

PASDEC HOLDINGS BERHAD

Registration no: 199501037920

(Incorporated in Malaysia)

**Financial Statements
as at 31 December 2020**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Revenue	18,353	8,448	44,975	31,678
Cost of sales	(9,064)	(4,266)	(26,383)	(17,656)
Gross profit	9,289	4,182	18,592	14,022
Other items of income				
Interest income	366	(1,259)	644	261
Other income	75,450	6,295	77,351	8,120
Other items of expense				
Personnel expenses	(983)	(332)	(4,548)	(6,066)
Other expenses	(30,544)	(19,874)	(36,835)	(26,124)
Finance costs	(427)	(1,447)	(1,919)	(3,838)
Share of results of associates	591	1,037	(1,111)	(191)
Profit/(loss) before tax from continuing operations	53,742	(11,398)	52,174	(13,816)
Taxation (Note B5)	(2,100)	(204)	(2,100)	1,163
Profit/(loss) from continuing operations, net of tax	51,642	(11,602)	50,074	(12,653)
Profit / (loss) from disposed/ discontinued operations	1,919	(17,359)	(10,432)	(17,972)
Profit/(loss) net of tax	53,561	(28,961)	39,642	(30,625)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Other comprehensive income/(loss),net of tax				
<i>Items that will be reclassified subsequently to profit or loss:</i>				
Net changes in fair value:				
Investments	29	19	(19)	29
Foreign currency translation	47	1,584	1,073	2,770
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement (loss)/gain on defined benefit plan	(53)	2,229	181	2,155
Other comprehensive income,net of tax	23	3,832	1,235	4,954
Total comprehensive income/(loss) for the year, net of tax	53,584	(25,129)	40,877	(25,671)
Profit/(loss) attributable to:				
Owners of the parent	61,155	(26,023)	50,673	(27,502)
Non-controlling interests	(7,594)	(2,938)	(11,031)	(3,123)
	53,561	(28,961)	39,642	(30,625)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	42,593	(21,197)	32,133	(21,791)
Non-controlling interests	10,991	(3,932)	8,744	(3,880)
	53,584	(25,129)	40,877	(25,671)
Earnings/(losses) per share attributable to owners of the Company (Note B15)				
Basic (sen)	15.28	(6.50)	12.66	(6.87)

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

	Notes	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		11,022	12,274
Right-of-use assets		-	664
Work in progress		19,909	13,686
Land held for property development		147,250	145,587
Investment properties		53,916	55,331
Investments in associates		7,648	3,620
Investment securities	B8	379	398
		<u>240,124</u>	<u>231,560</u>
Current Assets			
Property development costs		69,316	87,347
Inventories		82,306	90,607
Trade receivables	B9	27,636	21,292
Other receivables		3,945	8,183
Other current assets		70	2,577
Cash and bank balances		16,904	18,212
Tax recoverable		2,860	6,204
		<u>203,037</u>	<u>234,422</u>
Assets of disposal group classified as held of sale		-	38,616
		<u>203,037</u>	<u>273,038</u>
TOTAL ASSETS		<u>443,161</u>	<u>504,598</u>
EQUITY AND LIABILITIES			
Current Liabilities			
Retirement benefit obligations		824	476
Contract liabilities		361	385
Loans and borrowings	B10	18,764	24,699
Overdrafts		8,700	14,357
Lease liabilities		-	365
Trade payables		16,767	22,867
Other payables		16,996	38,787
Tax payable		2,152	3
		<u>64,564</u>	<u>101,939</u>
Liabilities of disposal group classified as sale		-	82,746
		<u>64,564</u>	<u>184,685</u>
NET CURRENT ASSETS		<u>138,473</u>	<u>88,353</u>

**Condensed Consolidated Statements of Financial Position
as at 31 December 2020 (continued)**

	Notes	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Non-Current Liabilities			
Retirement benefit obligations		1,510	2,055
Loans and borrowings	B10	-	6
Lease liabilities		-	357
		1,510	2,418
TOTAL LIABILITIES		66,074	187,103
NET ASSETS		377,087	317,495
Equity attributable to owners of the parent			
Share capital	B11	327,693	327,693
Other reserves	B12	1,469	1,475
Retained earnings/(accumulated losses)		47,628	(3,226)
		376,790	325,942
Non-controlling interests		297	(8,447)
TOTAL EQUITY		377,087	317,495
TOTAL EQUITY AND LIABILITIES		443,161	504,598
Net assets per share (RM)		0.94	0.79

