



QUARTERLY REPORT – First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 31 March 2020

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended 31 March		3 months ended 31 March	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<i>In thousands of RM</i>				
Continuing operations				
Revenue from contracts with customers	112,396	146,719	112,396	146,719
Cost of contracts with customers	(99,554)	(124,944)	(99,554)	(124,944)
Gross profit	12,842	21,775	12,842	21,775
Other income	96	89	96	89
Administrative expenses	(4,190)	(4,024)	(4,190)	(4,024)
Results from operating activities	8,748	17,840	8,748	17,840
Finance income	1,378	917	1,378	917
Finance costs	-	-	-	-
Net finance income	1,378	917	1,378	917
Profit before tax	10,126	18,757	10,126	18,757
Tax expense	(2,552)	(4,644)	(2,552)	(4,644)
Profit for the quarter/period	7,574	14,113	7,574	14,113
Other comprehensive income, net of tax	-	-	-	-
Profit and total comprehensive income for the quarter/period	7,574	14,113	7,574	14,113
Profit and total comprehensive income attributable to:				
Owners of the Company	7,553	14,088	7,553	14,088
Non-controlling Interest	21	25	21	25
Profit and total comprehensive income for the quarter/period	7,574	14,113	7,574	14,113
Earnings per share from continuing operations				
Basic/Diluted earnings per ordinary share (sen)	1.37	2.56	1.37	2.56

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019



QUARTERLY REPORT – First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

In thousands of RM

	31 March 2020 RM'000	31 December 2019 RM'000
ASSETS		
Property, plant and equipment	214,748	216,397
Investment properties	59,976	58,883
Inventories	169,761	182,266
Deferred tax assets	1,006	1,042
Total non-current assets	445,491	458,588
Inventories	170,378	160,172
Trade and other receivables	186,516	183,193
Contract assets	108,401	127,926
Deposits and prepayments	27,836	24,961
Other investments	43,355	27,993
Cash and cash equivalents	150,812	140,921
Total current assets	687,298	665,166
TOTAL ASSETS	1,132,789	1,123,754
EQUITY		
Share capital	118,700	118,700
Retained earnings	744,662	737,109
Treasury shares	(37,859)	(37,859)
Total equity attributable to owners of the Company	825,503	817,950
Non-controlling interest	3,304	3,284
TOTAL EQUITY	828,807	821,234
LIABILITIES		
Loans and borrowings	42,545	45,967
Deferred tax liabilities	16,310	16,335
Total non-current liabilities	58,855	62,302
Loans and borrowings	13,687	13,687
Trade and other payables	92,263	94,063
Contract liabilities	137,486	129,113
Current tax payable	1,691	3,355
Total current liabilities	245,127	240,218
TOTAL LIABILITIES	303,982	302,520
TOTAL EQUITY AND LIABILITIES	1,132,789	1,123,754
Net Assets Per Share Attributable to Ordinary Equity Owners (RM)	1.50	1.49

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019



QUARTERLY REPORT – First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the period ended 31 March 2020

<i>In thousands of RM</i>	Period ended 31 March	
	2020 RM'000	2019 RM'000
Cash flows from operating activities		
Profit before taxation from continuing operations	10,126	18,757
<i>Adjustments for:-</i>		
Non-cash items	3,412	4,968
Non-operating items	(1,056)	(932)
Operating profit before changes in working capital	12,482	22,793
Change in inventories	2,294	3,963
Change in trade and other receivables, deposits and prepayments	43,655	181,784
Change in trade and other payables	(51,727)	(111,760)
Change in contract assets	19,397	(53,817)
Change in contract liabilities	8,501	(19,407)
Cash generated from/(used in) operations	34,602	23,556
Interest received	1,456	733
Interest paid	(322)	(982)
Income tax paid	(4,205)	(4,713)
Income tax refunded	-	3,845
Net cash generated from/(used in) operating activities	31,531	22,439
Cash flows from investing activities		
Acquisition of property, plant & equipment	(1,659)	(8,946)
Acquisition of investment properties	(1,196)	(2,874)
Proceeds from disposal of property, plant & equipment	-	33
Net movements of deposits with original maturities exceeding three months	(15,363)	(17,362)
Net cash used in investing activities	(18,218)	(29,149)
Cash flows from financing activities		
Dividends paid to owners of the Company	-	-
Net movements on loans and borrowings	(3,422)	(912)
Net cash (used in)/generated from financing activities	(3,422)	(912)
Net (decrease)/increase in cash and cash equivalents	9,891	(7,622)
Cash and cash equivalents at 1 January 2020 / 1 January 2019	140,921	143,869
Cash and cash equivalents at 31 March 2020 / 31 March 2019	150,812	136,247

