

PASDEC HOLDINGS BERHAD
Company no: 367122-D
(Incorporated in Malaysia)

Financial Statements
as at 31 March 2020

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2020

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	5,108	47,511	5,108	47,511
Cost of sales	(1,896)	(39,435)	(1,896)	(39,435)
Gross profit	3,212	8,076	3,212	8,076
Other items of income				
Interest income	70	408	70	408
Other income	63	352	63	352
Other items of expense				
Personnel expenses	(1,058)	(4,037)	(1,058)	(4,037)
Other expenses	(2,873)	(5,588)	(2,873)	(5,588)
Finance costs	(730)	(2,774)	(730)	(2,774)
Share of profits of associates	398	200	398	200
Loss before tax from continuing operations	(918)	(3,363)	(918)	(3,363)
Taxation (Note B5)	-	(277)	-	(277)
Loss from continuing operations, net of tax	(918)	(3,640)	(918)	(3,640)
Loss from discontinued operations	(2,537)	-	(2,537)	-
Loss net of tax	(3,455)	(3,640)	(3,455)	(3,640)

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Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2020 (continued)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Other comprehensive loss				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Net changes in fair value:				
Investments	(57)	30	(57)	30
Foreign currency translation	(686)	128	(686)	128
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement gain/(loss) on defined benefit plan	107	(88)	107	(88)
Other comprehensive (loss)/income , net of tax	(636)	70	(636)	70
Total comprehensive loss for the year, net of tax	(4,091)	(3,570)	(4,091)	(3,570)
Loss attributable to:				
Owners of the parent				
- Continuing operations	(91)	(3,178)	(91)	(3,178)
- Discontinued operation	(2,537)	-	(2,537)	-
	(2,628)	(3,178)	(2,628)	(3,178)
Non-controlling interests	(827)	(462)	(827)	(462)
	(3,455)	(3,640)	(3,455)	(3,640)
Total comprehensive loss attributable to:				
Owners of the parent				
- Continuing operations	(961)	(2,825)	(961)	(2,825)
- Discontinued operation	(2,537)	-	(2,537)	-
	(3,498)	(2,825)	(3,498)	(2,825)
Non-controlling interests	(593)	(745)	(593)	(745)
	(4,091)	(3,570)	(4,091)	(3,570)
Losses per share attributable to owners of the Company (Note B15)				
Basic (sen)	(0.66)	(0.79)	(0.66)	(0.79)

**Condensed Consolidated Statements of Financial Position
as at 31 March 2020**

	Notes	Unaudited 31.03.2020 RM'000	Unaudited 31.12.2019 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		12,198	11,941
Work in progress		15,687	13,686
Land held for property development		145,622	145,622
Investment properties		56,189	56,505
Investments in associates		4,079	3,701
Investment securities	B8	341	398
		<u>234,116</u>	<u>231,853</u>
Current Assets			
Property development costs		87,337	87,557
Inventories		94,424	89,766
Trade receivables	B9	23,987	21,572
Other receivables		6,132	14,542
Other current assets		78	84
Cash and bank balances		19,398	19,190
Tax recoverable		5,337	6,825
		<u>236,693</u>	<u>239,536</u>
Assets of disposal group classified as held of sale		31,631	51,280
		<u>502,440</u>	<u>522,669</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Current Liabilities			
Retirement benefit obligations		757	381
Contract liabilities		1,000	934
Loans and borrowings	B10	21,646	26,301
Overdrafts		14,852	14,357
Trade payables		35,169	28,356
Other payables		34,550	31,214
Tax payable		172	175
		<u>108,146</u>	<u>101,718</u>
Liabilities of disposal group classified as sale		68,673	90,812
		<u>176,819</u>	<u>192,530</u>
NET CURRENT ASSETS		<u>128,547</u>	<u>137,818</u>

PASDEC HOLDINGS BERHAD(Incorporated in Malaysia)**Condensed Consolidated Statements of Financial Position
as at 31 March 2020 (continued)**