Condensed Consolidated Statement of Changes in Equity
for the year ended 31 December 2020

	-----Attributable to owners of the parent-----					-----Non Distributable-----				Non- controlling interest RM'000
	Non Distributable		Distributable			Fair value change reserve RM'000	Non Distributable		Foreign currency exchange reserve RM'000	
	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		Note B12(a)	Note B12(b)		
1 January 2020	317,495	325,942	327,693	(3,226)	1,475	(43)	(9,328)	5,720	5,126	(8,447)
Profit/(loss) for the year	39,642	50,673	-	50,673	-	-	-	-	-	(11,031)
Other comprehensive income/(loss)	1,235	900	-	181	719	(19)	-	-	738	335
Disposal of subsidiaries	13,576	(5,864)			(5,864)				(5,864)	19,440
Total comprehensive income/(loss)	54,453	45,709	-	50,854	(5,145)	(19)	-	-	(5,126)	8,744
Share of equity contribution of an associate	5,139	5,139	-	-	5,139	-	5,139	-	-	-
31 December 2020	377,087	376,790	327,693	47,628	1,469	(62)	(4,189)	5,720	-	297

**Condensed Consolidated Statement of Changes in Equity
for the year ended 31 December 2019**

	-----Attributable to owners of the parent-----					-----Non Distributable-----				Non-controlling interest
	Non Distributable		Distributable		Total other reserves	Non Distributable				
	Total equity	Total equity attributable to owners of the parent	Share capital	Retained earnings		Note B12(a)	Note B12(b)	Note B12(b)		
RM'000	RM'000	RM'000	RM'000	RM'000	Fair value change reserve RM'000	Others RM'000	Warrant reserve RM'000	Foreign currency exchange reserve RM'000	RM'000	
1 January 2019	343,146	347,713	327,693	22,121	(2,101)	(72)	(9,348)	5,720	1,599	(4,567)
Loss for the year	(30,625)	(27,502)	-	(27,502)	-	-	-	-	-	(3,123)
Other comprehensive profit/ (loss)	4,954	5,711	-	2,155	3,556	29	-	-	3,527	(757)
Total comprehensive (loss)/ income	(25,671)	(21,791)	-	(25,347)	3,556	29	-	-	3,527	(3,880)
Share of equity contribution of an associate	20	20	-	-	20	-	20	-	-	-
31 December 2019	317,495	325,942	327,693	(3,226)	1,475	(43)	(9,328)	5,720	5,126	(8,447)

**Condensed Consolidated Statements of Cash Flow
for the year ended 31 December 2020**

	CUMULATIVE QUARTER	
	31.12.2020	31.12.2019
	RM'000	RM'000
Cash flows from operating activities		
Cash receipts from customers	88,831	116,572
Cash payments to suppliers and contractors	(17,657)	(92,789)
Cash payments to employees and for expenses	(62,431)	(31,201)
Cash generated from/(used in) operations	8,743	(7,418)
Net income tax & GST received / (net income tax paid)	5,678	(1,283)
Net cash generated from/(used in) operating activities	14,421	(8,701)
Cash flows from investing activities		
Proceed from sale of property, plant and equipment	201	265
Interest received	89	261
Purchase of property, plant and equipment	-	(6,778)
Dividend received	12	13
Net cash deficit of disposed operations	14,364	-
Net cash generated from investing activities	14,666	(6,239)
Cash flows from financing activities		
Drawdown of term loans		21,102
Repayment of lease liabilities	-	(802)
Repayment of term loans	(6,789)	(25,165)
Repayment of obligation under finance leases	(194)	(133)
Loan interest	(2,049)	(2,431)
Net cash used in financing activities	(9,032)	(7,429)
Net increase/(decrease) in cash and cash equivalents	20,055	(22,369)
Forex	1,480	(205)
Cash and cash equivalents at beginning of year	(13,331)	9,243
Cash and cash equivalents at end of year	8,204	(13,331)
Represented by:		
Continuing operations		
Cash and bank balances	16,904	18,212
Bank overdrafts	(8,700)	(14,357)
	8,204	3,855
Disposed operations		
Cash and bank balances	-	226
Bank overdrafts	-	(17,412)
	-	(17,186)
Cash and cash equivalents at end of year	8,204	(13,331)

**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 Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. 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 ("the Company") and its subsidiaries ("the Group") since the year ended 31 December 2019.