Cash and cash equivalents

Cash and cash equivalents included in the condensed consolidated statements of cash flows comprise the following amounts in condensed consolidated statements of financial position:

<i>In thousands of RM</i>	Period ended 31 March	
	2020 RM'000	2019 RM'000
Cash and bank balances	51,342	53,277
Deposits placed with licensed banks	142,825	110,963
Total	194,167	164,240
Fixed deposits with original maturities exceeding three months	(43,355)	(27,993)
	150,812	136,247

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019



QUARTERLY REPORT – First Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 31 March 2020

	----- Attributable to owners of the Company -----				NON- CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
<i>In thousands of RM</i>						
Period ended 31 March 2020						
At 1 January 2020	118,700	(37,859)	737,109	817,950	3,283	821,233
Profit and total comprehensive income for the period	-	-	7,553	7,553	21	7,574
Treasury shares, at cost	-	-	-	-	-	-
At 31 March 2020	118,700	(37,859)	744,662	825,503	3,304	828,807
Period ended 31 March 2019						
At 1 January 2019	118,700	(37,859)	695,096	775,937	3,207	779,144
Profit and total comprehensive income for the period	-	-	14,088	14,088	25	14,113
Treasury shares, at cost	-	-	-	-	-	-
At 31 March 2019	118,700	(37,859)	709,184	790,025	3,232	793,257

The notes set out on pages 5 to 10 form an integral part of, and should be read in conjunction with this interim financial report and the Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019



QUARTERLY REPORT – First Quarter Ended 31 March 2020

NOTES TO THE INTERIM FINANCIAL REPORT

For the quarter ended 31 March 2020

1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting issued by Malaysian Accounting Standard Board. They do not include all the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2019.

2. Significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies applied in the 2019 financial statements except for the adoption of the amendments to MFRSs that are applicable to the Group for the financial period beginning 1 January 2020. The adoption of these amendments to MFRSs does not have any material impact on the financial statements of the Group.

3. Seasonality and Cyclicity of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors except that the level of construction activities in the first quarter of the year and during rainy season is generally lower. However, the Group's business activities are affected by the Covid-19 pandemic and the Movement Control Order which took effect from 18 March 2020.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial period to date except that the Group's business activities are affected by the Covid-19 pandemic and the Movement Control Order which took effect from 18 March 2020.

5. Changes in estimates

There were no changes in estimates reported in prior financial years that have a material effect in the current interim period.

6. Debt and Equity Securities etc

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

Share Buy Back

During the current quarter under review, the Company did not buy back any shares.

As at 31 March 2020, the number of treasury shares held were 33,158,781 shares at a total cost of RM37,858,954 and all the repurchase transactions were financed by internally generated funds. None of the shares purchased back was resold or cancelled during the quarter under review.



QUARTERLY REPORT – First Quarter Ended 31 March 2020

7. Operating Segment

The Group has two reportable segments, as described below, which are the Group's strategic units.

Construction : Marine and civil engineering works and construction
 Property development : Development of residential and commercial properties

	Construction	Property Development	Other non-Reportable segment	Inter-Segment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
For the period ended 31 March 2020					
<i>In thousands of RM</i>					
Segment profit					
Revenue from external customers	101,209	11,147	40	-	112,396
Segment profit before tax, interest, depreciation and other material non-cash items	9,131	3,027	(3)	-	12,155
Depreciation and amortisation	(3,279)	(20)	(108)	-	(3,407)
Interest income from bank balances	880	349	148	-	1,377
Interest income from other financial assets	1	-	-	-	1
Interest expense on bank balances	-	-	-	-	-
Interest expense on other financial liabilities	-	-	-	-	-
Segment profit before tax	6,733	3,356	37	-	10,126
Income tax expense					(2,552)
Profit for the period					7,574

Segment assets	602,227	412,654	118,126	(218)	1,132,789
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Segment liabilities	242,867	29,565	31,606	(56)	303,982
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	Construction	Property Development	Other non-Reportable segment	Inter-Segment elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
For the period ended 31 March 2019					
<i>In thousands of RM</i>					
Segment profit					
Revenue from external customers	125,678	21,041	-	-	146,719
Segment profit before tax, interest, depreciation and other material non-cash items	15,058	6,724	(31)	-	21,751
Depreciation and amortisation	(3,797)	(19)	(95)	-	(3,911)
Interest income from bank balances	878	22	17	-	917
Interest income from other financial assets	-	-	-	-	-
Interest expense on bank balances	-	-	-	-	-
Interest expense on other financial liabilities	-	-	-	-	-
Segment profit before tax	12,139	6,727	(109)	-	18,757
Income tax expense					(4,644)
Profit for the period					14,113

Segment assets	640,516	366,432	75,902	(227)	1,082,623
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Segment liabilities	236,677	21,684	31,063	(58)	289,366
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The activities of the Group are carried out in Malaysia and as such, segmental reporting by geographical locations is not presented.

