

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarters	
		31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Revenue	17	45,980	43,393	109,473	104,409
Operating expenses		(42,808)	(41,493)	(101,899)	(100,661)
Other income		286	744	1,253	1,119
Operating income		<u>3,458</u>	<u>2,644</u>	<u>8,827</u>	<u>4,867</u>
Finance costs		(723)	(673)	(2,320)	(1,416)
Profit after finance costs		2,735	1,971	6,507	3,451
Share of results of associate company		1,142	(382)	1,380	(382)
Profit before taxation	18	<u>3,877</u>	<u>1,589</u>	<u>7,887</u>	<u>3,069</u>
Taxation	19	(1,849)	(124)	(3,626)	(511)
Profit for the period		<u>2,028</u>	<u>1,465</u>	<u>4,261</u>	<u>2,558</u>
Other comprehensive income					
Realisation of revaluation surplus upon:					
- Depreciation		42	48	126	144
Transfer from realisation of revaluation surplus to retained profits		(42)	(48)	(126)	(144)
Total comprehensive income for the period		<u>2,028</u>	<u>1,465</u>	<u>4,261</u>	<u>2,558</u>
Attributable to :					
Owners of the Parent Company		2,028	1,476	4,264	2,574
Non-controlling interests		-	(11)	(3)	(16)
Profit for the period		<u>2,028</u>	<u>1,465</u>	<u>4,261</u>	<u>2,558</u>
Attributable to :					
Owners of the Parent Company		2,028	1,476	4,264	2,574
Non-controlling interests		-	(11)	(3)	(16)
Total comprehensive income for the period		<u>2,028</u>	<u>1,465</u>	<u>4,261</u>	<u>2,558</u>
Earnings per share attributable to owners of the parent company					
- Basic (sen)	24	<u>0.66</u>	<u>0.50</u>	<u>1.38</u>	<u>0.87</u>
- Diluted (sen)	24	<u>0.56</u>	<u>0.45</u>	<u>1.18</u>	<u>0.78</u>

Notes:

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
(The figures have not been audited)

		As At	(Audited)
		31.12.20	31.03.20
	Note	RM'000	RM'000
ASSETS			
Non-current assets			
Land held for development		884	884
Property, plant and equipment		39,298	39,661
Right-of-use assets		3,139	3,206
Investment properties		28,800	28,800
Investment in associate companies		37,922	36,542
Deferred tax assets		1,208	1,508
		<u>111,251</u>	<u>110,601</u>
Current assets			
Inventories		46,080	57,934
Trade receivables		92,735	64,893
Other receivables		22,280	11,310
Tax recoverable		9	2
Cash and bank balances	21	<u>10,721</u>	<u>4,710</u>
		<u>171,825</u>	<u>138,849</u>
TOTAL ASSETS		<u>283,076</u>	<u>249,450</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent Company			
Share capital		78,824	62,536
Treasury shares		(255)	(255)
Foreign currency translation reserve		176	176
Revaluation reserve		14,452	14,578
Capital reserve		(28)	(28)
Warrant reserve		7,351	7,720
Retained profits		<u>40,254</u>	<u>34,560</u>
		140,774	119,287
Non-controlling interest		174	256
Total equity		<u>140,948</u>	<u>119,543</u>
Non-current liabilities			
Contract liabilities		24	58
Bank borrowings	23	783	771
Lease liabilities		1,242	1,163
Deferred tax liabilities		<u>3,413</u>	<u>3,411</u>
		<u>5,462</u>	<u>5,403</u>
Current liabilities			
Contract liabilities		309	296
Trade payables		21,437	32,321
Other payables		33,220	20,539
Bank borrowings	23	78,600	67,947
Lease liabilities		562	697
Tax Payable		<u>2,538</u>	<u>2,704</u>
		<u>136,666</u>	<u>124,504</u>
Total liabilities		<u>142,128</u>	<u>129,907</u>
TOTAL EQUITY AND LIABILITIES		<u>283,076</u>	<u>249,450</u>
Net assets per share attributable to owners of the Parent (RM)		0.41	0.40