The Board of Directors of the Company announced that on 10 December 2020, its wholly-owned subsidiary, Mutiara Pasdec Sdn Bhd had entered into a conditional share sale and purchase agreement with WMW Realty Sdn Bhd ("WRSB") for the disposal of the entire equity interests comprising 54,000,000 ordinary shares in Pahang Off-Shore Sdn Bhd ("POSB") to WRSB for a total cash consideration of RM1.00. The sale was completed on the same day.

Pursuant to the disposal of POSB, the Company no longer has any interests in POSB and its subsidiaries comprising of Pasdec Resources (S.A) Limited ("PRSA"), Pasdec Automotive Technologies Proprietary Limited ("PAT SA") and Pasdec Automotive Technologies (Botswana) (Proprietary) Limited ("PAT BW").

Nevertheless, the corporate guarantees totalling BWP180,203,237 and ZAR8,000,000 (approximately RM69.29 million) which has been provided by the Company to the preference shareholder, lender and creditor of PAT BW remain for the time being until completion of the disposal of PAT BW by PAT SA that was announced by the Company on 17 July 2020 and 21 July 2020.

As of 31 December 2020, balances of loans and borrowings of PAT BW under the corporate guarantees of BWP180,203,237 (RM67,176,884) was BWP130,270,668 (RM48,562,821) (2019:BWP128,232,506 (RM49,202,684)). Whereas for the corporate guarantee of ZAR8,000,000 (RM2,196,808),the balance was NIL (2019:ZAR36,014 (RM10,457)).

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A2. Significant accounting policies

The significant accounting policies and methods of computation applied in the unaudited condensed financial statements are consistent with those adopted in audited financial statements for the financial year ended 31 December 2019, except for the adoption of the following MFRs and Amendment to MFRs and Interpretation.

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

Amendment to MFRS 16 Covid-19 Related Rent Concessions on 1 June 2020

MFRS 3 Business Combinations

MFRS 4 Insurance Contract-Extension of the Temporary Exemption from Applying MFRS 9

MFRS 7 Financial Instruments: Disclosures: Interest Rate Benchmark Reform

MFRS 9 Financial Instruments: Interest Rate Benchmark Reform

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

Amendment to MFRS 16 Covid-19 Related Rent Concessions on 1 June 2020

There is no substantive change to terms and conditions of the leases in the Group and the Company.

A3. Standard and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

New MFRS

Interest Rate Benchmark Reform Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	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
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MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred
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Annual Improvements to MFRS Standards 2018-2020	1 January 2022
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Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
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Amendments to MFRS 116 Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
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Amendments to MFRS 137 Onerous Contract-Cost of Fulfilling Contract	1 January 2023
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A4. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2019 was not qualified.

A5. Seasonal or cyclical factors

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

A6. 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.

A7. 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.

A8. 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 period except for those disclosed in the Condensed Consolidated Statements of Cash Flow.

A9. Dividends paid

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

A10. Carrying amount of revalued assets

The carrying values of certain investment properties and inventories are based on the valuation

A11. Segmental information

The Group is principally involved in property development, construction, manufacturing and investments holdings (including offshore) and property management (others) activities.

The reportable segments of the Group are as follows:-

- a) Continued operations-property, construction and others segments; and
- b) Discontinued operations in 2019 - manufacturing segments under PAT SA and PAT BW.
- c) Disposed operations in 2020 - POSB Group including PRSA and PAT SA and PAT BW.

