


QUARTERLY REPORT – Third Quarter Ended 30 September 2021
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the quarter ended 30 September 2021

	CURRENT QUARTER		CUMULATIVE QUARTER	
	<i>3 months ended 30 September</i>		<i>9 months ended 30 September</i>	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<i>In thousands of RM</i>				
Continuing operations				
Revenue from contracts with customers	150,882	161,156	453,171	356,604
Cost of contracts with customers	(134,032)	(145,184)	(406,009)	(320,390)
Gross profit	16,850	15,972	47,162	36,214
Other income	81	52	286	215
Administrative expenses	(4,236)	(3,849)	(12,912)	(11,612)
Results from operating activities	12,695	12,175	34,536	24,817
Finance income	1,358	1,260	4,212	4,146
Finance costs	(298)	(404)	(870)	(404)
Net finance income	1,060	856	3,342	3,742
Profit before tax	13,755	13,031	37,878	28,559
Tax expense	(3,222)	(2,149)	(9,470)	(6,132)
Profit for the quarter/period	10,533	10,882	28,408	22,427
Other comprehensive expense, net of tax	110	-	307	-
Total comprehensive income for the quarter/period	10,643	10,882	28,715	22,427
Profit attributable to:				
Owners of the Company	10,520	10,866	28,371	22,373
Non-controlling Interest	13	16	37	54
Profit for the quarter/period	10,533	10,882	28,408	22,427
Total comprehensive income attributable to:				
Owners of the Company	10,630	10,866	28,678	22,373
Non-controlling Interest	13	16	37	54
Total comprehensive income for the quarter/period	10,643	10,882	28,715	22,427
Earnings per share from continuing operations				
Basic/Diluted earnings per ordinary share (sen)	1.91	1.98	5.16	4.07

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 2020



QUARTERLY REPORT – Third Quarter Ended 30 September 2021

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 September 2021

In thousands of RM

	30 September 2021 RM'000	31 December 2020 RM'000
ASSETS		
Property, plant and equipment	213,524	214,312
Investment properties	63,399	63,577
Inventories	184,586	185,606
Deferred tax assets	1,322	1,376
Total non-current assets	462,831	464,871
Inventories	113,279	146,241
Trade and other receivables	140,797	167,127
Contract assets	173,202	106,616
Deposits and prepayments	7,374	13,596
Current tax recoverable	74	155
Other investments	79,272	38,856
Cash and cash equivalents	247,473	251,724
Total current assets	761,471	724,315
TOTAL ASSETS	1,224,302	1,189,186
EQUITY		
Share capital	118,700	118,700
Retained earnings	790,559	762,188
Cash flow hedge	(426)	(733)
Treasury shares	(37,859)	(37,859)
Total equity attributable to owners of the Company	870,974	842,296
Non-controlling interest	3,387	3,349
TOTAL EQUITY	874,361	845,645
LIABILITIES		
Loans and borrowings	21,503	32,280
Deferred tax liabilities	17,753	17,637
Derivatives financial liabilities	108	330
Total non-current liabilities	39,364	50,247
Loans and borrowings	13,214	14,687
Trade and other payables	96,623	111,902
Provisions	6,193	4,799
Contract liabilities	191,723	159,944
Current tax payable	2,506	1,559
Derivatives financial liabilities	318	403
Total current liabilities	310,577	293,294
TOTAL LIABILITIES	349,941	343,541
TOTAL EQUITY AND LIABILITIES	1,224,302	1,189,186
Net Assets Per Share Attributable to Ordinary Equity Owners (RM)	1.58	1.53

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 2020



QUARTERLY REPORT – Third Quarter Ended 30 September 2021

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the period ended 30 September 2021