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	-----Attributable to Owners of the Parent-----						Retained Earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	-----Non-Distributable-----			Distributable						
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000				
(Audited)										
<u>12 months period ended 31 March 2020</u>										
At 1 April 2019	62,449	(255)	7,740	176	(28)	16,001	29,829	115,912	385	116,297
Effect of adoption of MFRS 16	-	-	-	-	-	-	(29)	(29)	-	(29)
At 1 April 2019, as restated	62,449	(255)	7,740	176	(28)	16,001	29,800	115,883	385	116,268
Profit for the financial year	-	-	-	-	-	-	3,750	3,750	(16)	3,734
Other comprehensive income for the financial year	-	-	-	-	-	(1,423)	1,423	-	-	-
Total comprehensive income for the financial year	-	-	-	-	-	(1,423)	5,173	3,750	(16)	3,734
Transactions with owners:										
Acquisition of equity interest of non-controlling interests	-	-	-	-	-	-	(413)	(413)	(113)	(526)
Exercise of warrants	87	-	(20)	-	-	-	-	67	-	67
At 31 March 2020	62,536	(255)	7,720	176	(28)	14,578	34,560	119,287	256	119,543

Notes:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

Note	-----Attributable to Owners of the Parent-----							Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Other Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			
<u>9 months period ended 31 December 2020</u>										
At 1 April 2020	62,536	(255)	7,720	176	(28)	14,578	34,560	119,287	256	119,543
Profit for the period	-	-	-	-	-	-	4,264	4,264	(3)	4,261
Realisation of revaluation surplus	-	-	-	-	-	(126)	126	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	(126)	4,390	4,264	(3)	4,261
Transactions with owners:										
Exercise of warrants	1,588	-	(369)	-	-	-	-	1,219	-	1,219
Issuance of ordinary shares	14,700	-	-	-	-	-	-	14,700	-	14,700
Disposal of equity interest of non-controlling interests	-	-	-	-	-	-	1,304	1,304	(79)	1,225
Total transactions with owners	16,288	-	(369)	-	-	-	1,304	17,223	(79)	17,144
At 31 December 2020	78,824	(255)	7,351	176	(28)	14,452	40,254	140,774	174	140,948

Notes:

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	Cumulative Quarters 31.12.20 RM'000	(Audited) Year to date 31.03.20 RM'000
Cash Flows From Operating Activities		
Profit before taxation	7,887	7,891
Adjustments for :		
Bad debts written off	-	24
Depreciation of property, plant and equipment	808	1,355
Depreciation of right-of-use assets	568	708
Gain on disposal of property, plant and equipment	(75)	(558)
(Gain)/Loss on disposal of right-of-use assets	(24)	11
Impairment loss on trade receivables	700	821
Impairment loss on other receivables	405	14
Interest expense	2,320	2,291
Interest income	(11)	(53)
Inventories written down	1,330	2,823
Property, plant and equipment written off	-	411
Reversal of impairment loss on trade receivables	(167)	(80)
Share of results of associate company	(1,380)	(1,542)
Unrealised (gain)/loss on foreign exchange	(123)	405
Waiver of debts by an associate company	(8)	(611)
Operating profit before changes in working capital	<u>12,230</u>	<u>13,910</u>
Changes in working capital		
Changes in contract liabilities	(21)	15
Changes in inventories	10,525	(103)
Changes in receivables	(39,927)	6,504
Changes in payables	2,107	(25,337)
Cash used in operations	<u>(15,086)</u>	<u>(5,011)</u>
Interest received	11	53
Interest paid	(2,320)	(2,291)
Tax refund	-	21
Tax paid	(3,497)	(2,629)
Net cash flows used in operating activities	<u>(20,892)</u>	<u>(9,857)</u>
Cash Flows From Investing Activities		
Disposal/(Acquisition) of non-controlling interests	1,225	(526)
Acquisition of investment in associate company	-	(35,000)
Purchase of property, plant and equipment	(445)	(685)
Proceeds from disposals of property, plant and equipment	75	607
Proceeds from disposals of right-of-use assets	-	2,486
Net cash flows from/(used in) investing activities	<u>855</u>	<u>(33,118)</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(The figures have not been audited)

	Cumulative Quarters 31.12.20 RM'000	(Audited) Year to date 31.03.20 RM'000
Cash Flows From Financing Activities		
Decrease in fixed deposits pledged	-	110
Payment of lease liabilities	(532)	(687)
Net changes in banker's acceptances	(5,853)	(4,794)
Net changes in term loans	17	(25)
Net changes in revolving credit	16,500	42,500
Proceeds from exercise of warrants	1,219	67
Proceeds from issuance of shares	14,700	-
Net cash flows from financing activities	<u>26,051</u>	<u>37,171</u>
Net increase/(decrease) in cash and cash equivalents	6,014	(5,804)
Effects of changes in exchange rates	(3)	9
Cash and cash equivalents at beginning of the period/year	4,710	10,505
Cash and cash equivalents at end of the period/year	<u><u>10,721</u></u>	<u><u>4,710</u></u>

Notes :

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) No. 134 : Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements ("Listing Requirements").

