

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter (1st quarter)		Changes (%)	Cumulative Quarter		Changes (%)
	Current quarter ended	Corresponding quarter ended		Current period-to-date ended	Corresponding period-to-date ended	
	31.03.2020 (RM'000)	31.03.2019 (RM'000)		31.03.2020 (RM'000) (UNAUDITED)	31.03.2019 (RM'000) (UNAUDITED)	
1 Revenue	211,836	264,178	-19.8%	211,836	264,178	-19.8%
2 Cost of sales	(169,281)	(216,734)	-21.9%	(169,281)	(216,734)	-21.9%
3 Gross profit	42,555	47,444	-10.3%	42,555	47,444	-10.3%
4 Other income	3,440	8,825	-61.0%	3,440	8,825	-61.0%
5 Administrative expenses	(9,248)	(7,873)	17.5%	(9,248)	(7,873)	17.5%
5A Other operating expenses	(3,116)	(2,341)	33.1%	(3,116)	(2,341)	33.1%
6 Profit from operations	33,631	46,055	-27.0%	33,631	46,055	-27.0%
7 Finance cost	(284)	(110)	158.2%	(284)	(110)	158.2%
8 Profit before tax	33,347	45,945	-27.4%	33,347	45,945	-27.4%
9 Taxation	(11,012)	(10,757)	2.4%	(11,012)	(10,757)	2.4%
10 Profit after tax ("PAT") for the period	22,335	35,188	-36.5%	22,335	35,188	-36.5%
Attributable to :						
Owners of the Company	22,327	35,122	-36.4%	22,327	35,122	-36.4%
Non-controlling Interests ("NCI")	8	66	-87.9%	8	66	-87.9%
	22,335	35,188	-36.5%	22,335	35,188	-36.5%
11 Profit per share attributable to owners of the Company:						
(i) Basic earnings per ordinary share ("EPS")(sen)*	1.81	2.84		1.81	2.84	
(ii) Diluted earnings per ordinary share (sen)*	1.59	2.50		1.59	2.50	

* Basic earnings per share for the quarter and cumulative financial period is calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue for the quarter and financial period respectively. Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. Please refer to Note B11 for further details.

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Report)

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended	Corresponding quarter ended	Current period-to-date ended	Corresponding period-to-date ended
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
			(UNAUDITED)	(UNAUDITED)
1 PAT for the period	22,335	35,188	22,335	35,188
2 Other Comprehensive Expense:				
- Foreign currency translation differences	(41)	(81)	(41)	(81)
3 Total comprehensive income for the period	<u>22,294</u>	<u>35,107</u>	<u>22,294</u>	<u>35,107</u>
Attributable to :				
Owners of the Company	22,286	35,041	22,286	35,041
Non-controlling Interests ("NCI")	8	66	8	66
	<u>22,294</u>	<u>35,107</u>	<u>22,294</u>	<u>35,107</u>

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31
MARCH 2020**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31.03.2020 (RM'000) (UNAUDITED)	As at 31.12.2019 (RM'000) (AUDITED)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	134,464	140,052
Right-of-use Assets	2,052	2,046
Investment Properties	1,707	1,712
Other Investments	8,710	11,563
Intangible Assets	353,200	353,209
Deferred Tax Assets	516	516
Trade and Other Receivables	182,970	191,204
	683,619	700,302
Current Assets		
Inventories	171,856	171,863
Trade and Other Receivables	302,409	307,203
Contract Assets	16,867	11,643
Tax Recoverables	1,112	792
Cash and Bank Balances	280,565	232,950
	772,809	724,451
TOTAL ASSETS	1,456,428	1,424,753
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	642,658	642,658
Treasury Shares	(15,531)	(10,893)
Reserves	645	686
Retained Profit	460,829	438,502
	1,088,601	1,070,953
Non-controlling Interests	2,089	2,081
Total Equity	1,090,690	1,073,034

**UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31
MARCH 2020**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	As at 31.03.2020 (RM'000) (UNAUDITED)	As at 31.12.2019 (RM'000) (AUDITED)
Non-Current Liabilities		
Deferred Tax Liabilities	9,661	7,945
Trade and Other Payables	118,871	122,931
Lease Liabilities	699	1,998
	129,231	132,874
Current Liabilities		
Trade and Other Payables	128,718	153,885
Contract Liabilities	1	30,476
Lease liabilities	1,224	103
Income Tax Payable	16,506	11,518
Short Term Borrowing	90,058	22,863
	236,507	218,845
Total Liabilities	365,738	351,719
	TOTAL EQUITY AND LIABILITIES	TOTAL EQUITY AND LIABILITIES
	1,456,428	1,424,753
Net assets per share attributable to owners of the Company (RM)	0.89	0.87
No. of ordinary shares (in thousand)	1,228,861	1,232,878