8. Dividend Paid

There was no dividend paid during the quarter ended 31 March 2020.

9. Subsequent Material Events

The business activities of the Group were significantly affected due to the Movement Control Order, Conditional Movement Control Order and the Recovery Movement Control Order.



QUARTERLY REPORT – First Quarter Ended 31 March 2020

10. Changes in the Composition of the Group

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

11. Contingent Liabilities

There were no contingent liabilities in respect of the Group that have arisen since 31 March 2020 till the date of this quarterly report.

12. Property, plant and equipment

The acquisitions and disposals of property, plant and equipment for the period ended 31 March 2020 were as follows:-

<i>In thousands of RM</i>	<u>3 months ended 31 March</u>	
	2020	2019
	RM'000	RM'000
Acquisitions of property, plant and equipment, at cost	1,659	8,946
Disposals of property, plant and equipment, at carrying amount	<u>5</u>	<u>92</u>

13. Commitment

The amounts of commitment not provided for in the interim financial report as at 31 March 2020 were as follows:-

<i>In thousands of RM</i>	<u>As at 31 March</u>	
	2020	2019
	RM'000	RM'000
<i>Property, plant and equipment</i>		
Contracted but not provided for	7,323	16,102
Authorised but not contracted for	<u>1,037</u>	<u>1,803</u>
	<u>8,360</u>	<u>17,905</u>
<i>Investment property</i>		
Contracted but not provided for	4,064	13,061
Authorised but not contracted for	<u>184</u>	<u>1,161</u>
	<u>4,248</u>	<u>14,222</u>

14. Recurrent Related Party Transactions

The aggregate gross value of significant recurrent related party transactions for the period ended 31 March 2020 were as follows:-

<i>In thousands of RM</i>	<u>3 months ended 31 March</u>	
	2020	2019
	RM'000	RM'000
Aggregate gross value of significant recurrent related party transactions	<u>29,888</u>	<u>34,254</u>

The significant related party transactions comprise transactions with companies controlled by or connected to certain substantial shareholders and/or Directors of the Company, namely Yu Chee Hoe, Tony Yu Yuong Wee, Lau Kiing Kang, Lau Kiing Yiing and Estate of the Late Yu Chee Lieng.

The above transactions have been entered into in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public.

15. Key Management Personnel Compensation

<i>In thousands of RM</i>	<u>3 months ended 31 March</u>	
	2020	2019
	RM'000	RM'000
Directors' compensation	905	875
Other key management personnel compensation	<u>1,098</u>	<u>983</u>



QUARTERLY REPORT – First Quarter Ended 31 March 2020

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

For the quarter ended 31 March 2020

16. Review of Performance

The Group derives revenue from construction and property development activities.

Revenue for the quarter under review is RM112.40 million as compared to the preceding year corresponding quarter's figure of RM146.72 million. The construction segment contributed RM101.25 million (90%) whilst the property development segment registered a contribution of RM11.15 million (10%) to the Group's revenue during the quarter.

The net profit before tax of the Group for the current quarter is RM10.13 million as compared to RM18.76 million for the preceding year's corresponding quarter.

The changes in revenue and net profit before tax were contributed by the following segments:

Construction segment: For the 3-month period ended 31 March 2020, the revenue and net profit before tax are RM101.25 million and RM6.86 million compared to the previous year's corresponding quarter figures of RM125.68 million and RM12.12 million respectively. The lower revenue and profit was due to the Covid-19 pandemic and the Movement Control Order effective from 18 March 2020 till the end of the current quarter.

Property development segment: For the 3-month period ended 31 March 2020, the revenue and net profit before tax are RM11.15 million and RM3.27 million compared to the previous year's corresponding quarter figures of RM21.04 million and RM6.64 million respectively. Lower revenue and profit was due to the Covid-19 pandemic and the Movement Control Order which took effect from 18 March 2020 till the end of the current quarter. Further, lower revenue was also due to the timing of recognition of sales with lower profit margin due to discounts/promotions and some increase in construction costs.

17. Variation of Results against Immediate Preceding Quarter

The net profit before tax of the Group for the current quarter is RM10.13 million compared to RM13.70 million for the immediate preceding quarter on the back of the Group's revenue of RM112.40 million and RM187.63 million respectively.

18. Current Year Prospects

The Covid-19 pandemic has swept across the world within a few short months. It is unprecedented with such magnitude that is far worse than any economic or natural disaster that ever occurred in human history. Any positive signs of post pandemic recovery globally is tainted with uncertainty as the on-going trade wars between China and the United States intensifies. The Malaysian economy growth is forecasted to be weak or may see negative growth.