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2020 and the accompanying explanatory notes attached to this interim financial report.

2. Changes in Accounting Policies

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the year financial ended 31 March 2020, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2020:-

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 16 Leases	Covid-19 Related Rent Concessions

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysian Accounting Standards Board as they have yet to be effective for the Group:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective dates for financial periods beginning on or after
MFRS 17 - Insurance Contracts	1 January 2023
Amendments to MFRS 17 - Insurance Contracts	1 January 2023
Amendments to MFRS 101 - Classification of Liabilities as Current or Non-Current	1 January 2023
Annual Improvements to MFRS Standards 2018-2020	
- Amendment to MFRS 1	1 January 2022
- Amendment to MFRS 9	1 January 2022
- Amendment to MFRS 16	1 January 2022
- Amendment to MFRS 141	1 January 2022
Amendments to MFRS 3 - Business Combinations (Reference to the Conceptual Framework)	1 January 2022
Amendments to MFRS 116 - Property, Plant and Equipment (Proceeds before Intended Use)	1 January 2022
Amendments to MFRS 137 - Onerous Contracts (Cost of Fulfilling a Contract)	1 January 2022
Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

3. Audit Report

The auditors' report on the financial statements for the year ended 31 March 2020 was not subject to any qualification.

4. Seasonality or Cyclicity

The Group's performance was not significantly affected by any seasonal or cyclical factors during the current financial quarter and financial period to-date.

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period to-date, except as disclosed in Note 13, Capital Commitments.

6. Material Changes in Estimates

There were no material changes in the estimates used in reporting the current financial quarter and financial period to-date as compared to the audited financial statements of the Group for the financial year ended 31 March 2020.

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities except for:-

- (i) During the financial period to-date, there were certain issuance of 6,097,100 new ordinary shares pursuant to the conversion of Warrants 2013/2023 at an exercise price of RM0.20 per ordinary share for a total cash consideration of RM1,219,420.
- (ii) During the financial period to-date, there were certain issuance of 30,000,000 new ordinary shares at the issue price of RM0.35 each and 10,000,000 ordinary shares at the issue price of RM0.42 each for total cash consideration of RM10,500,000 and RM4,200,000 respectively.

During the current financial quarter and period to-date, none of the treasury shares were distributed as share dividend to the shareholders.

As at 31 December 2020, the number of treasury shares held was 700,000 ordinary shares.

8. Dividend

No dividend was declared or paid during the current financial quarter and financial period to-date.

9. Valuation of Property, Plant and Equipment

The Group has not carried out valuation update on certain property, plant and equipment. There were no additional resultant of revaluation surplus recognised in revaluation reserve during the current financial quarter and financial period to-date.

10. Valuation of Investment Properties

There were no changes in the valuation of investment properties since the last audited financial statements for the financial year ended 31 March 2020.

11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial quarter and financial period to-date, except for the followings:-

- (i) Chin Hin Group Property Berhad had on 24 December 2020 disposed of 2,500,000 ordinary shares of RM 1 each in BK Alliance Sdn Bhd ("BKA"), representing 100% of the issued and paid-up capital of BKA to BKG Development Sdn. Bhd. ("BKGD") and Atlantic Blue Holdings Sdn. Bhd. for total cash consideration of RM1,275,000 and RM1,225,000 respectively.

Upon the completion of disposal, BKA became a 51% owned subsidiary of BKGD, a wholly-owned subsidiary of the Company.

The effect of changes in equity interest in BKA is attributable to the owners of the Company:

	RM'000
Carrying amount of non-controlling interest disposed	79
Consideration received from non-controlling interest	1,225
Increase in parent's equity	<u>1,304</u>

- (ii) Chin Hin Group Property Berhad had on 24 December 2020 disposed of 1,000,000 ordinary shares of RM 1 each in Boon Koon Commercial Sdn Bhd ("BKC"), representing 100% of the issued and paid-up capital of BKC to BKG Development Sdn. Bhd. ("BKGD"), a wholly-owned subsidiary of the Company for a total cash consideration of RM1,000,000.