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company				Non Controlling Interests RM'000	Total Equity RM'000
	<----- Non-Distributable ----->			Distributable		
	Share Capital RM'000	Other Reserves RM'000	Treasury Shares RM'000	Retained Profits RM'000		
3 MONTHS PERIOD ENDED 31 MARCH 2020						
Balance as at 1 January 2020	642,658	686	(10,893)	438,502	2,081	1,073,034
Total Comprehensive Income for the period	-	(41)	-	22,327	8	22,294
Shares repurchased	-	-	(4,638)	-	-	(4,638)
Balance as at 31 March 2020	642,658	645	(15,531)	460,829	2,089	1,090,690
3 MONTHS PERIOD ENDED 31 MARCH 2019						
Balance as at 1 January 2019	642,658	676	(8,056)	341,475	2,002	978,755
Total Comprehensive Income for the period	-	(81)	-	35,122	66	35,107
Acquisition of equity interest in a subsidiary	-	-	-	-	9	9
Shares repurchased	-	-	(425)	-	-	(425)
Balance as at 31 March 2019	642,658	595	(8,481)	376,597	2,077	1,013,446

(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 and the accompanying explanatory notes attached to the Interim Financial Statements)

UNAUDITED 1ST QUARTER REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

CONSOLIDATED CASHFLOW STATEMENT

	Current period-to-date ended 31.03.2020 (RM'000) (UNAUDITED)	Corresponding period-to-date ended 31.03.2019 (RM'000) (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	33,347	45,945
Adjustment for :		
Amortisation and depreciation of property, plant and equipments	9,359	9,354
Non-cash items	2,081	(6,782)
Operating Profit Before Working Capital Changes	44,787	48,517
Changes in working capital :		
Net change in operating assets	7,023	26,187
Net change in operating liabilities	(41,210)	(56,523)
Net Cash Generated from Operations	10,600	18,181
Interest received	1,807	1,382
Interest paid	(259)	(78)
Income tax paid	(4,628)	(8,307)
Net Cash Generated from Operating Activities	7,520	11,178
CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipments	(265)	(10,863)
Acquisition of quoted shares	(185)	-
Acquisition of subsidiaries, net of cash acquired	-	(1,344)
Dividend received	37	-
Proceeds from disposal of property, plant and equipments	-	546
Net Cash Used in Investing Activities	(413)	(11,661)
CASH FLOW USED IN FINANCING ACTIVITIES		
Lease payment	(3,700)	(294)
Purchase of treasury shares	(4,638)	(425)
Dividend paid during the period	(18,493)	-
Net Cash Used in Financing Activities	(26,831)	(718)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,724)	(1,201)
EFFECT OF EXCHANGE RATE CHANGES	144	(11)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	210,087	192,512
CASH AND CASH EQUIVALENTS AT END OF PERIOD	190,507	191,300
CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:		
Cash and Bank Balances	263,685	166,839
Fixed Deposits and Quoted Unit Trust	16,880	92,686
Less: Short Term Borrowings	(90,058)	(68,225)
	190,507	191,300

(The Condensed Consolidated Cashflow Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Statements)

NOTES TO THE REPORTS

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. Corporate Information

Kerjaya Prospek Group Berhad is a public limited company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office is located at No. 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor. The principal place of business is located at No.1, 2nd Floor, Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

A2. Malaysian Financial Reporting Standards ("MFRS")

A2.1 Basis of Preparations

The interim financial reports of the Group are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysia Accounting Standard Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial reports should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

A2.2 Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this quarterly financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2019, except for the adoption of the following new standards, amendments to the standards and interpretations effective during the current financial period:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3: Business Combinations – Definition of Business
- Amendments to MFRS 7: Financial Instruments: Disclosures, MFRS 9: Financial Instruments and MFRS 139: Financial Instruments: Recognition and Measurement - Interest Rate Benchmark Reform
- Amendments to MFRS 101: Presentation of Financial Statements and MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group.