A12. Segmental information

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

	CUMULATIVE PERIOD				Total	
	12 MONTHS ENDED 31 DECEMBER 2020					
	Properties RM'000	Construc- tion RM'000	Others RM'000	Elimina- tion RM'000	Continuing	Disposed RM'000
REVENUE :						
External sales	44,935	14	26	-	44,975	44,734
Inter-segment sales	2	744	3,455	(4,201)	-	-
	44,937	758	3,481	(4,201)	44,975	44,734
SEGMENT RESULTS:						
Operating profit/(loss)	3,709	(671)	(3,908)	55,430	54,560	(8,503)
Waiver of debts-other payables	-	-	-	-	-	25,734
Interest income	661	3	1,774	(1,794)	644	-
Finance costs	(2,103)	(89)	(784)	1,057	(1,919)	(7,982)
Share of results of associates	-	-	-	(1,111)	(1,111)	-
Profit/(loss) before tax	2,267	(757)	(2,918)	53,582	52,174	9,249
Taxation	(2,100)	-	-	-	(2,100)	(19,681)
Profit/(loss) net of tax	167	(757)	(2,918)	53,582	50,074	(10,432)
Assets and Liabilities						
Segment assets	422,167	3,579	328,842	(331,191)	423,397	38,175
Cash and bank balances	8,536	4	2,475	-	11,015	2,040
Deposit with licensed banks	4,701	117	1,071	-	5,889	-
Tax recoverable	2,587	2	271	-	2,860	-
Total assets	437,991	3,702	332,659	(331,191)	443,161	40,215
Segment liabilities	157,189	4,846	33,503	(159,081)	36,457	107,931
Tax payable	2,152	-	-	-	2,152	3,046
Overdrafts	8,265	436	-	-	8,701	16,405
Loans and borrowings	9,849	-	8,915	-	18,764	-
Total liabilities	177,455	5,282	42,418	(159,081)	66,074	127,382
Capital expenditure	-	-	-	-	-	-
Depreciation	638	7	1,224	-	1,869	2,094

A12. Segmental information (continued)

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

	CUMULATIVE PERIOD					
	12 MONTHS ENDED 31 DECEMBER 2019					
	Properties RM'000	Construc- tion RM'000	Others RM'000	Elimina- tion RM'000	Total	
Continuing RM'000					Discontinued	
REVENUE :						
External sales	25,085	1,797	4,796	-	31,678	90,660
Inter-segment sales	-	2,402	4,382	(6,784)	-	-
	25,085	4,199	9,178	(6,784)	31,678	90,660
SEGMENT RESULTS:						
Operating loss	(4,418)	(1,373)	(39,008)	34,751	(10,048)	(10,236)
Interest income	1,209	3	2,426	(3,377)	261	-
Finance costs	(2,909)	(61)	(5,299)	4,431	(3,838)	(6,738)
Share of results of associates	-	-	-	(191)	(191)	-
Loss before tax	(6,118)	(1,431)	(41,881)	35,614	(13,816)	(16,974)
Taxation	1,196	(1)	(32)	-	1,163	(998)
Loss net of tax	(4,922)	(1,432)	(41,913)	35,614	(12,653)	(17,972)
Assets and Liabilities						
Segment assets	456,810	9,473	338,600	(363,317)	441,566	38,390
Cash and bank balances	10,292	387	1,663	-	12,342	226
Deposit with licensed banks	4,699	114	1,057	-	5,870	-
Tax recoverable	5,931	2	271	-	6,204	-
Total assets	477,732	9,976	341,591	(363,317)	465,982	38,616
Segment liabilities	189,265	9,199	68,788	(201,960)	65,292	9,888
Tax payable	-	3	-	-	3	3,380
Overdrafts	12,760	1,597	-	-	14,357	17,412
Loans and borrowings	12,368	-	12,337	-	24,705	52,066
Total liabilities	214,393	10,799	81,125	(201,960)	104,357	82,746
Capital expenditure	71	2	6,102	-	6,175	603
Depreciation	680	17	4,247	(47)	4,897	2,052

A13. Events after the reporting year

There were no material events subsequent to the reporting date up to 30 March 2021, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Financial Report except for a corporate proposal announcement in Note A18.

A14. Changes in the composition of the Group

On 10 December 2020 the Company's wholly-owned subsidiary, Mutiara Pasdec Sdn Bhd had entered into a conditional share sale and purchase agreement with WMW Realty Sdn Bhd ("WRSB") for the disposal of the equity interest comprising 54,000,000 ordinary shares in Pahang Off-Shore Sdn Bhd ("POSB") to WRSB for a total cash consideration of RM1.00.

Pursuant to disposal of POSB, the Company no longer has any interests in POSB and its subsidiaries comprising of Pasdec Resources (S.A.) Limited ("PRSA"), Pasdec Automotive Technologies Proprietary Limited ("PAT SA") and Pasdec Automotive (Botswana)(Proprietary) Limited ("PAT BW").

A15. Contingent liabilities

There were no changes in the nature of 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 31.12.2020 RM'000	As at 31.12.2019 RM'000
Capital expenditure Approved and contracted for: Property, plant and equipment	65,240	72,841

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A17. Subsequent events and prospects

The COVID-19 pandemic throughout the world has a significant impact on the overall economy including property development and construction activities. On 13 January 2021, a second Movement Control Order ("MCO 2.0") for six states in Malaysia started. The Malaysia Government announced throughout the nation except Sarawak following to alarming increase in COVID-19 cases.

