



QUARTERLY REPORT – Third Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 30 September 2020

	CURRENT QUARTER		CUMULATIVE QUARTER	
	3 months ended 30 September		9 months ended 30 September	
	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	161,156	173,842	356,604	495,972
Cost of contracts with customers	(145,184)	(151,156)	(320,390)	(426,737)
Gross profit	15,972	22,686	36,214	69,235
Other income	52	421	215	467
Administrative expenses	(3,849)	(4,383)	(11,612)	(12,442)
Results from operating activities	12,175	18,724	24,817	57,260
Finance income	1,260	1,105	4,146	3,137
Finance costs	(404)	-	(404)	-
Net finance income	856	1,105	3,742	3,137
Profit before tax	13,031	19,829	28,559	60,397
Tax expense	(2,149)	(5,259)	(6,132)	(15,262)
Profit for the quarter/period	10,882	14,570	22,427	45,135
Other comprehensive income, net of tax	-	-	-	-
Profit and total comprehensive income for the quarter/period	10,882	14,570	22,427	45,135
Profit and total comprehensive income attributable to:				
Owners of the Company	10,866	14,557	22,373	45,077
Non-controlling Interest	16	13	54	58
Profit and total comprehensive income for the quarter/period	10,882	14,570	22,427	45,135
Earnings per share from continuing operations				
Basic/Diluted earnings per ordinary share (sen)	1.98	2.65	4.07	8.20

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 – Third Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 September 2020

In thousands of RM

	30 September 2020 RM'000	31 December 2019 RM'000
ASSETS		
Property, plant and equipment	215,492	216,397
Investment properties	62,724	58,883
Inventories	178,841	182,266
Deferred tax assets	833	1,042
Total non-current assets	457,890	458,588
Inventories	154,089	160,172
Trade and other receivables	128,223	183,193
Contract assets	122,728	127,926
Deposits and prepayments	17,050	24,961
Other investments	38,856	27,993
Cash and cash equivalents	206,898	140,921
Total current assets	667,844	665,166
TOTAL ASSETS	1,125,734	1,123,754
EQUITY		
Share capital	118,700	118,700
Retained earnings	751,789	737,109
Treasury shares	(37,859)	(37,859)
Total equity attributable to owners of the Company	832,630	817,950
Non-controlling interest	3,337	3,284
TOTAL EQUITY	835,967	821,234
LIABILITIES		
Loans and borrowings	35,701	45,967
Deferred tax liabilities	16,976	16,335
Total non-current liabilities	52,677	62,302
Loans and borrowings	13,687	13,687
Trade and other payables	70,488	94,063
Contract liabilities	149,072	129,113
Current tax payable	3,843	3,355
Total current liabilities	237,090	240,218
TOTAL LIABILITIES	289,767	302,520
TOTAL EQUITY AND LIABILITIES	1,125,734	1,123,754
Net Assets Per Share Attributable to Ordinary Equity Owners (RM)	1.52	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 – Third Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the period ended 30 September 2020

<i>In thousands of RM</i>	Period ended 30 September	
	2020 RM'000	2019 RM'000
Cash flows from operating activities		
Profit before taxation from continuing operations	28,559	60,397
<i>Adjustments for:-</i>		
Non-cash items	10,148	11,961
Non-operating items	(2,990)	(1,400)
Operating profit before changes in working capital	35,717	70,958
Change in inventories	9,509	17,149
Change in trade and other receivables, deposits and prepayments	112,766	23,039
Change in trade and other payables	(73,507)	(123,876)
Change in contract assets	5,069	18,863
Change in contract liabilities	20,088	47,220
Cash generated from/(used in) operations	109,642	53,353
Interest received	4,191	(2,641)
Interest paid	(836)	2,994
Income tax paid	(4,794)	(13,359)
Income tax refunded	-	7,885
Net cash generated from/(used in) operating activities	108,203	48,232
Cash flows from investing activities		
Acquisition of property, plant & equipment	(9,102)	(18,982)
Acquisition of investment properties	(4,151)	(8,909)
Proceeds from disposal of property, plant & equipment	173	906
Net movements of deposits with original maturities exceeding three months	(10,863)	(17,362)
Net cash used in investing activities	(23,943)	(44,347)
Cash flows from financing activities		
Dividends paid to owners of the Company	(7,693)	(7,693)
Net movements on loans and borrowings	(10,590)	(34,164)
Net cash (used in)/generated from financing activities	(18,283)	(41,857)
Net increase/(decrease) in cash and cash equivalents	65,977	(37,972)
Cash and cash equivalents at 1 January 2020 / 1 January 2019	140,921	143,869
Cash and cash equivalents at 30 September 2020 / 30 September 2019	206,898	105,897