	Notes	Unaudited 31.03.2020 RM'000	Unaudited 31.12.2019 RM'000
Non-Current Liabilities			
Retirement benefit obligations		1,723	2,150
Loans and borrowings	B10	6	6
		1,729	2,156
TOTAL LIABILITIES		178,548	194,686
NET ASSETS		323,892	327,983
Equity attributable to owners of the parent			
Share capital	B11	327,693	327,693
Other reserves	B12	(2,832)	(1,855)
Retained earnings		5,750	8,271
		330,611	334,109
Non-controlling interests		(6,719)	(6,126)
TOTAL EQUITY		323,892	327,983
TOTAL EQUITY AND LIABILITIES		502,440	522,669
Net assets per share (RM)		0.81	0.82

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Condensed Consolidated Statement of Changes in Equity
for the period ended 31 March 2020

	-----Attributable to owners of the parent-----					-----Non Distributable-----				Non- controlling interest RM'000
	Non Distributable		Distributable			Note B12(a)	Note B12(b)	Note B12(b)	Note B12(c)	
	Total equity RM'000	Total equity attributable to owners of the parent RM'000	Share capital RM'000	Retained earnings RM'000	Total other reserves RM'000	Fair value change reserve RM'000	Others RM'000	Warrant reserve RM'000	Foreign currency exchange reserve RM'000	
1 January 2020	327,983	334,109	327,693	8,271	(1,855)	(43)	(9,377)	5,720	1,845	(6,126)
Loss for the period	(3,455)	(2,628)	-	(2,628)	-	-	-	-	-	(827)
Other comprehensive (loss)/income	(636)	(870)	-	107	(977)	(57)	-	-	(920)	234
Total comprehensive loss	(4,091)	(3,498)	-	(2,521)	(977)	(57)	-	-	(920)	(593)
31 March 2020	323,892	330,611	327,693	5,750	(2,832)	(100)	(9,377)	5,720	925	(6,719)

Condensed Consolidated Statement of Changes in Equity
for the period ended 31 March 2019

	-----Attributable to owners of the parent-----									
	Non Distributable		Distributable			-----Non Distributable-----				
	Total equity	Total equity attributable to owners of the parent	Share capital	Retained earnings	Total other reserves	Note B12(a) Fair value change reserve	Note B12(b) Others	Note B12(b) Warrant reserve	Note B12(c) Foreign currency exchange reserve	Non-controlling interest
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
1 January 2019	343,147	347,714	327,693	22,121	(2,100)	(72)	(9,347)	5,720	1,599	(4,567)
Loss for the period	(3,640)	(3,178)	-	(3,178)	-	-	-	-	-	(462)
Other comprehensive income/ (loss)	70	353	-	(88)	441	30	-	-	411	(283)
Total comprehensive (loss)/ income	(3,570)	(2,825)	-	(3,266)	441	30	-	-	411	(745)
Transaction with shareholders										
Strike-off companies	2,094	2,094	-	2,094	-	-	-	-	-	-
31 March 2019	341,671	346,983	327,693	20,949	(1,659)	(42)	(9,347)	5,720	2,010	(5,312)

**Condensed Consolidated Statements of Cash Flow
for the period ended 31 March 2020**

	CUMULATIVE QUARTER	
	31.03.2020	31.03.2019
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers	27,628	43,927
Cash payments to suppliers and contractors	(7,015)	(26,532)
Cash payments to employees and for expenses	(8,843)	(13,892)
Cash generated from operations	<u>11,770</u>	3,503
Net income tax received/(paid)	3,782	(397)
Net cash generated from operating activities	<u>15,552</u>	<u>3,106</u>
Cash flows from investing activities		
Proceed from disposal of investment property	-	338
Interest received	25	22
Purchase of property, plant and equipment	-	(56)
Proceed from sale of property, plant and equipment	-	4
Net cash used in investing activities	<u>25</u>	<u>308</u>
Cash flows from financing activities		
Repayment of term loans	(9,406)	(12,923)
Repayment of obligation under finance leases	(22)	(29)
Loan interest	(2,368)	(706)
Net cash used in financing activities	<u>(11,796)</u>	<u>(13,658)</u>
Net increase/(decrease) in cash and cash equivalents	3,781	(10,244)
Cash and cash equivalents at beginning of period	<u>(13,548)</u>	9,243
Cash and cash equivalents at end of period	<u>(9,767)</u>	<u>(1,001)</u>
Represented by:		
Continuing operations		
Cash and bank balances	19,398	20,374
Bank overdrafts	(14,852)	(21,375)
	<u>4,546</u>	<u>(1,001)</u>
Discontinued operations		
Cash and bank balances	324	-
Bank overdrafts	(14,637)	-
	<u>(14,313)</u>	<u>-</u>
Cash and cash equivalents at end of period	<u>(9,767)</u>	<u>(1,001)</u>

Interim Financial Report for the period ended 31 March 2020

PART A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS 134") INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities

The audited financial statements for the year ended 31 December 2019 is not ready at the date of issuance of this interim financial statements. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of Pasdec Holdings Berhad ("**Pasdec**") and its subsidiaries ("**Group**") since the year ended 31 December 2019.