The new and revised standards and amendments issued but not yet effective during the current financial period and not early adopted by the Group/Company are as listed below:

- Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions (effective for accounting periods beginning on or after 1 June 2020)
- MFRS 17 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2021)
- Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020) (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020) (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020) (effective for accounting periods beginning on or after 1 January 2022)

A2. Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

A2.2 Significant Accounting Policies (Cont'd)

The new and revised standards and amendments issued but not yet effective during the current financial period and not early adopted by the Group/Company are as listed below: (cont'd)

- Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts-Cost of Fulfilling a Contract (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020) (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (deferred)

The Group/Company is expected to apply the abovementioned pronouncements beginning from the perspective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impact to financial statements of the Group/Company.

A3. Audit Report

The audited financial statements for the preceding financial year ended 31 December 2019 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items in the current quarter under review that affecting the assets, liabilities, equity, net income or cashflows of the Group except that the Group's operations and performance are affected by the Movement Control Order ("MCO") implemented by Malaysia Government on 18 March 2020 as a preventive measure against Covid-19 pandemic.

A6. Changes in Estimates

There were no significant changes in estimates that have a material effect to the current quarter under review.

A7. Debt and Equity Securities

During the current quarter, the Company repurchased 4,017,300 units of its issued ordinary shares from the open market at price ranging from RM0.80 to RM1.38 per share. Total consideration paid was RM4.6 million including transaction costs and this was financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of section 127 of the Companies Act 2016. As at 31 March 2020, 13,107,900 units ordinary shares have been repurchased for RM15.5 million including transaction costs.

Other than the above, there were no issuance, cancellations, resale and repayment of debt and equity securities for the Group during the current quarter and financial period under review.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

A8. Dividends Paid

On 25 November 2019, the Board of Directors has approved an interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2019. The approved interim dividend represents approximately 13.2% of profit after tax for financial year ended 31 December 2019. The total amount of RM18.49 million was paid on 6 January 2020.

A9. Segmental Information

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Investment (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	211,825	11	-	-	-	-	211,836
Inter Group Revenue	5,279	1,019	-	-	-	(6,298)	-
	217,104	1,030	-	-	-	(6,298)	211,836

RESULTS

Segmental Results	21,489	(9)	35	1,491	172	(851)	22,327
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OTHER INFORMATION

Segmental Assets	900,860	86,402	130,879	721,046	46	(382,805)	1,456,428
Segmental Liabilities	466,319	78,285	116,584	32,213	4,666	(332,329)	365,738

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

	Construction (RM'000)	Manufacturing (RM'000)	Property Development (RM'000)	Investment (RM'000)	Others (RM'000)	Elimination (RM'000)	Total (RM'000)
External Revenue	247,043	47	17,088	-	-	-	264,178
Inter Group Revenue	30,296	3,535	-	-	-	(33,831)	-
	277,339	3,582	17,088	-	-	(33,831)	264,178

RESULTS

Segmental Results	28,213	1,497	2,071	1,563	(39)	1,817	35,122
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OTHER INFORMATION

Segmental Assets	740,596	116,112	119,325	736,876	44	(375,509)	1,337,444
Segmental Liabilities	421,693	110,420	71,570	36,932	4,618	(321,235)	323,998

As the business of the Group is engaged entirely in Malaysia, no reporting by geographical location of operation is presented.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

A9. Segmental Information (Cont'd)

For management purposes, the Group is organised into business units based on their products and services, and has four (4) reportable operating segments as follow:

- (i) Construction - Main building construction works, provision of contract workmanship and other related services.
- (ii) Manufacturing - Manufacture, assemble, installation and sale of light fittings, furniture, kitchen cabinetry and related products.
- (iii) Property Development - Development of residential and/or commercial properties.
- (iv) Investment - Investment holding companies.
- (v) Others - Other dormant companies.

Segment performance for the financial period ended 31 March 2020 as compared to corresponding preceding period ended 31 March 2019

(i) Construction

The construction segment has achieved a total revenue of RM217.10 million in the current financial period representing a decrease of approximately 21.7% as compared to its corresponding preceding financial period of RM277.34 million. Segmental profit was recorded at RM21.50 million on current financial period compare to corresponding preceding financial period of RM28.21 million. The decrease in revenue was mainly due to all construction projects were halted as a result of MCO implemented by Malaysia Government on 18 March 2020 in response to the Covid-19 pandemic. Hence, the segmental profit was also affected. The construction segment is expected to continue to be the main contributor to the Group's overall turnover and profitability moving forward.