Upon the completion of disposal, BKC became a wholly-owned subsidiary of BKGD.

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

12. Contingencies

Corporate guarantee extended by the Company to banks and financial institutions for credit facilities granted to subsidiaries as at the date of this financial report were as follows :-

	As At	As At
	31.12.20	31.03.20
	RM'000	RM'000
- Limit of guarantee	<u>103,821</u>	<u>103,856</u>
- Amount utilised	<u>79,428</u>	<u>68,816</u>

13. Capital Commitments

There were no outstanding capital commitments as at the date of this interim financial report, except for the followings:-

- (i) BK Alliance Sdn. Bhd., a 51% owned subsidiary of BKG Development Sdn. Bhd. ("BKGD") has on 13 January 2021 entered into Sale and Purchase Agreement ("SPA") with Suez Domain Sdn. Bhd. to acquire a piece of leasehold land.
- (ii) Stellar Trinity Sdn. Bhd., a wholly-owned subsidiary of BKGD has on 27 January 2021 entered into SPAs with Frazel World Sdn. Bhd. and Frazel Icon Sdn. Bhd. to acquire five (5) pieces of freehold lands.
- (iii) The Company has on 3 February 2021 entered into an offer letter with Frazel Luxe Sdn. Bhd. (formerly known as Frasers Luxe Sdn. Bhd.) to acquire a piece of freehold land.
- (iv) Boon Koon Capital Sdn. Bhd, a wholly-owned subsidiary of the Company had on 8 February 2021 entered into SPA with SMD Real Estate Sdn. Bhd. to acquire a piece of freehold land.
- (v) Boon Koon Commercial Sdn. Bhd, a wholly-owned subsidiary of BKGD had on 18 February 2021 entered into SPA with Perumahan Kinrara Berhad to acquire a piece of freehold land.

The above acquisition is contracted for, except for the offer letter, and certain acquisition are subject for approval from the authorities, statutory bodies and shareholders.

Capital commitments:	RM'000
Contracted for and	
- Approved	20,914
- Subject for approval	164,511
	<u>185,425</u>

14. Profit Forecast Variance

Not applicable.

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

15. Status of Corporate Proposals and Utilisation of Proceeds

A) Status of Corporate Proposals

There were no corporate proposals that were announced but yet to be completed as at the date of this interim report, except for the followings:-

Proposed Special Issue of Shares ("Proposed Special Issue")

On 24 May 2019 announced that the Company proposed to undertake the Proposed Special Issue.

- The proposed special issue of shares of up to 84,885,000 new ordinary shares in CHGP to independent third party investor(s) to be identified at an issue price to be determined at a later date.
- The shareholders had on 28 August 2019 approved the Proposed Special Issue.
- Bursa Securities had on 18 July 2019 approved the extension of time of up to 31 July 2019, to issue the circular and independent advice letter in relation to the Proposals.
- Bursa Securities had on 18 June 2020 re-approved the extension of time up to 3 January 2021 for the Company to complete the Proposed Special Issue.
- On 1 September 2020, the Company has announced and fixed an issue price at RM0.35 per Special Issue Share to be issued pursuant to the Proposed Special Issue. The aforementioned issue price of RM0.35 per Special Issue Share represents a discount of approximately 9.32% or RM0.036 to the five (5)-day weighted average market price of CHGP Shares from 21 August 2020 to 27 August 2020 of approximately RM0.386.
- On 10 September 2020, the first tranche of Special Issue of Shares of 30,000,000 new ordinary shares of the Company had been issued and allotted to the independent third parties at the issued price of RM0.35 each. On 14 September 2020, the 30,000,000 new ordinary shares were listed on Bursa Securities.
- On 14 October 2020, the Company has announced and fixed an issued price at RM0.42 per Special Issue Shares to be issued pursuant to the Proposed Special Issue. The aforementioned issue price of RM0.42 per Special Issue Share represents a discount of approximately 9.0% or RM0.0417 to the five (5)-day weighted average market price of CHGP Shares from 7 October 2020 to 13 October 2020 of approximately RM0.4617.
- On 21 October 2020, the second tranche of Special Issue of Shares of 10,000,000 new ordinary shares of the Company had been issued and allotted to the independent third parties at the issued price of RM0.42 each. On 23 October 2020, the 10,000,000 new ordinary shares were listed on Bursa Securities.
- Bursa Securities had on 12 January 2021 re-approved the extension of time up to 3 July 2021 for the Company to complete the remaining Proposed Special Issue.