The significant accounting policies adopted are consistent with the existing standards for the year ended 31 December 2019 and after MFRSs, Amendments to MFRSs and IC Interpretations issued become effective for annual periods beginning on or after 1 January 2019.

For the period ended 31 March 2020, the Group had reported a net loss of RM3.46 million. The Company provided corporate guarantees totalling BWP167.10 million and ZAR8 million (approximately RM62.51 million) to the preference shareholders, lenders, creditors of Pasdec Automotive Technologies (Botswana) (Pty) Ltd ("PAT BW"), a subsidiary of Pasdec. The said subsidiary has reported a net loss of RM0.58 million, net current liabilities of RM45.02 million and negative cash and cash equivalents of RM14.34 million. The said subsidiary has entered into a term loan agreement with the certain bank and did not fulfill the financial covenants as required in the loan agreement for a credit line of BWP45 million (RM16.3 million). However, note that Pasdec Resources SA Limited as a Group net loss is RM2.49 million.

The subsidiary had breached the financial covenants of the loans and borrowings resulted in the loans and borrowings amounting RM49.27 million being reclassified to current liabilities as at 31 March 2020. Despite the said breach covenants, the lenders have not called upon an event of default.

These events or conditions indicate that a continued material uncertainty exists that may cast significant doubt on the Group's and Pasdec's ability to continue as a going concern and, therefore, they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The Directors of the Company have a plan to dispose the Company's investment in PAT BW in order to discharge the Company from its corporate guarantees provided to the preference shareholders, lenders and certain creditors of PAT BW.

The going concern assumption is dependent on the successful implementation of the plan to divest from Pasdec Automotive Technologies (Botswana) (Pty) Ltd.

The Company plans to dissolve Pasdec Resources SA Ltd ("PRSA") and Pasdec Automotive Technologies (Pty) Ltd ("PAT SA") upon the successful divestment of PAT BW.

The Directors of the Company believe that the plan will be implemented successfully and the Group will be able to continue as going concern.

A2. Changes in accounting policies

The Group intends to adopt the following standards, where applicable, when they become effective. The adoption of the following standards is not expected to have material effect on the financial statements:-

Amendments/Improvements to MFRSs effective for the financial period beginning on or after 1 January 2020

MFRS 2	Share Based Payments
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures: Interest Rate Benchmark Reform
MFRS 9	Financial Instruments: Interest Rate Benchmark Reform
MFRS 14	Regulatory Deferral Accounts
MFRS 101	Presentation of Financial Statements: Definition of Material
MFRS 108	Accounting policies, Changes in Accounting Estimates and Errors
MFRS 134	Interim Financial Reporting
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
Interpretation 12	Service Concession Arrangements
Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Interpretation 22	Foreign Currency Transactions and Advance Consideration
Interpretation 132	Intangible Assets- Web Site Cost
Annual Improvements to MFRS Standards 2015-2017 Cycle	

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

The following are accounting standards, amendment and interpretations that have been issued but not yet effective and have not been applied by the Group.

Effective for the
financial period
beginning on or after

New MFRSs

MFRS 17	Insurance Contracts	1 January 2021
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Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred
MFRS 128	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture	Deferred

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A3. Auditors' report on preceding annual financial statements

The Auditors' Report on the preceding financial statements is not available as the audited financial statements for the year ended 31 December 2019 have yet to be issued at the date of this report. Please refer to the Company's announcement dated 21 June 2020 stating that Bursa Securities had granted to the Company an extension of time of one (1) month until 31 July 2020 to issue its Annual Report 2019 which include the audited financial statements and the directors' and auditors' reports for the year ended 31 December 2019.

A4. Seasonal or cyclical factors

The Group's performances were not materially affected by any significant seasonal or cyclical factors for the current quarter.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flows of the Group that are unusual due to their nature, size or incidence during the current quarter under review.