The MCO 2.0 at first set till 4 February 2021 was extended to 4 March 2021. Starting 5 March 2021, the MCO 2.0 was replaced with the Conditional Movement Control Order ("CMCO") in Kuala Lumpur, Selangor, Johor, Penang, Negeri Sembilan, Kedah, Perak and Kelantan till 18 March 2021 except for Sarawak till 15 March 2021. Other states, Melaka, Pahang, Terengganu, Sabah, Putrajaya, Labuan and Perlis were put under Recover Movement Control Order ("RMCO").

On 12 January 2021, the Yang diPertuan Agong Al-Sultan Abdullah Al-Mustafa Billah Shah has also consented to the proclamation of emergency ("darurat") for a period up to 1 August 2021 to contain COVID-19. However, the state of emergency could end earlier if the current wave COVID-19 cases subside.

The state of emergency is not a military coup or a curfew but rather to enable the King make laws to takeover or use or request for use of private hospitals' assets, land, buildings, moveable assets and resources to treat COVID-19 patients to reduce government hospitals' burden.

This can include private sectors' manpower, expertise, facilities, labs, utilities and giving the Malaysian Armed Forces enforcement powers similar to those given to the police, and other powers to carry out public health functions.

The Government existing measures since the first MCO to mitigate negative impact to the industries among others are Bank Negara Malaysia overnight policy rate to 1.75% to accommodate home financing. The Government had also announced Real Property Gain Tax exemption for Malaysians for disposal of up to 3 properties between 1 June 2020 and 31 December 2021 to spur property market. Home Ownership Campaign was re-introduced in June 2020 with benefits from exemptions on stamp duty and instrument of transfer, subject to certain conditions.

The MCO 2.0 and state emergency will further contribute to bring much uncertainty and more challenges in the property market. Since middle March 2020, there has been a decline in the number of home seekers and sellers and narrowed property listings.

During the various phases of MCO, processes like completing documentation and progress payments were put on hold as banks and Land Office scaled down operations during the period. Further, it can be expected that developers and contractors will not be able to complete their projects and developments within the stipulated time frame as supply chains have been interrupted.

Movement across states is still not allowed, unless with police approval. According to Senior Minister (Security Cluster), Datuk Seri Ismail Sabri Yaakob, the decision to allow movement across states would depend on whether the daily COVID-19 cases fell to two digits.

The Company and the Group will continuously monitor the impact of COVID-19 on their operations and financial performances and will be taking appropriate and timely measures and adhering the Standard Operating Procedures to minimise impact of the pandemic.

A18. Corporate proposals announced

On 19 January 2021, Pasdec had announced the Agreement for the Sale Shares in a wholly-owned subsidiary, Sumbangan Sakti Sdn Bhd was not completed by the Purchaser and therefore the disposal had been cancelled by the Company in accordance with the terms of the Agreement. Sumbangan Sakti Sdn Bhd remains a wholly-owned subsidiary of the Company.

Interim Financial Report for the year ended 31 December 2020

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		
	31.12.2020 RM'000	31.12.2019 RM'000	RM'000	%	31.12.2020 RM'000	31.12.2019 RM'000	RM'000	%
Continuing operations								
Revenue	18,353	8,448	9,905	117	44,975	31,678	13,297	42
Gross profit	9,289	4,182	5,107	122	18,592	14,022	4,570	33
Profit/(loss) before interest & tax	54,169	(9,951)	64,120	644	54,093	(9,978)	64,071	642
Profit/(loss) before tax	53,742	(11,398)	65,140	572	52,174	(13,816)	65,990	478
Profit/(loss) net of tax	51,642	(11,602)	63,244	545	50,074	(12,653)	62,727	496
Disposed/discontinued operations								
Profit/(loss) net of tax	1,919	(17,359)	19,278	111	(10,432)	(17,972)	7,540	42
Profit/(loss) attributable to ordinary equity holders of the parent	61,155	(26,023)	87,178	335	50,673	(27,502)	78,175	284

Overview

The Group registered revenue of RM44.98 million during the year under review compared to RM31.68 million last year.