<i>In thousands of RM</i>	Period ended 30 September	
	2021 RM'000	2020 RM'000
Cash flows from operating activities		
Profit before taxation from continuing operations	37,878	28,559
<i>Adjustments for:-</i>		
Non-cash items	11,339	10,148
Non-operating items	(2,873)	(2,990)
Operating profit before changes in working capital	46,344	35,717
Change in inventories	33,981	9,509
Change in trade and other receivables, deposits and prepayments	84,623	112,766
Change in trade and other payables	(65,567)	(73,507)
Change in contract assets	(66,587)	5,069
Change in contract liabilities	31,780	20,088
Cash generated from/(used in) operations	64,574	109,642
Interest received	4,023	4,191
Interest paid	(1,319)	(836)
Income tax paid	(8,273)	(4,794)
Income tax refunded	-	-
Net cash generated from/(used in) operating activities	59,005	108,203
Cash flows from investing activities		
Acquisition of property, plant & equipment	(9,771)	(9,102)
Acquisition of investment properties	(979)	(4,151)
Proceeds from disposal of property, plant & equipment	159	173
Net movements of deposits with original maturities exceeding three months	(40,416)	(10,863)
Net cash used in investing activities	(51,007)	(23,943)
Cash flows from financing activities		
Dividends paid to owners of the Company	-	(7,693)
Net movements on loans and borrowings	(12,249)	(10,590)
Net cash (used in)/generated from financing activities	(12,249)	(18,283)
Net (decrease)/increase in cash and cash equivalents	(4,251)	65,977
Cash and cash equivalents at 1 January 2021 / 1 January 2020	251,724	140,921
Cash and cash equivalents at 30 September 2021 / 30 September 2020	247,473	206,898

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	
	2021 RM'000	2020 RM'000
Cash and bank balances	41,528	31,528
Deposits placed with licensed banks	285,217	214,226
Total	326,745	245,754
Fixed deposits with original maturities exceeding three months	(79,272)	(38,856)
	247,473	206,898

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 2020



QUARTERLY REPORT – Third Quarter Ended 30 September 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the period ended 30 September 2021

	Non-distributable	----- Distributable -----			TOTAL RM'000	NON-CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	CASH FLOW HEDGE RESERVE RM'000	TREASURY SHARES RM'000	RETAINED EARNINGS RM'000			
<i>In thousands of RM</i>							
Period ended 30 September 2021							
At 1 January 2021	118,700	(733)	(37,859)	762,188	842,296	3,350	845,646
Profit for the period	-	-	-	28,371	28,371	37	28,408
Cash flow hedge	-	307	-	-	307	-	307
Total comprehensive income for the period	-	307	-	28,371	28,678	37	28,715
At 30 September 2021	118,700	(426)	(37,859)	790,559	870,974	3,387	874,361
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

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 2020



QUARTERLY REPORT – Third Quarter Ended 30 September 2021

NOTES TO THE INTERIM FINANCIAL REPORT

For the quarter ended 30 September 2021

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 2020.

2. Significant accounting policies

These condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies applied in the 2020 financial statements except for the adoption of the amendments to MFRSs that are applicable to the Group for the financial period beginning 1 January 2021. 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 during the period of Movement Control Order (MCO), Conditional Movement Control Orders (CMCO) and different phases of the National recovery Plan (NRP).

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 during the period of Movement Control Order (MCO), Conditional Movement Control Orders (CMCO) and different phases of the National recovery Plan (NRP).

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 2021, 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 2021

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

For the period ended September 2021 <i>In thousands of RM</i>	30	Construction	Property Development	General Trading	Other non- Reportable segment	Inter- Segment elimination	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit							
<i>Revenue from external customers</i>		360,281	65,921	26,099	870	-	453,171
<i>Segment profit before tax, interest, depreciation and other material non-cash items</i>		30,458	13,097	1,687	829	-	46,071
Depreciation and amortisation		(9,624)	(71)	-	(1,840)	-	(11,535)
Interest income from bank balances		3,115	1,034	-	63	-	4,212
Interest income from other financial assets		-	-	-	-	-	-
Interest expense on bank balances		-	-	-	(870)	-	(870)
Interest expense on other financial liabilities		-	-	-	-	-	-
Segment profit before tax		23,949	14,060	1,687	(1,818)	-	37,878
Income tax expense							(9,470)
Profit for the period							28,408
Segment assets		668,963	425,911	17,169	119,858	(7,599)	1,224,302
Segment liabilities		283,000	36,401	10,915	27,067	(7,442)	349,941
For the period ended September 2020 <i>In thousands of RM</i>	30	Construction	Property Development	General Trading	Other non- Reportable segment	Inter- Segment elimination	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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
Depreciation and amortisation		(9,744)	(64)	-	(327)	-	(10,135)
Interest income from bank balances		2,888	963	-	292	-	4,143
Interest income from other financial assets		3	-	-	-	-	3
Interest expense on bank balances		-	-	-	(404)	-	(404)
Interest expense on other financial liabilities		-	-	-	-	-	-
Segment profit before tax		19,185	10,025	-	(651)	-	28,559
Income tax expense							(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