A6. Changes in estimates

There were no material changes in estimates of amounts reported in prior interim periods that have a material effect in the current quarter results.

A7. Issuance or repayment of debt and equity securities

There were no issuance, cancellations, repurchases, resale, and repayment of debts and equity securities for the current quarter except for those disclosed in the Condensed Consolidated Statements of Cash Flow.

A8. Dividends paid

There were no dividends paid during the current quarter under review.

A9. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment conducted during the quarter for the Group.

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A12. Segmental information

The segment information by activities for the Company and its subsidiaries for the period is as follows:-

	CUMULATIVE PERIOD					Total	
	3 MONTHS ENDED 31 MARCH 2020					Continuing	Discontinued
	Properties RM'000	Offshore RM'000	Construc- tion RM'000	Others RM'000	Elimi- nation RM'000	RM'000	RM'000
REVENUE :							
External sales	5,120	-	4	878	(1,269)	4,733	16,532
Inter-segment sales	2	-	373	-	-	375	-
	5,122	-	377	878	(1,269)	5,108	16,532
SEGMENT RESULTS:							
Operating profit/(loss)	1,523	38	(150)	(2,723)	656	(656)	4,053
Interest income	213	1	1	535	(680)	70	-
Finance costs	(637)	(208)	(37)	(339)	491	(730)	(1,516)
Share of profits of associates	-	-	-	398	-	398	-
Profit/(loss) before tax	1,099	(169)	(186)	(2,129)	467	(918)	2,537
Taxation	-	-	-	-	-	-	-
Profit/(loss) net of tax	1,099	(169)	(186)	(2,129)	467	(918)	2,537
Assets and Liabilities							
Segment assets	439,008	13,985	7,907	325,539	(340,366)	446,073	31,307
Cash and bank balances	8,267	1,774	434	3,045	-	13,520	324
Deposit with licensed banks	4,702	-	115	1,061	-	5,878	-
Tax recoverable	5,065	-	1	271	-	5,337	-
Total assets	457,042	15,759	8,457	329,916	(340,366)	470,808	31,631
Segment liabilities	169,976	113,690	7,388	31,978	(248,168)	74,864	4,767
Tax payable	172	-	-	-	-	172	-
Overdrafts	12,773	-	2,078	-	-	14,852	14,637
Loans and borrowings	11,038	-	-	10,614	-	21,652	49,269
Total liabilities	193,959	113,690	9,466	42,592	(230,073)	111,540	68,673
Capital expenditure	-	-	-	-	-	-	-
Depreciation	156	-	1	308	(12)	453	405

Offshore excludes the manufacturing activities.

Discontinued companies are in respect of manufacturing and mini hydro activities.

A12. Segmental information (continued)

The segment information by activities for the Company and its subsidiaries for the period is as follows:-

	CUMULATIVE PERIOD 3 MONTHS ENDED 31 MARCH 2019					Total	
	Properties RM'000	Manufacturing RM'000	Construc- tion RM'000	Others RM'000	Elimi- nation RM'000	Continuing RM'000	Discontinued RM'000
REVENUE :							
External sales	10,245	36,642	616	8	-	47,511	-
Inter-segment sales	2	-	890	1,238	(2,136)	(6)	-
	10,247	36,642	1,506	1,246	(2,136)	47,505	-
SEGMENT RESULTS:							
Operating profit/(loss)	909	(159)	79	1,952	(3,978)	(1,197)	-
Interest income	171	-	1	366	(130)	408	-
Finance costs	(579)	(1,813)	(33)	(479)	130	(2,774)	-
Share of profits of associates	-	-	-	200	-	200	-
Profit/(loss) before tax	501	(1,972)	47	2,039	(3,978)	(3,363)	-
Taxation	(277)	-	-	-	-	(277)	-
Profit/(loss) net of tax	224	(1,972)	47	2,039	(3,978)	(3,640)	-
Assets and Liabilities							
Segment assets	450,521	51,984	14,927	346,999	(363,101)	501,330	-
Cash and bank balances	8,543	994	325	5,398	-	15,260	-
Deposit with licensed banks	4,556	-	111	447	-	5,114	-
Tax recoverable	4,190	-	2	294	-	4,486	-
Total assets	467,810	52,978	15,365	353,138	(363,101)	526,190	-
Segment liabilities	198,883	59,624	12,838	22,519	(196,725)	97,139	-
Tax payable	277	-	-	-	-	277	-
Overdrafts	2,707	16,795	1,858	15	-	21,375	-
Loans and borrowings	16,890	31,731	-	17,107	-	65,728	-
Total liabilities	218,757	108,150	14,696	39,641	(196,725)	184,519	-
Capital expenditure	-	-	(1)	(55)	-	(56)	-
Depreciation	157	680	6	300	(12)	1,131	-