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 30 September	
	2020 RM'000	2019 RM'000
Cash and bank balances	31,528	44,927
Deposits placed with licensed banks	214,226	88,963
Total	245,754	133,890
Fixed deposits with original maturities exceeding three months	(38,856)	(27,993)
	206,898	105,897

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 – Third Quarter Ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 30 September 2020

	----- Attributable to owners of the Company -----					
<i>In thousands of RM</i>	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	NON- CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
Period ended 30 September 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	-	-	22,373	22,373	54	22,427
Dividends to owners – 2019 Final	-	-	(7,693)	(7,693)	-	(7,693)
At 30 September 2020	118,700	(37,859)	751,789	832,630	3,337	835,967
Period ended 30 September 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	-	-	45,077	45,077	58	45,135
Dividends to owners – 2018 Final	-	-	(7,693)	(7,693)	-	(7,693)
At 30 September 2019	118,700	(37,859)	732,480	813,321	3,265	816,586

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 – Third Quarter Ended 30 September 2020

NOTES TO THE INTERIM FINANCIAL REPORT

For the quarter ended 30 September 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 (MCO) which took effect since 18 March 2020 and the subsequent Conditional Movement Control Order (CMCO) followed by the Recovery Movement Control Order (RMCO) from 10 June 2020 till the end of this current quarter. Many parts of Malaysia including Kuching, Sarawak were put under Enhanced Movement Control Order (EMCO) in October and November 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 (MCO) which took effect since 18 March 2020 and the subsequent Conditional Movement Control Order (CMCO) followed by the Recovery Movement Control Order (RMCO) from 10 June 2020 till the end of this current quarter. Many parts of Malaysia including Kuching, Sarawak were put under Enhanced Movement Control Order (EMCO) in October and November 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 30 September 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 – Third Quarter Ended 30 September 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 30 September 2020					
<i>In thousands of RM</i>					
Segment profit					
<i>Revenue from external customers</i>	322,672	33,767	165	-	356,604
<i>Segment profit before tax, interest, depreciation and other material non-cash items</i>	26,038	9,126	(212)	-	34,952
<i>Depreciation and amortisation</i>	(9,744)	(64)	(327)	-	(10,135)
<i>Interest income from bank balances</i>	2,888	963	292	-	4,143
<i>Interest income from other financial assets</i>	3	-	-	-	3
<i>Interest expense on bank balances</i>	-	-	(404)	-	(404)
<i>Interest expense on other financial liabilities</i>	-	-	-	-	-
Segment profit before tax	19,185	10,025	(651)	-	28,559
<i>Income tax expense</i>					(6,132)
Profit for the period					22,427
Segment assets	599,570	410,568	115,814	(218)	1,125,734
Segment liabilities	235,771	24,094	29,958	(56)	289,767
For the period ended 30 September 2019					
<i>In thousands of RM</i>					
Segment profit					
<i>Revenue from external customers</i>	426,449	69,523	-	-	495,972
<i>Segment profit before tax, interest, depreciation and other material non-cash items</i>	47,489	21,664	(73)	-	69,080
<i>Depreciation and amortisation</i>	(11,474)	(60)	(286)	-	(11,820)
<i>Interest income from bank balances</i>	2,817	259	61	-	3,137
<i>Interest income from other financial assets</i>	-	-	-	-	-
<i>Interest expense on bank balances</i>	-	-	-	-	-
<i>Interest expense on other financial liabilities</i>	-	-	-	-	-
Segment profit before tax	38,832	21,863	(298)	-	60,397
<i>Income tax expense</i>					(15,262)
Profit for the period					45,135
Segment assets	620,736	410,301	99,804	(227)	1,130,614
Segment liabilities	252,699	28,223	33,164	(58)	314,028