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 30 September 2021.



QUARTERLY REPORT – Third Quarter Ended 30 September 2021

9. Subsequent Material Events

The business activities of the Group continued to be affected by the Covid-19 pandemic during the various stages of recovery period.

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 2021 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 2021 were as follows:-

<i>In thousands of RM</i>	<u>9 months ended 30 September</u>	
	2021	2020
	RM'000	RM'000
Acquisitions of property, plant and equipment, at cost	9,771	9,102
Disposals of property, plant and equipment, at carrying amount	<u>181</u>	<u>181</u>

13. Commitment

The amounts of commitment not provided for in the interim financial report as at 30 September 2021 were as follows:-

<i>In thousands of RM</i>	<u>As at 30 September</u>	
	2021	2020
	RM'000	RM'000
Property, plant and equipment		
Contracted but not provided for	808	7,876
Authorised but not contracted for	<u>962</u>	<u>910</u>
	<u>1,770</u>	<u>8,786</u>
Investment property		
Contracted but not provided for	<u>-</u>	<u>2,041</u>

14. Recurrent Related Party Transactions

The aggregate gross value of significant recurrent related party transactions for the period ended 30 September 2021 were as follows:-

<i>In thousands of RM</i>	<u>9 months ended 30 September</u>	
	2021	2020
	RM'000	RM'000
Aggregate gross value of significant recurrent related party transactions	<u>85,047</u>	<u>81,797</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>	
	2021	2020
	RM'000	RM'000
Directors' compensation	2,443	2,533
Other key management personnel compensation	<u>3,457</u>	<u>3,252</u>



QUARTERLY REPORT – Third Quarter Ended 30 September 2021

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA'S LISTING REQUIREMENTS

For the quarter ended 30 September 2021

16. Review of Performance

The Group derives revenue from construction and property development activities.

Revenue for the quarter under review is RM150.88 million as compared to the preceding year corresponding quarter's figure of RM161.16 million. The construction segment contributed RM111.34 million (74%), the property development segment registered a contribution of RM29.13 million (19%) whilst the general trading segment contributed RM10.12 million (7%) to the Group's revenue during the quarter.

The net profit before tax of the Group for the current quarter is RM13.76 million as compared to RM13.03 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 2021, the revenue and net profit before tax are RM111.34 million and RM7.52 million compared to the previous year's corresponding quarter figures of RM147.45 million and RM9.72 million respectively.

Property development segment: For the 3-month period ended 30 September 2021, the revenue and net profit before tax are RM29.13 million and RM6.44 million compared to the previous year's corresponding quarter figures of RM13.62 million and RM4.14 million respectively.

General trading segment: For the 3-month period ended 30 September 2021, the revenue and net profit before tax are RM10.12 million and RM0.64 million respectively.

17. Variation of Results against Immediate Preceding Quarter

The net profit before tax of the Group for the current quarter is RM13.76 million compared to RM11.90 million for the immediate preceding quarter on the back of the Group's revenue of RM150.88 million and RM142.79 million respectively, both have increased.

18. Current Year Prospects

The Covid-19 pandemic infection was at its peak during the quarter under review. Since then, the situation has improved with high vaccination take up rate by the Malaysian public and the administration of booster vaccinations. Such health care measures have reduced the number of severe covid infection cases and allows the gradual opening up of most economic sector in Sarawak and Malaysia. Both the public and private sectors remain cautious in their engagement in social and economic activities to prevent any serious spike of Covid-19 infection cases.