B) Utilisation of Proceeds from Special Issue of Shares

As at 31 December 2020, the status of the utilisation of the proceeds of RM14.70 million raised from the Special Issue of Shares is as follows:-

	Fully utilised RM'000	Partially utilised RM'000	Total RM'000
Proceeds raised from Special Issue of Shares	78	14,622	14,700
Land acquisition	-	(4,633)	(4,633)
Payment of the relevant expenses incurred for Special Issue of Shares	(78)	-	(78)
Balance unutilised	NIL	9,989	9,989

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

16. Related Party Transactions

There were no related party transactions during the current financial quarter and financial period to-date, except for the followings:-

	Individual Quarter		Cumulative Quarters	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Rental expense paid to other related party*	(53)	(50)	(158)	(106)
Rental income received from other related party*	3	5	9	16
Sales to other related party*	22,103	16,176	47,959	27,039
Purchases from other related party*	(12,319)	(8,687)	(27,680)	(12,895)
Purchase of motor vehicle from other related party*	-	-	(140)	-
Road tax and insurance paid to other related party*	(31)	(7)	(43)	(79)
Purchases from a company connected to directors of the Company	-	-	-	(159)
Rental expense paid to a person connected to a director of the Company	(4)	(4)	(12)	(12)

* Being corporations in which certain directors of the Company have financial interest.

17. Detailed Analysis of Performance

Segmental information is presented in respect of the Group's business segments.

The Group comprises of the following main business segments :

(a)	Commercial vehicles and bodyworks	Manufacturing and trading of rebuilt and new commercial vehicles, bodyworks and their related services
(b)	Property development	Property development activities
(c)	Rental and fleet management services	Rental of commercial vehicles and forklift, provision of fleet management and other related services
(d)	Other Segment	Investment holding and the provision of management services

	Individual Quarter			Cumulative Quarters		
	31.12.20 RM'000	30.09.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000	
Revenue						
(a)	Commercial vehicles and bodyworks	22,949	20,385	26,246	58,956	74,211
(b)	Property development	22,103	12,149	16,176	47,958	27,039
(c)	Rental and fleet management services	919	876	974	2,547	3,155
(d)	Others Segment	179	173	174	523	526
		46,150	33,583	43,570	109,984	104,931
	Less : Elimination	(170)	(172)	(177)	(511)	(522)
	Total	45,980	33,411	43,393	109,473	104,409
Profit before taxation						
(a)	Commercial vehicles and bodyworks	194	312	296	875	1,590
(b)	Property development	2,872	2,130	1,324	5,818	2,006
(c)	Rental and fleet management services	(150)	333	615	337	887
(d)	Others Segment	(186)	(241)	(264)	(522)	(1,032)
		2,730	2,534	1,971	6,508	3,451
	Less : Elimination	5	(3)	-	(1)	-
		2,735	2,531	1,971	6,507	3,451
	Share of results of associates	1,142	157	(382)	1,380	(382)
	Total	3,877	2,688	1,589	7,887	3,069

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

17. Detailed Analysis of Performance (Cont'd)

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM22.95 million, a decrease of RM3.30 million compared to RM26.25 million in the previous year's corresponding quarter. The lower revenue was mainly due to lower demand for rebuilt commercial vehicles as a result of impact of the Covid-19 outbreak in the current quarter. The profit before taxation in the current quarter was RM0.19 million, a decrease of RM0.11 million compared to RM0.30 million in the previous year's corresponding quarter. The lower profit before taxation was due to impairment of receivables which was partly mitigated with higher gross profit in the current quarter.