(ii) Manufacturing

The revenue on manufacturing segment has decreased to RM1.03 million in the current financial period as compared to its corresponding preceding financial period of RM3.58 million. This segment has reported a segmental loss of RM9,058 as compared to a profit of RM1.50 million reported in the corresponding preceding period. The manufacturing segment primarily complements the Group's construction business, therefore the revenue stream is mainly from inter-group. Manufacturing plant was shut down during the MCO.

(iii) Property Development

The property development division did not contribute revenue to the Group as the Group's maiden property project, Vista Residences was completed in year 2019 and new projects have yet to be launched.

(iv) Investment

The Investment division shows a segmental profit of RM1.49 million in the current financial period which the main income sources are interest income, dividend income and fair value gain on investments in foreign quoted shares. However, it shows a slight decrease of RM0.07 million in profit as compared to corresponding preceding financial period.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

A10. Profit Before Tax

	Individual Quarter 31.03.2020 (RM'000)	Cumulative Quarter 31.03.2020 (RM'000)
Interest income	(1,807)	(1,807)
Allowance for ECL (MFRS 9)	789	789
Amortisation and depreciation of property, plant and equipment	9,359	9,359
Interest expenses	259	259
Net fair value loss	3,037	3,037

A11. Subsequent Events

In the third phase of the MCO, the Group received approval from the Ministry of International Trade and Industry ("MITI") since 19 April 2020 in stages to resume work for 15 of its construction projects under strict labour movement conditions. This enabled the Group to resume work on its construction projects in early May 2020 after all the standard operating procedures as required by MITI were implemented. Whilst the Group is taking steps to return to normalcy, it will take time to catch up on construction works and gradually operate with full workforce.

A12. Changes in Composition of the Group

There was no change in the composition of the Group for the current quarter and financial period under review.

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Contingent Liabilities	Cumulative Quarter 31.03.2020 (RM'000)
Corporate guarantee given to banks for facilities granted to subsidiaries	257,089
Corporate guarantee given to third parties for the benefit of the Group's subsidiaries	165,714
	<u>422,803</u>
(b) Contingent Assets	

As at the date of this report, there were no contingent assets.

A14. Capital Commitments

As at the date of this report, the Group has no material capital commitments.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

For the current financial quarter under review, the Group posted a revenue of RM211.84 million as compared to its corresponding preceding year financial quarter of RM264.18 million. The Profit After Tax ("PAT") in the current quarter of RM22.34 million, representing an decrease of RM12.85 million from its corresponding preceding year financial quarter of RM35.19 million.

Overall, the decrease in revenue was mainly attributed to the halt of the Group's operations due to MCO. The affected segments are construction and manufacturing. On property development segment, the Vista Residence project at Genting Permai was completed in year 2019 and there is no project under development for financial quarter under review. Therefore, the property development segment has minimum contribution to the Group's results.

For the financial quarter under review, the main sources of income for investment segment were interest income, dividend income and fair value gain on investments.

B2. Change in Results of Current Quarter Compared to Preceding Quarter

	Current Quarter ended 31.03.2020 (RM'000)	Immediate Preceding Quarter ended 31.12.2019 (RM'000)	Changes (%)
Revenue	211,836	268,409	-21.1%
Operating Profit	33,631	44,516	-24.5%
Profit Before Tax	33,347	46,718	-28.6%
Profit After Tax	22,335	36,259	-38.4%
Profit Attributable to Owners of the Company	22,327	36,268	-38.4%

For the current quarter, the Group recorded a revenue and PBT of RM211.84 million and RM33.35 million respectively as compared to RM268.41 million and RM46.72 million respectively in its immediate preceding quarter. The MCO that took effect on 18 March 2020 have negative impact on the Group's performance and hence the Group's results.

B3. Current Year Prospects

In 2020, the growth of the global and domestic economy continues to be subject to a high degree of uncertainty, particularly with respect to developments surrounding the Covid-19 pandemic, sharp declines and volatile shifts in crude oil prices and continued supply disruption in the commodities sector.