A13. Events after the Reporting Year

There were no material events subsequent to the reporting date up to 30 June 2020, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Financial Report.

A14. Changes in the composition of the Group

There were no changes to the composition of the Group except for a strike off subsidiary, Pasdec Engineering during the current quarter under review.

A15. Contingent liabilities

There were no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2019.

A16. Capital commitments of the Group

	As at 31.03.2020 RM'000	As at 31.12.2019 RM'000
Capital expenditure Approved and contracted for: Property, plant and equipment	70,011	72,841

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Interim Financial Report for the year ended 31 December 2019

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES

B1. Review of performance

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current Quarter	Preceding year Quarter			Current year to-date	Preceding year to-date		
	31.03.2020 RM'000	31.03.2019 RM'000	RM'000	%	31.03.2020 RM'000	31.03.2019 RM'000	RM'000	%
Continuing operations								
Revenue	5,108	47,511	(42,403)	(89)	5,108	47,511	(42,403)	(89)
Gross profit	3,212	8,076	(4,864)	(60)	3,212	8,076	(4,864)	(60)
Loss before interest & tax	(188)	(589)	401	68	(188)	(589)	401	68
Loss before tax	(918)	(3,363)	2,445	73	(918)	(3,363)	2,445	73
Loss net of tax	(918)	(3,640)	2,722	75	(918)	(3,640)	2,722	75
Discontinued operations								
Loss net of tax	(2,537)	-	(2,537)	(100)	(2,537)	-	(2,537)	(100)
Loss attributable to ordinary equity holders of the parent	(2,628)	(3,178)	550	17	(2,628)	(3,178)	550	17

Overview

The Group registered revenue from continuing operations for the current period under review was RM5.11 million compared with RM10.87 million for the same corresponding period last year.

The revenue for the current period was only attributable to property activities whereas there was also contribution from construction activities during the corresponding period last year.

The current period continuing operations net loss was RM0.92 million compared to RM3.64 million registered for the same corresponding period last year. The Group had reduced its staff overhead by approximately RM0.44 million during the current period after the recent staff voluntary separation scheme ("VSS") and no impairment losses and major legal fees were incurred during the current period.

Results by Segments

Property Segment registered revenue was RM5.12 million, being the only contribution to the Group's operations.

For the same corresponding period last year the revenue was RM10.24 million.

Inability to secure bank loans by potential buyers was a continued issue and sales were on further downward trend after middle March, 2020 when the Government enforced Movement Control Order due to Covid-19 pandemic.

The Property Segment registered profit before tax for the current period under review was RM1.10 million compared to RM0.50 million for the same corresponding period last year; higher result for the current period was due to reduced overhead during the period post VSS and no impairment and legal fees incurred during the current period under review.

B2. Comparison of current quarter results with the preceding quarter

Q1, 2020 vs Q4,2019

	Current Quarter 31.03.2020 RM'000	Immediate Preceding Quarter 31.12.2019 RM'000	Changes	
			RM'000	%
Continuing operations				
Revenue	5,108	8,206	(3,098)	(38)
Gross profit	3,212	2,736	476	17
(Loss)/profit before interest & tax	(188)	(13,694)	13,506	(99)
Loss before tax	(918)	(11,735)	10,817	92
(Loss)/profit net of tax	(918)	(11,939)	11,021	92
Discontinued operations				
Loss net of tax	(2,537)	(1,920)	(617)	(100)
Loss attributable to ordinary equity holders of the parent	(2,628)	(1,923)	(705)	(37)

<u>Revenue</u>	Current Quarter Q1,2020 RM'million	Immediate Preceding Quarter Q4, 2019 RM'million
Segments		
Continuing operations		
Property development	5.11	9.07
Construction	-	(0.86)
	5.11	8.21

During the quarter under review, the property segment recorded revenue was RM5.11 million as compared to RM8.21 million in the immediate preceding quarter, decrease by 38%.