(b) For property development segment, revenue for the current quarter was RM22.10 million, an increase of RM5.93 million compared to RM16.17 million in the previous year's corresponding quarter. The stage of recognition of the project was 78.90% as at 31 December 2020 (as at 31 December 2019: 45.94%). Profit before taxation was RM2.87 million, an increase of RM1.55 million compared to RM1.32 million in the previous year's corresponding quarter. The higher profit before taxation was mainly attributable to higher delivery in the current quarter. For the share of joint venture result, the weighted stage of completion for the project was approximate 18.86% for commercial lots and 8.63% for residential lots as at 31 December 2020 (as at 31 December 2019: commercial lots: 13.09%, residential lots: 3.88%) and share of profit was RM1.14 million for the current quarter.

(c) For rental and fleet management services segment, revenue for the current quarter was RM0.92 million, a decrease of RM0.05 million compared to RM0.97 million in the previous year's corresponding quarter. The lower revenue was mainly due to lower rental rate as a result of impact the Covid-19 outbreak in the current quarter. Loss before taxation in the current quarter was RM0.15 million, a decrease of RM0.76 million as compared to profit before taxation of RM0.61 million in the previous year's corresponding quarter. The loss before taxation was mainly attributable to impairment of receivables.

(d) Other Segment's revenue for the current quarter was RM0.18 million was consistent with the previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.19 million, a decrease of RM0.07 million compared to RM0.26 million in the previous year's corresponding quarter. The lower loss before taxation was mainly attributable to lower administrative expenses incurred in the current quarter.

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM22.95 million, an increase of RM2.56 million compared to RM20.39 million in the preceding quarter. Higher revenue was recorded due to more demand for rebuilt commercial vehicles in the current quarter. Profit before taxation in the current quarter was RM0.19 million, a decrease of RM0.12 million compared to RM0.31 million in the preceding quarter. The lower profit before taxation was due to impairment of receivables which was partly mitigated with higher gross profit in the current quarter.

(b) For property development segment, revenue for the current quarter was RM22.10 million, an increase of RM9.95 million compared to RM12.15 million in the preceding quarter. The stage of recognition of the project was 78.90% as at 31 December 2020 (as at 30 September 2020: 67.09%). Profit before taxation in the current quarter was RM2.87 million, an increase of RM0.74 million compared to profit before taxation of RM2.13 million in the preceding quarter. The higher profit before taxation was attributable to higher gross profit in the current quarter. For the share of joint venture result, the weighted stage of completion for the project was approximate 18.86% for commercial lots and 8.63% for residential lots as at 31 December 2020 (as at 30 September 2020: commercial lots: 17.21%, residential lots: 5.34%) and share of profit of RM1.14 million in the current quarter.

(c) For rental and fleet management services segment, revenue for the current quarter was RM0.92 million, an increase of RM0.04 million compared to RM0.88 million in the preceding quarter. Loss before taxation in the current quarter was RM0.15 million, a decrease of RM0.48 million as compared to profit before taxation of RM0.33 million in the preceding quarter. The loss before taxation was mainly attributable to impairment of receivables.

(d) Other Segment's revenue for the current quarter of RM0.18 million was almost consistent with preceding quarter. Loss before taxation in the current quarter was RM0.19 million, a decrease of RM0.05 million compared to RM0.24 million in the preceding quarter. The lower loss before taxation was mainly due to higher administrative expenses incurred in the current quarter.

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

18. Profit before taxation

This was arrived at :

	Individual Quarter		Cumulative Quarters	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
After charging :				
Depreciation of property, plant and equipment	258	430	808	1,279
Depreciation of right-of-use assets	173	-	568	-
Impairment loss on trade receivables	700	-	700	79
Impairment loss on other receivables	405	-	405	-
Inventories impairment	260	1,000	1,330	1,000
Interest expenses	723	673	2,320	1,416
Lease expenses relating to short term lease	12	-	34	-
Rental of hostel	-	8	-	24
Rental of premises	-	98	-	250
Rental of vehicles	-	18	-	49
Unrealised loss/(gain) on foreign exchange	23	(212)	(123)	68
And crediting :				
Interest income	9	11	11	45
Gain on disposal of property, plant and equipment	-	490	75	557
Gain on disposal of right-of-use assets	-	-	24	-
Realised gain on foreign exchange	166	242	430	513
Rental income	3	5	9	16
Reversal of impairment loss on trade receivables	4	-	167	-
Share of results of associate company	1,142	(382)	1,380	(382)
Waiver of debts	-	-	8	-

19. Taxation

	Individual Quarter		Cumulative Quarters	
	31.12.20 RM'000	31.12.19 RM'000	31.12.20 RM'000	31.12.19 RM'000
Malaysian taxation based on profit for the period:				
-Current tax	(1,553)	(326)	(3,129)	(712)
-Deferred tax	(101)	(1)	(302)	(2)
(Under)/Over provision in prior years:				
-Current tax	(195)	203	(195)	203
-Deferred tax	-	-	-	-
	<u>(1,849)</u>	<u>(124)</u>	<u>(3,626)</u>	<u>(511)</u>

The effective tax rate for the financial period ended 31 December 2020 is higher than the statutory tax rate due to certain expenses not allowable and movement in deferred tax.