The activities of the Group are carried out in Malaysia and as such, segmental reporting by geographical locations is not presented.

8. Dividend Paid

The final single-tier tax exempt dividend of 1.4 sen per ordinary share totaling RM7,693,234 for the year ended 31 December 2019 was paid on 24 July 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 which will only end on 31 December 2020. Many parts of Malaysia including Kuching, Sarawak were put under Enhanced Movement Control Order (EMCO) in October and November 2020.



QUARTERLY REPORT – Third Quarter Ended 30 September 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 30 September 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 30 September 2020 were as follows:-

<i>In thousands of RM</i>	<u>9 months ended 30 September</u>	
	2020	2019
	RM'000	RM'000
Acquisitions of property, plant and equipment, at cost	9,102	19,372
Disposals of property, plant and equipment, at carrying amount	<u>181</u>	<u>964</u>

13. Commitment

The amounts of commitment not provided for in the interim financial report as at 30 September 2020 were as follows:-

<i>In thousands of RM</i>	<u>As at 30 September</u>	
	2020	2019
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	7,876	16,509
Authorised but not contracted for	<u>910</u>	<u>1,299</u>
	<u>8,786</u>	<u>17,808</u>
Investment property		
Contracted but not provided for	2,041	7,345
Authorised but not contracted for	<u>-</u>	<u>550</u>
	<u>2,041</u>	<u>7,895</u>

14. Recurrent Related Party Transactions

The aggregate gross value of significant recurrent related party transactions for the period ended 30 September 2020 were as follows:-

<i>In thousands of RM</i>	<u>9 months ended 30 September</u>	
	2020	2019
	RM'000	RM'000
Aggregate gross value of significant recurrent related party transactions	<u>81,797</u>	<u>129,252</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 and Lau Kiing Yiing.

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>9 months ended 30 September</u>	
	2020	2019
	RM'000	RM'000
Directors' compensation	2,533	2,456
Other key management personnel compensation	<u>3,252</u>	<u>2,857</u>



QUARTERLY REPORT – Third Quarter Ended 30 September 2020

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

For the quarter ended 30 September 2020

16. Review of Performance

The Group derives revenue from construction and property development activities.

Revenue for the quarter under review is RM161.16 million as compared to the preceding year corresponding quarter's figure of RM173.84 million. The construction segment contributed RM147.54 million (92%) whilst the property development segment registered a contribution of RM13.62 million (8%) to the Group's revenue during the quarter.

The net profit before tax of the Group for the current quarter is RM13.03 million as compared to RM19.83 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 30 September 2020, the revenue and net profit before tax are RM147.54 million and RM8.89 million compared to the previous year's corresponding quarter figures of RM149.39 million and RM11.72 million respectively.

Property development segment: For the 3-month period ended 30 September 2020, the revenue and net profit before tax are RM13.62 million and RM4.14 million compared to the previous year's corresponding quarter figures of RM24.45 million and RM8.11 million respectively.

17. Variation of Results against Immediate Preceding Quarter

The net profit before tax of the Group for the current quarter is RM13.03 million compared to RM5.40 million for the immediate preceding quarter on the back of the Group's revenue of RM161.16 million and RM83.05 million respectively.