With various adversities and challenging landscape, the Group's operations and financial performance may be lower for the financial year ending 31 December 2020 as compared to financial year ended 31 December 2019. The Group will continue to monitor and implement appropriate measures in a timely manner to address the adverse risk Covid-19 may have on the Group's operations and financial performance. Nevertheless, the Group is supported by an outstanding order book of RM3.67 billion as at 31 March 2020 which included the building construction contracts worth RM990.40 million secured during the current financial quarter ended 31 March 2020.

Moving forward, the Group aims to focus on the construction segment to be the main revenue driver of the Group.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

B3. Current Year Prospects (Cont'd)

Notwithstanding the Group's objective to expand its core business in construction, it will maintain the manufacturing segment as part of its integrated business objective and strategy.

On the property development segment, the outlook for the local property sector is expected to remain challenging in 2020. As a result, the Group has decided to delay the launch of new development projects to second half of 2021.

B4. Profit Forecast

There were no profit forecast prepared or profit guarantee made by the Group.

B5. Taxation

	Individual Quarter 31.03.2020 (RM'000)	Cumulative Quarter 31.03.2020 (RM'000)
Malaysia income tax		
- current year	9,296	9,296
- under provided in prior year	-	-
	<u>9,296</u>	<u>9,296</u>
Deferred tax		
- current year	1,716	1,716
	<u>11,012</u>	<u>11,012</u>

Effective tax rates for the current quarter ended 31 March 2020 is higher than statutory tax rate of 24% mainly due to inclusion of certain non-deductible expenses in the income statement.

B6 Group Borrowings and Debt Securities

Details of the group borrowings as at 31 March 2020 were as follows:

	Cumulative Quarter 31.03.2020 (RM'000)
<u>Short term borrowings - Unsecured</u>	
(i) Cashline facilities (denominated in RM)	<u>90,058</u>

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B8. Changes in Material Litigation

There were no material litigations for the Group as at the date of this report.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

B9. Dividend

Total dividend for the financial year ending 31 December 2020 and financial year ended 31 December 2019 are summarised as follow:

	Net Per Share	Net Per Share
	FY2020	FY2019
<u>Interim Dividend</u>		
Single-tier dividend (Sen)	****	1.5 *
<u>Final Dividend</u>		
Single-tier dividend (Sen)	****	2.0**
Share Dividend	****	***

* The Board of Directors has approved an interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2019. The approved interim dividend payable represents approximately 13.2% of profit after tax for financial year ended 31 December 2019.

The total amount of RM18.49 million was paid on 6 January 2020.

** On 11 June 2020, the Board of Directors proposed a single-tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2019. It is to be tabled at the forthcoming AGM on 3 August 2020 for approval.

The entitlement date and payment date will be on 14 August 2020 and 28 August 2020 respectively.

*** On 11 June 2020 also, the Board of Directors proposed a distribution of share dividend on the basis of one (1) treasury share for every hundred (100) ordinary shares in the Company ("Share Dividend") for the financial year ended 31 December 2019. It is also to be tabled at the forthcoming AGM on 3 August 2020 for approval.

If approved by shareholders, the Share Dividend will be transferred on 28 August 2020 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 14 August 2020.

**** Not applicable for the current quarter under review.

B10. Derivatives and Fair Value Changes of Financial Liabilities

(a) There were no derivatives as at the current quarter under review.

(b) The fair value changes arising from discounting future retention sum receivables and retention sum payables to present value for the current quarter under review has been accounted accordingly. The net fair value loss for the financial period amounted to approximately RM3.04 million.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

B11. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Earnings				
Profit attributable to owners of the Company (RM'000)	22,327	35,122	22,327	35,122
a) Basic				
Weighted average number of ordinary shares ('000)	1,231,399	1,235,027	1,232,510	1,235,108
Basic Profit per share attributable to equity holders of the Company (Sen)	1.81	2.84	1.81	2.84

b) Diluted

For the purpose of calculating diluted earnings per share, the profit attributable to the equity holders of the Company and the weighted average number of ordinary shares issued during the year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. exercise of warrants

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Earnings				
Profit attributable to owners of the Company (RM'000)	22,327	35,122	22,327	35,122
Weighted average number of ordinary shares ('000)	1,231,399	1,235,027	1,232,510	1,235,108
Effect of dilution of warrants ('000)	169,359	169,359	169,359	169,359
Effect of dilution of RCPS ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,400,758	1,404,386	1,401,869	1,404,467
Diluted Profit per share attributable to equity holders of the Company (Sen)	1.59	2.50	1.59	2.50