group will also focus on promoting the marketing initiatives Rent-To-Own (“RTO”) that is, HouzKey – by Maybank’s campaign to attract potential house buyers.

With the above proposed strategies, the Group will sustain with the current market challenges and conditions.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)**B3. Prospects and progress on previously announced financial estimate (continued)****(b) Progress and steps to achieve financial estimate, forecast, projection and internal targets previously announced**

There was no financial forecast previously announced by the Group.

B4. Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced

Not applicable.

B5. Financial estimate, forecast or projection

No profit forecast has been issued by the Group previously in any public document.

B6. Dividend

The Board of Directors does not recommend any interim dividend for the 9 month financial period ended 31 March 2020.

B7. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

The profit before tax has been arrived at after charging / (crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2020 TO 31.03.2020	01.01.2019 TO 31.03.2019 Restated	01.07.2019 TO 31.03.2020	01.07.2018 TO 31.03.2019 Restated
	RM'000	RM'000	RM'000	RM'000
After charging:				
Auditor's remuneration	-	-	-	-
Depreciation of property, plant and equipment	217	244	672	725
Depreciation of investment properties	189	189	567	567
Directors' remuneration	494	388	1,389	1,226
Interest expenses	2,491	1,876	5,610	6,456
Short term and low value asset leases	73	24	208	305
Staff costs	3,410	4,188	9,196	10,128
After crediting:				
Bank interest income	(93)	(133)	(312)	(1,493)
Fixed deposit interest income	(339)	(217)	(2,579)	(1,592)
Other interest income	(30)	(238)	(204)	(661)
Liquidated ascertained and damages income	(10)	94	(10)	-
Rental income	(1,018)	(1,088)	(3,287)	(5,686)

There is no exception item for the current financial quarter under review.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)**B8. Income tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2020 TO 31.03.2020	01.01.2019 TO 31.03.2019 Restated	01.07.2019 TO 31.03.2020	01.07.2018 TO 31.03.2019 Restated
	RM'000	RM'000	RM'000	RM'000
Current tax expense	3,775	3,807	10,452	13,207
Deferred taxation	202	210	(1,818)	40
	3,977	4,017	8,634	13,247

The Group's effective tax rate for the current financial period is higher than the statutory tax rate of 24% by the Inland Revenue Board mainly due to certain expenses are not tax deductible and deferred tax assets not recognised in certain subsidiaries.

B9. Status of Corporate Proposal

There were no material transaction or events subsequent to the current quarter ended 31 March 2020 until 15 May 2020 (the latest practicable date which is not earlier than 7 calendar days from the date of issue of this quarterly report).

B10. Group Loans and Borrowings and Debt Securities

The Group's total loans and borrowings and debt securities as were as follows:-

	31.03.2020 RM'000	30.06.2019 RM'000
Non-current:		
Bank borrowings	307,169	357,856
Finance lease liabilities	841	1,021
	<u>308,010</u>	<u>358,877</u>
Current:		
Bank borrowings	139,017	116,369
Finance lease liabilities	241	252
	<u>139,258</u>	<u>116,621</u>
Total loans and borrowings	<u>447,268</u>	<u>475,498</u>

All borrowings were denominated in Ringgit Malaysia.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)

B11. Earnings per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2020 TO 31.03.2020	01.01.2019 TO 31.03.2019 Restated	01.07.2019 TO 31.03.2020	01.07.2018 TO 31.03.2019 Restated
Profit attributable to owners of the company (RM'000)	2,053	9,557	7,116	30,556
Weighted average number of ordinary shares in issue ('000)	1,266,917	1,343,718	1,264,288	1,319,433
Basic earnings per share (sen)	0.16	0.71	0.56	2.32

(b) Diluted Earnings Per Share

Dilutive earnings per share of current quarter have been calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of shares that would have been issued upon full conversion of the remaining Irredeemable Convertible Preference Shares ("ICPS") on the basis of one (1) ordinary share for every ten (10) ICPS held.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	01.01.2020 TO 31.03.2020	01.01.2019 TO 31.03.2019 Restated	01.07.2019 TO 31.03.2020	01.07.2018 TO 31.03.2019 Restated
Profit attributable to owners of the Company (RM'000)	2,053	9,557	7,116	30,556
Weighted average number of ordinary shares in issue ('000)	1,266,917	1,343,718	1,264,288	1,319,433
Effect of dilution: Irredeemable Convertible Preference Shares ('000)	86,503	86,503	86,503	86,503
Adjusted weighted average number of ordinary shares ('000)	1,353,420	1,430,221	1,350,791	1,405,936
Dilluted earnings per share (sen)	0.15	0.67	0.53	2.17

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