20. Commentary of Prospects

Despite with the current tough market condition due to Covid-19 outbreak impacts and Malaysia MCO 2.0, the Group managed to repositioning itself to cope with sluggish economy:-

(i) Commercial vehicles and bodyworks

Though the market for rebuilt commercial vehicles remains much challenging, however, sustainable due to our competitive costs advantage strategy in the lite-trucks model which is suitable and demanding for logistic and foods delivery, and more emphasis in marketing of heavy trucks model in view of stages of Malaysia economy recovery.

(ii) Property development

The joint developments project of "8th & Stellar", couple with its current mixed residential and commercial development in Sri Petaling, the Group is emphases in implementing digital marketing strategy and managed to low down the inventory of less than 50% before the financial year ended.

As for Aera project, 90% of the inventory already sold previously, the Group will continue with speed up efforts to complete and deliver to the end purchasers in the next financial year.

In additions, the Group shall continue source for new potential lands bank with good commercial value for office and residential development in the coming financial years.

Barring any further unforeseen circumstances, the Board is continue optimistic for current year performance.

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

21. Cash and Bank Balances

	As At 31.12.20 RM'000	As At 31.03.20 RM'000
Cash and bank balances	10,721	4,710
Short-term funds with licensed financial institutions	-	-
	<u>10,721</u>	<u>4,710</u>

22. Material Litigation

There were no material litigation during the current financial quarter and financial period to-date.

23. Group Borrowings and Debt Securities

Group borrowings as at 31 December 2020 were as below:-

	Total Secured RM'000
<u>Current liabilities</u>	
Banker's acceptances	19,562
Revolving credits	59,000
Term loans	38
Sub-total	<u>78,600</u>
<u>Non-current liabilities</u>	
Term loans	783
Sub-total	<u>783</u>
Total	<u>79,383</u>

24. Basis of Calculation of Basic and Diluted Earnings Per Share Attributable to Owners of the Parent

Basic Earnings Per Share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue as follows:

	Individual Quarter		Cumulative Quarters	
	31.12.20	31.12.19	31.12.20	31.12.19
Profit for the period attributable to the owners of the Parent (RM'000)	<u>2,028</u>	<u>1,476</u>	<u>4,264</u>	<u>2,574</u>
Weighted average number of ordinary shares in issue ('000 units)	297,445	297,111	297,445	297,111
Effect of ordinary share issued during the financial period	12,704	-	12,704	-
Effect of treasury shares held ('000 units)	(700)	(700)	(700)	(700)
	<u>309,449</u>	<u>296,411</u>	<u>309,449</u>	<u>296,411</u>
Basic Earnings Per Share (sen)	<u>0.66</u>	<u>0.50</u>	<u>1.38</u>	<u>0.87</u>

Notes to the Interim Financial Statements for the third quarter ended 31 December 2020

24. Basis of Calculation of Basic and Diluted Earnings Per Share Attributable to Owners of the Parent (Cont'd)

Diluted Earnings Per Share

The diluted earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of warrants as follows:

Profit for the period attributable to the owners of the Parent (RM'000)	<u>2,028</u>	<u>1,476</u>	<u>4,264</u>	<u>2,574</u>
Weighted average number of ordinary shares in issue ('000 units)	309,449	296,411	309,449	296,411
Adjustment for dilutive effect of warrants ('000 units)	<u>51,711</u>	<u>34,523</u>	<u>51,711</u>	<u>34,523</u>
Weighted average number of shares assumed to be in issue ('000 units)	<u>361,160</u>	<u>330,934</u>	<u>361,160</u>	<u>330,934</u>
Diluted Earnings Per Share (sen)	<u>0.56</u>	<u>0.45</u>	<u>1.18</u>	<u>0.78</u>

Date : 25 February 2021