Nevertheless, with substantial value of projects in hand, the challenge now is to manage our project execution efficiently under the present circumstances where there is acute labour shortages and disruption to material supplies. There will be an inevitable increase in operating costs and the fixed overheads incurred during Movement Control Order and Conditional Movement Control will impact our margins.

The Group resumed work in June 2020 with strict compliance to our Safe Operating Procedure. We are making every effort to ascertain the current states of our projects after a lapse of nearly 3 months. As such, it is rather premature to assess the full financial impact of the Covid-19 now.

19. Actual profit vs forecast profit / Profit guarantee

This note is not applicable, as no profit forecast was published and the Group is not required to give any profit guarantee.



QUARTERLY REPORT – First Quarter Ended 31 March 2020

20. Income Tax Expense

<i>In thousands of RM</i>	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		3 months ended 31 March	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current Tax Expense - Malaysian				
Current quarter/period	2,541	4,985	2,541	4,985
Under/(Over) provision in prior year	-	-	-	-
Deferred Tax Expense - Malaysian				
Current quarter/period	11	(341)	11	(341)
Over provision in prior year	-	-	-	-
Income tax expense	2,552	4,644	2,552	4,644

Reconciliation of effective tax expense

Profit for the quarter/period	7,574	14,113	7,574	14,113
Total income tax expense	2,552	4,644	2,552	4,644
Profit before taxation	10,126	18,757	10,126	18,757
Income tax using Malaysian tax rates	2,431	4,502	2,431	4,502
Non-deductible expenses	121	142	121	142
Over provision in prior year	-	-	-	-
Income tax expense	2,552	4,644	2,552	4,644

21. Status of Corporate Proposals

There was no corporate proposal announced but not completed at the date of this quarterly report.

22. Group Borrowings and Debt Securities

The Group has loans and borrowings as at 31 March 2020 as follows:-

<i>In thousands of RM</i>	As at 31 March	
	2020 RM'000	2019 RM'000
Non-current		
Term Loan – Secured	25,045	26,766
Term Loan – Unsecured	17,500	30,000
	<u>42,545</u>	<u>56,766</u>
Current		
Term Loan – Secured	3,687	118
Term Loan – Unsecured	10,000	-
Banker Acceptance – Unsecured	-	14,368
Revolving Credit – Unsecured	-	22,000
	<u>13,687</u>	<u>36,486</u>
Total	<u><u>56,232</u></u>	<u><u>93,252</u></u>

23. Material Litigation

There was no material litigation pending since 31 March 2020 till the date of this Quarterly Report.

24. Dividend

The shareholders have approved the final single-tier tax exempt dividend of 1.4 sen per ordinary share for the financial year ended 31 December 2019 at the Annual General Meeting held on 18 June 2020. The entitlement date for the dividend shall be 10 July 2020 and the dividend shall be paid on 24 July 2020.



QUARTERLY REPORT – First Quarter Ended 31 March 2020

25. Earnings per ordinary share

	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		3 months ended 31 March	
	2020	2019	2020	2019
Net profit attributable to ordinary owners of the Company (RM'000)	7,553	14,088	7,553	14,088
Weighted average number of ordinary shares ('000)	549,517	549,517	549,517	549,517
Basic earnings per ordinary share (sen)	1.37	2.56	1.37	2.56

26. Profit before tax

Profit before tax is arrived at after charging/(crediting) the followings:

<i>In thousands of RM</i>	Individual Quarter		Cumulative Quarter	
	3 months ended 31 March		3 months ended 31 March	
	2020 RM,000	2019 RM,000	2020 RM,000	2019 RM,000
Interest income from bank balances	1,377	917	1,377	917
Interest income from other financial assets	1	-	1	-
Other income including investment income	69	57	69	57
Interest expense on bank balances	322	862	322	862
Interest expense on other financial liabilities	-	-	-	-
Depreciation and amortisation	3,407	3,911	3,407	3,911
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of property, plant and equipment	-	15	-	15
Gain/(loss) on disposal of investments	-	-	-	-
Impairment/(Reversal of impairment) of financial assets	-	-	-	-
Foreign exchange gain/(loss)	6	3	6	3
Gain/(loss) on derivatives	-	-	-	-
Exceptional item	-	-	-	-

27. Derivative Financial Instruments

There were no derivative financial instruments as at 31 March 2020.

28. Gains/Losses arising from fair value changes of financial liabilities

There were no gains or losses arising from fair value changes of the financial liabilities for the current quarter and financial period ended 31 March 2020.

29. Audit Report

The auditors have expressed an unqualified opinion on the Group's and Company's statutory financial statements for the year ended 31 December 2019 in their report dated 18 May 2020.

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 June 2020.

Issue Date: 18 June 2020