The registered profit net of tax was RM50.07 million compared to loss net of tax of RM12.65 million for last year. The profit was inclusive of gain on disposal of Pahang Off-Shore Sdn Bhd ("POSB") and its subsidiaries amounting to RM73.59 million.

On December 2020, the Company's wholly-owned subsidiary, Mutiara Pasdec Sdn Bhd had entered into a conditional share sale and purchase agreement with WMW Realty Sdn Bhd ("WRSB") for the disposal of entire equity interests comprising 54,000,000 ordinary shares POSB to WRSB for a total cash consideration of RM1.00. The sale was completed on the same day.

Results by Segments

The property segment registered revenue of RM44.94 million for the current year compared with RM25.08 million last year, an increase by 79%. Sales had picked up during the MCO conditional and recovery phases during 3Q 2020 and 4Q 2020 respectively when the sales agents had intense sales activities. During the year under review, 125 units of completed properties were sold compared to 68 units of completed properties and 12 units of properties in progress sold last year.

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B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES (continued)

B1. Review of performance (continued)

The property segment had registered operating profit of RM3.71 million during the year compared to operating loss of RM4.42 million for last year. The year's profit was attributable to the sales during the last two quarters coupled with reduced overhead starting February this year when Voluntary Separation Scheme effected. The net impairment losses, written down values of inventories and written off development costs recorded during the current year under review was RM2.96 million compared with RM3.10 million last year.

The Group had recorded gain on disposal of RM73.59 million following to disposal of group of companies in the manufacturing segment. The gain consists of:-

	RM'000	
Property, plant and equipment	19,116	
Rights of use assets	3,620	
Trade receivables	2,811	
Inventories	12,627	
Cash and bank balances	2,041	
Short term borrowings	(62,161)	
Trade payables	(13,499)	
Other payables	(10,455)	
Taxation corporate	(3,046)	
Lease liability	(4,928)	
Bank overdrafts	(16,405)	
Deferred taxation	(16,888)	
Net liabilities	<u>(87,167)</u>	
Reversal of foreign currency exchange reserve	(5,864)	
Non-controlling interest	<u>19,440</u>	
	<u>(73,591)</u>	
Proceeds from disposal	<u> </u>	* RM1.00 disposal
Gain on disposal	<u>73,591</u>	

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B2. Comparison of current quarter results with the preceding quarter

Q4, 2020 vs Q3,2020

	Current Quarter 31.12.2020 RM'000	Immediate Preceding Quarter 30.09.2020 RM'000	Changes	
			RM'000	%
Continuing operations				
Revenue	18,353	15,330	3,023	20
Gross profit	9,289	3,512	5,777	164
Profit/(loss) before interest & tax	54,169	(990)	55,159	5,572
Profit/(loss) before tax	53,742	(1,477)	55,219	3,739
Profit/(loss) net of tax	51,642	(1,201)	52,843	4,400
Disposed operations				
Profit/(loss) net of tax	1,919	(937)	2,856	305
Profit/(loss) attributable to ordinary equity holders of the Company	61,155	(4,220)	65,375	1,549

<u>Revenue</u>	Current Quarter	Immediate Preceding Quarter
	Q4,2020	Q3, 2020
	RM'million	RM'million
Segments		
Continuing operations		
Property development	18.35	15.33

During the quarter under review, the property segment recorded revenue was RM18.35 million as compared to RM15.33 million in the immediate preceding quarter. The agents' sales activities after the MCO and recovery phase in 3Q 2020 and 4Q 2020 recorded units of properties sold of 50 units and 35 units respectively. However, higher revenue was reported for 4Q 2020 as it is inclusive of proceeds of RM5.98 million for land in Maran surrendered to the Federal Government to allow for East Coast Railway Line ("ECRL").

The profit attributable to the ordinary equity holders of the parent was mainly attributable to the gain on disposal of group of companies in manufacturing segment amounting to RM73.59 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

	31.12.2020	31.12.2019
	RM'000	RM'000
Profit/(loss) of the continuing operations is arrived at after charging :-		
Depreciation	3,963	4,897
Interest expense	1,919	3,838
Allowance for expected credit loss:-		
Trade receivables	344	2,985
Other receivables	354	-
Net loss on disposal of plant, property and equipment	23	18
Property development cost written off	2,259	-
Cost incurred for land held for development written off	-	35
Property, plant and equipment written off	-	23
Net write-down of inventories	163	799
Voluntary Separation Scheme	-	2,994
Non-executive directors' remuneration	313	325
(Reversal)/provision of non-executive directors' other fees	(264)	264
and after crediting:-		
Gain from strike off of subsidiaries	10	3,361
Gain on disposal of subsidiaries	73,591	-
Interest income	644	261
Reversal of allowance for expected credit loss:-		
Trade receivables	164	473
Other receivables	-	246
Reversal of impairment loss of inventories	-	75
Recovery of bad debt written off	-	123
Liquidated ascertained damages on contractor	230	138