18. Current Year Prospects

The Covid-19 pandemic has swept across the world within a short few months in an unprecedented manner. Globally the incident of Covid-19 infection is still rising daily with more than 60 million people infected worldwide to-date. Such wide spread magnitude and speed of infection is far worse than any economic or natural disaster that ever occurred in human history and has severely impacted the global economy. The USA-China trade tensions continues to loom over the world trade and economy. The Malaysian economy growth is forecasted to be in the negative this year.

Nevertheless, with substantial value of projects in hand, the challenge now is to manage our project execution efficiently under the present circumstances and constraint where there is acute labour shortage, travel movement restriction 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 Order will impact our margins.

The Group resumed work in June 2020. We have ensured strict compliance with our Safe Operating Procedure. Activities have picked up as compared to first quarter but the momentum has been interrupted by the EMCO placed in many parts of Malaysia and in Kuching, Sarawak.

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 – Third Quarter Ended 30 September 2020

20. Income Tax Expense

<i>In thousands of RM</i>	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current Tax Expense - Malaysian				
Current quarter/period	1,825	4,576	5,747	14,818
Under/(Over) provision in prior year	(465)	357	(465)	357
Deferred Tax Expense - Malaysian				
Current quarter/period	771	326	832	87
Over provision in prior year	18	-	18	-
Income tax expense	2,149	5,259	6,132	15,262

Reconciliation of effective tax expense

Profit for the quarter/period	10,882	14,570	22,427	45,135
Total income tax expense	2,149	5,259	6,132	15,262
Profit before taxation	13,031	19,829	28,559	60,397
Income tax using Malaysian tax rates	3,127	4,760	6,854	14,495
Non-deductible expenses	(531)	142	(275)	410
Over provision in prior year	(447)	357	(447)	357
Income tax expense	2,149	5,259	6,132	15,262

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 30 September 2020 as follows:-

<i>In thousands of RM</i>	As at 30 September	
	2020	2019
	RM'000	RM'000
Non-current		
Term Loan – Secured	23,201	28,306
Term Loan – Unsecured	12,500	20,000
	<u>35,701</u>	<u>48,306</u>
Current		
Term Loan – Secured	3,687	1,694
Term Loan – Unsecured	10,000	10,000
	<u>13,687</u>	<u>11,694</u>
Total	<u><u>49,388</u></u>	<u><u>60,000</u></u>

23. Material Litigation

There was no material litigation pending since 30 September 2020 till the date of this Quarterly Report.

24. Dividend

The Board has decided not to declare any interim dividend as a prudent measure in view of the pandemic to preserve our cash reserves to sustain on-going operations.



QUARTERLY REPORT – Third Quarter Ended 30 September 2020

25. Earnings per ordinary share

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2020	2019	2020	2019
Net profit attributable to ordinary owners of the Company (RM'000)	10,866	14,557	22,373	45,077
Weighted average number of ordinary shares ('000)	549,517	549,517	549,517	549,517
Basic earnings per ordinary share (sen)	1.98	2.65	4.07	8.20

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 30 September		9 months ended 30 September	
	2020 RM,000	2019 RM,000	2020 RM,000	2019 RM,000
Interest income from bank balances	1,259	1,104	4,143	3,135
Interest income from other financial assets	1	1	3	2
Other income including investment income	51	69	156	196
Interest expense on bank balances	638	386	1,241	1,784
Interest expense on other financial liabilities	-	-	-	-
Depreciation and amortisation	3,372	3,913	10,135	11,857
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of property, plant and equipment	5	272	5	47
Gain/(loss) on disposal of investments	-	-	-	-
Impairment/(Reversal of impairment) of financial assets	-	673	-	673
Foreign exchange gain/(loss)	(1)	-	19	3
Gain/(loss) on derivatives	-	-	-	-
Exceptional item	-	-	-	-

27. Derivative Financial Instruments

There were no derivative financial instruments as at 30 September 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 30 September 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 26 November 2020.

Issue Date: 26 November 2020