The problems that have plagued the construction industries since last year remained unresolved, these include acute labour shortage, travel movement restriction and disruption to material supplies. Labour shortages has got worse with more economic sectors opening up while there has been some sharp increase in material prices especially metal related and general inflation due to higher fuel prices and increased freight charges.

We continued to work on replenishing our order book but will be careful and selective in our procurement strategy to safeguard against price volatility and to manage our project execution efficiently given the circumstances and constraints mentioned. The mega project of Package Seven of Pan Borneo Highway is about 80% complete.

The Group continued to work under strict compliance to Safe Operating Procedure. Going forward, work will have to be carried out in the midst of challenging circumstances.

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 2021

20. Income Tax Expense

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2021	2020	2021	2020
<i>In thousands of RM</i>	RM'000	RM'000	RM'000	RM'000
Current Tax Expense - Malaysian				
Current quarter/period	3,596	1,825	9,332	5,747
(Over)/Under provision in prior year	(32)	(465)	(32)	(465)
Deferred Tax Expense - Malaysian				
Current quarter/period	(14)	771	496	832
(Over)/Under provision in prior year	(328)	18	(326)	18
Income tax expense	3,222	2,149	9,470	6,132

Reconciliation of effective tax expense

Profit for the quarter/period	10,533	10,882	28,408	22,427
Total income tax expense	3,222	2,149	9,470	6,132
Profit before taxation	13,755	13,031	37,878	28,559
Income tax using Malaysian tax rates	3,302	3,127	9,098	6,854
Non-deductible expenses	187	(531)	651	(275)
Movement in unrecognised deferred tax assets	93	-	79	-
(Over)/Under provision in prior year	(360)	(447)	(358)	(447)
Income tax expense	3,222	2,149	9,470	6,132

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 2021 as follows:-

	As at 30 September	
	2021	2020
<i>In thousands of RM</i>	RM'000	RM'000
Non-current		
Term Loan – Secured	19,003	23,201
Term Loan – Unsecured	2,500	12,500
	<u>21,503</u>	<u>35,701</u>
Current		
Term Loan – Secured	3,214	3,687
Term Loan – Unsecured	10,000	10,000
	<u>13,214</u>	<u>13,687</u>
Total	<u><u>34,717</u></u>	<u><u>49,388</u></u>

23. Material Litigation

There was no material litigation pending since 30 September 2021 till the date of this Quarterly Report.

24. Dividend

The Board has decided not to declare any 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 2021

25. Earnings per ordinary share

	Individual Quarter		Cumulative Quarter	
	3 months ended 30 September		9 months ended 30 September	
	2021	2020	2021	2020
Net profit attributable to ordinary owners of the Company (RM'000)	10,520	10,866	28,371	22,373
Weighted average number of ordinary shares ('000)	549,517	549,517	549,517	549,517
Basic earnings per ordinary share (sen)	1.91	1.98	5.16	4.07

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	
	2021 RM,000	2020 RM,000	2021 RM,000	2020 RM,000
Interest income from bank balances	1,358	1,259	4,212	4,143
Interest income from other financial assets	-	1	-	3
Other income including investment income	50	51	169	156
Interest expense on bank balances	424	638	1,319	1,241
Interest expense on other financial liabilities	-	-	-	-
Depreciation and amortisation	3,851	3,372	11,535	10,135
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain/(loss) on disposal of property, plant and equipment	(3)	5	(20)	5
Gain/(loss) on disposal of investments	-	-	-	-
Impairment/(Reversal of impairment) of financial assets	-	-	-	-
Foreign exchange gain/(loss)	(1)	(1)	(3)	19
Gain/(loss) on derivatives	-	-	-	-
Exceptional item	-	-	-	-

27. Derivative Financial Instruments

There were no derivative financial instruments as at 30 September 2021.

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 2021.

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 2020 in their report dated 31 March 2021.

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 2021.

Issue Date: 26 November 2021