As a result, loss attributable to Owners of the Group for the current quarter was loss RM2.63 million.

B3. Profit forecast and profit guarantee

The Group had not provided any profit forecast or profit guarantee in a public document.

B4. Notes to consolidated statement of comprehensive income

	31.03.2020	31.03.2019
	RM'000	RM'000
Loss for the period is arrived at after charging		
Depreciation	858	1,131
Interest expense	730	2,774
Allowance for expected credit loss:-		
Trade receivables	-	12
Effect of strike off companies	1,118	1,668
And after crediting		
Other income	63	352
Interest income	70	408
Reversal of allowance for expected credit loss:-		
Trade receivables	-	(41)

B5. Taxation

	INDIVIDUAL		CUMULATIVE	
	QUARTER		QUARTER	
	3 months ended		12 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current	-	277	-	277
	-	277	-	277

B6. Corporate proposal

There was no corporate proposal announced and pending completion during the quarter under review.

B7. Status of utilisation of proceeds as at 31 March 2020 raised from the Rights Issue with Warrants are as follows:-

a)

No	Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimate Timeframe
1	Land premium	7,436	2,281	5,155	Within 3 months
2	Property development	18,000	14,634	3,366	Within 21 months
3	Working capital purpose	13,501	13,436	65	Within 9 months
4	Expenses for the Rights Issue with Warrants	1,100	1,100	-	Not applicable
	Total	40,037	31,451	8,586	

1. Land premium

Out of remaining RM5.16 million land premium (Note B7(c)) is RM4.19 million payable for the 60 acres of Muadzam Shah land, which is still pending issuance of land title from the Land Office.

2. Property development

The balance of RM3.37 million will be used for 7 new projects and 2 existing projects as mentioned below.

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B7. Status of utilisation of proceeds as at 31 March 2020 raised from the Rights Issue with warrants are as follows:- (continued)

New projects		Estimated GDV RM' million	Estimated date of commencement
1	Balok Perdana 3A Phase 7	16.17	Oct 2020
2	Balok Perdana Commercial 2A2	9.57	Oct 2021
3	Pasdec Damansara Zone 3A3	54.07	Dec 2021
4	Muadzam Shah Phase 1	30.67	April 2021
5	Pasdec Avenue	105.34	March 2021
6	Bandar Putra Package 6A9	34.32	September 2021
7	Harbour Park	173.71	May 2021
Total		423.85	

The amount to be allocated for each project has yet to be determined at this juncture, and is dependent on funding requirements of each project. Nonetheless, the Company will continue to provide updates on the status and details of the proceeds allocation, and the proceeds will be fully utilised within the stipulated time frame.

Completed projects		Estimated GDV RM' million	Stage of completion as at 31 March 2020 (%)
1	Balok Perdana 3A Phase 4	40.47	100%
2	Pasdec Damansara Package 4 (second phase)	22.16	100%
3	104 unit of one, two and three storey terrace house at Bandar Putra 7A5, located in Kuantan, Pahang	38.61	100%
Total		101.24	
Grand total		525.09	

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B7. Status of utilisation of proceeds as at 31 March 2020 raised from the Rights Issue with Warrants are as follows:- (continued)

b) 2 identified projects financed from the Rights Issues proceeds continued to progress. Status of the projects as at the reporting date was as follows:-

No	Property name	% Progress as at 31 March 2020	Expected completion
1	51 units of two and two-and-a-half storey terrace house at Vista Verde (Phase 2), located in Kuantan, Pahang.	99%	1H, 2020
2	15 units of double storey commercial shop office at Cenderawasih Pesona, located in Kuantan, Pahang.	95%	3Q,2020

c) The Group had on 31 January 2019 announced variation in the utilisation of proceeds raised from the Rights Issues as follows:

Particulars	Approved allocation	Actual spending as at 31 December 2019	Remaining to be utilised	Approved variation	Proposed variation
	RM'000	RM'000	RM'000	RM'000	RM'000
1 Land premium	7,436	2,281	4,188	967	(967)
2 Property development	18,000	14,634	3,366	-	-
3 Working capital	13,501	13,436	65	(967)	967
4 Expenses for Rights Issue	1,100	1,100	-	-	-
Total	40,037	31,451	7,619	-	-