B5. Taxation

	INDIVIDUAL	QUARTER	CUMULATIVE	
	3 months ended	3 months ended	QUARTER	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current	2,152	204	2,152	(1,163)
- Prior year over provision	(52)	-	(52)	-
	2,100	204	2,100	(1,163)

B6. Corporate proposal

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

B7. Status of utilisation of proceeds as at 31 December 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 8 months
2	Property development	18,000	15,004	2,996	Within 12 months
3	Working capital purpose	13,501	13,501	-	Not applicable
4	Expenses for the Rights Issue with Warrants	1,100	1,100	-	Not applicable
	Total	40,037	31,886	8,151	

1. Land premium

The land premium is in respect of 60 acres of land in Muadzam Shah, which is pending issuance of land title by Land Office.

2. Property development

The balance of RM2.996 million will be used for new projects as shown in the table below on the first come first serve basis.

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

New projects		Estimated GDV RM' million	Estimated date of commencement
Residential:-			
1	Balok Perdana 3A Phase 7	17.31	April 2021
2	Pasdec Damansara Zone 3A3	53.26	May 2021
3	Muadzam Shah Phase 1	30.67	June 2021
4	Pasdec Avenue Phase 1	27.33	October 2021
5	Bandar Putra Package 6A9	34.32	April 2022
Commercial:			
1	Balok Perdana Commercial 2A2	9.57	June 2022
2	Harbour Park	173.71	January 2023
Total		346.17	

Projects		Estimated GDV RM' million	Certificate of Completion & Compliance ("CCC")
1	Pesona Business Centre	9.81	99%-expected CCC in 2Q 2021
2	Vista Verde Residential Phase 2	20.72	CCC on 30 November 2020
Total		30.53	
Grand Total		376.70	

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

b) 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 2020	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	15,004	2,996	-	-
3 Working capital	13,501	13,501	-	(967)	967
4 Expenses for Rights Issue	1,100	1,100	-	-	-
Total	40,037	31,886	7,184	-	-

B8. Investment securities

Fair Value through Other Comprehensive Income

	As at 31.12.2020 Carrying amount Market value of quoted investments RM'000	As at 31.12.2019 Carrying amount Market value of quoted investments RM'000
At fair value:		
Unit trusts quoted in Malaysia	379	398
	379	398

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B9. Trade receivables

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

Ageing	Gross RM'000	Impairment RM'000	Net RM'000	%
Current	3,458	-	3,458	13%
Past due 30 -120 days	24,178	-	24,178	87%
Past due > 120 days	8,242	8,242	-	0%
Total	35,878	8,242	27,636	100%

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

B10. Loans and borrowings

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

Secured facilities	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000	Interest rates	Remarks
Current:				
1) Term loans	12,521	17,231	6.35%-8.00%	Working capital
2) Term loan	6,243	7,412	3.82% - 4.22%	Investment
3) Finance leases	-	56	2.42% - 3.00%	Purchase of motor vehicle
Sub-Total	18,764	24,699		
Non-current:				
1) Finance leases	-	6	2.42% - 3.00%	Purchase of motor vehicle
Total	18,764	24,705		

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B11. Share Capital

	As at 31.12.2020 RM'000	As at 31.12.2019 RM'000
Issued and fully paid with no par value		
1 January	<u>327,693</u>	<u>327,693</u>
	As at 31.12.2020	As at 31.12.2019
	No of ordinary shares ('000)	No of ordinary shares ('000)
Issued and fully paid with no par value		
1 January	<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. Earnings/(losses) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		12 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Basic earnings/(losses) per share				
Earnings/(losses) attributable to owners of the Company (RM'000)	61,155	(26,023)	50,673	(27,502)
Number of weightage average shares (unit '000)	400,369	400,369	400,369	400,369
Basic earnings/(losses) per share (sen)	<u>15.28</u>	<u>(6.50)</u>	<u>12.66</u>	<u>(6.87)</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