B8. Investment securities

Fair Value through Other Comprehensive Income

	As at 31.03.2020 Carrying amount Market value of quoted investments RM'000	As at 31.03.2019 Carrying amount Market value of quoted investments RM'000
At fair value:		
Shares quoted in Malaysia	-	-
Unit trusts quoted in Malaysia	341	341
	341	341

B9. Trade receivables

The ageing analysis of the trade receivables for 31 March 2020 is as follows:

	Gross RM'000	Impairment RM'000	Net RM'000	%
Current	1,090	-	3,713	15%
Past due 1- 30 days	698	-	698	3%
Past due 31 – 120 days	1,696	-	1,696	7%
Past due > 120 days	27,226	9,346	17,880	75%
TOTAL	30,710	9,346	23,987	100%

The Group did not impair some past due trade receivables as the Group was satisfied on its recovery, which was from property buyers. The banks or financial institutions would release the buyers' loans upon fulfilment of terms and conditions of loan agreements and some receivables are stakeholders monies held by lawyers.

B10. Loans and borrowings

The Group's exposure in loans and borrowings is as follows:

Secured facilities	Denomination	Short term RM'000	Long term RM'000	As at 31.03.2020 RM'000	As at 31.03.2019 RM'000	Interest rates	Remarks
1) Overdraft	RM	14,852	-	14,852	4,579	7.85% - 9.35%	Working capital
2) Term loan	RM	14,047	-	14,047	18,215	8.00%	Working capital
3) Term loan	RM	7,566	-	7,566	15,126	4.70% - 4.95%	Investment
4) Revolving credit	RM	-	-	-	500	8.95%	Working capital
5) Bridging loan	RM	-	-	-	-	7.95% - 8.20%	Project financing
6) Finance lease	RM	33	6	39	156	2.42% - 3.00%	Purchase of motor vehicle
TOTAL		36,498	6	36,504	38,576		
Disposal group							
1) Overdraft	BWP	14,637	-	14,637	16,796	8.50%	Working capital
2) Term loan	BWP	27,251	-	27,251	31,731	4.00% - 9.0%	Purchase of plant & equipment
3) Revolving credit	BWP	-	-	-	-	8.50%	Working capital
4) Redeemable preferences shares	BWP	22,018	-	22,018	-	4.00%	Capital expenditure and working capital
TOTAL		63,906	-	63,906	48,527		

Note

BWP : Botswana Pula (1 BWP = RM0.362484)

B11. Share Capital

	As at 31.03.2020 RM'000	As at 31.12.2019 RM'000
Issued and fully paid	<u>327,693</u>	<u>327,693</u>

	As at 31.03.2020 No of ordinary shares (‘000)	As at 31.12.2019 No of ordinary shares (‘000)
Issued and fully paid	<u>400,369</u>	<u>400,369</u>

B12. Other reserves

a) Fair value change reserve

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed of or impaired.

b) Others

The others represent:

i) Premium paid on acquisition of non-controlling interest in a subsidiary. The difference between the consideration and fair value of the interest acquired of RM9.9 million was reflected in equity as premium paid on acquisition of the non-controlling interest and share of revaluation reserve of an associate.

ii) Warrant reserve

The Warrants of RM5.72 million in respect of 114,391,200 free detachable Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed at a fair value of RM0.05 per Warrant, listed and quoted on the main market of Bursa Securities on 11 July 2018.

B12. Other reserves (continued)

c) Foreign currency exchange reserve

The foreign currency exchange deficit represents the differences arising from translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

B13. Material litigation

There was no material litigation involving the Group at the date of this report.

B14. Dividend

There was no dividend declared for the quarter under review.

B15. Losses per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		3 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Basic losses per share				
Losses attributable to owners of the parent (RM'000)	(2,628)	(3,178)	(2,628)	(3,178)
Number of weightage average shares (unit '000)	400,369	400,369	400,369	400,369
Basic losses per share (sen)	<u>(0.66)</u>	<u>(0.79)</u>	<u>(0.66)</u>	<u>(0.79)</u>

B16. Comparative figures

Certain comparative figures have been reclassified to conform to current period presentations.

B17. Authority for issue

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

By order of the Board

Shakerah Enayetali
Group Corporate Secretary & Governance