

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020**
(The figures have not been audited)

	Note	Individual Quarter		Cumulative Quarters	
		30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Revenue	17	33,411	30,542	63,493	61,016
Operating expenses		(30,740)	(29,433)	(59,091)	(59,168)
Other income		692	81	967	375
Operating income		<u>3,363</u>	<u>1,190</u>	<u>5,369</u>	<u>2,223</u>
Finance costs		(832)	(432)	(1,597)	(743)
Profit after finance costs		2,531	758	3,772	1,480
Share of results of associate company		157	-	238	-
Profit before taxation	18	<u>2,688</u>	<u>758</u>	<u>4,010</u>	<u>1,480</u>
Taxation	19	(1,468)	(89)	(1,777)	(387)
Profit for the period		<u>1,220</u>	<u>669</u>	<u>2,233</u>	<u>1,093</u>
Other comprehensive income					
Realisation of revaluation surplus upon:					
- Depreciation		42	48	84	96
Transfer from realisation of revaluation surplus to retained profits		(42)	(48)	(84)	(96)
Total comprehensive income for the period		<u>1,220</u>	<u>669</u>	<u>2,233</u>	<u>1,093</u>
Attributable to :					
Owners of the Parent Company		1,223	669	2,236	1,098
Non-controlling interests		(3)	-	(3)	(5)
Profit for the period		<u>1,220</u>	<u>669</u>	<u>2,233</u>	<u>1,093</u>
Attributable to :					
Owners of the Parent Company		1,223	669	2,236	1,098
Non-controlling interests		(3)	-	(3)	(5)
Total comprehensive income for the period		<u>1,220</u>	<u>669</u>	<u>2,233</u>	<u>1,093</u>
Earnings per share attributable to owners of the parent company					
- Basic (sen)	24	<u>0.41</u>	<u>0.23</u>	<u>0.75</u>	<u>0.37</u>
- Diluted (sen)	24	<u>0.37</u>	<u>0.21</u>	<u>0.67</u>	<u>0.34</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 30 SEPTEMBER 2020
(The figures have not been audited)

		As At 30.09.20 RM'000	(Audited) As At 31.03.20 RM'000
	Note		
ASSETS			
Non-current assets			
Land held for development		884	884
Property, plant and equipment		39,553	39,661
Right-of-use assets		3,311	3,206
Investment properties		28,800	28,800
Investment in associate companies		36,780	36,542
Deferred tax assets		1,308	1,508
		<u>110,636</u>	<u>110,601</u>
Current assets			
Inventories		51,351	57,934
Trade receivables		74,795	64,893
Other receivables		12,307	11,310
Tax recoverable		7	2
Cash and bank balances	21	17,215	4,710
		<u>155,675</u>	<u>138,849</u>
TOTAL ASSETS		<u>266,311</u>	<u>249,450</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent Company			
Share capital		73,886	62,536
Treasury shares		(255)	(255)
Foreign currency translation reserve		176	176
Revaluation reserve		14,494	14,578
Capital reserve		(28)	(28)
Warrant reserve		7,523	7,720
Retained profits		36,880	34,560
		<u>132,676</u>	<u>119,287</u>
Non-controlling interest		253	256
Total equity		<u>132,929</u>	<u>119,543</u>
Non-current liabilities			
Contract liabilities		43	58
Bank borrowings	23	810	771
Lease liabilities		1,371	1,163
Deferred tax liabilities		3,412	3,411
		<u>5,636</u>	<u>5,403</u>
Current liabilities			
Contract liabilities		298	296
Trade payables		10,658	32,321
Other payables		25,512	20,539
Bank borrowings	23	86,873	67,947
Lease liabilities		592	697
Tax Payable		3,813	2,704
		<u>127,746</u>	<u>124,504</u>
Total liabilities		<u>133,382</u>	<u>129,907</u>
TOTAL EQUITY AND LIABILITIES		<u>266,311</u>	<u>249,450</u>
Net assets per share attributable to owners of the Parent (RM)		0.40	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 SECOND QUARTER ENDED 30 SEPTEMBER 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 SECOND QUARTER ENDED 30 SEPTEMBER 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				
<u>6 months period ended 30 September 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	-	-	-	-	-	-	2,236	2,236	(3)	2,233
Realisation of revaluation surplus	-	-	-	-	-	(84)	84	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	(84)	2,320	2,236	(3)	2,233
Transactions with owners:										
Exercise of warrants	850	-	(197)	-	-	-	-	653	-	653
Issuance of ordinary shares	10,500	-	-	-	-	-	-	10,500	-	10,500
Total transactions with owners	11,350	-	(197)	-	-	-	-	11,153	-	11,153
At 30 September 2020	73,886	(255)	7,523	176	(28)	14,494	36,880	132,676	253	132,929

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 SECOND QUARTER ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

	Cumulative Quarters	(Audited)
	30.09.20	Year to date
	RM'000	31.03.20
		RM'000
Cash Flows From Operating Activities		
Profit before taxation	4,010	7,891
Adjustments for :		
Bad debts written off	-	24
Depreciation of property, plant and equipment	550	1,355
Depreciation of right-of-use assets	395	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	-	821
Impairment loss on other receivables	-	14
Interest expense	1,597	2,291
Interest income	(2)	(53)
Inventories written down	1,070	2,823
Property, plant and equipment written off	-	411
Reversal of impairment loss on trade receivables	(163)	(80)
Share of results of associate company	(238)	(1,542)
Unrealised (gain)/loss on foreign exchange	(147)	405
Waiver of debts by an associate company	(8)	(611)
Operating profit before changes in working capital	<u>6,965</u>	<u>13,910</u>
Changes in working capital		
Changes in contract liabilities	(12)	15
Changes in inventories	5,513	(103)
Changes in receivables	(10,886)	6,504
Changes in payables	<u>(16,383)</u>	<u>(25,337)</u>
Cash used in operations	(14,803)	(5,011)
Interest received	2	53
Interest paid	(1,597)	(2,291)
Tax refund	-	21
Tax paid	<u>(472)</u>	<u>(2,629)</u>
Net cash flows used in operating activities	<u>(16,870)</u>	<u>(9,857)</u>
Cash Flows From Investing Activities		
Acquisition of non-controlling interests	-	(526)
Acquisition of investment in associate company	-	(35,000)
Purchase of property, plant and equipment	(442)	(685)
Proceeds from disposals of property, plant and equipment	75	607
Proceeds from disposals of right-of-use assets	-	2,486
Net cash flows used in investing activities	<u>(367)</u>	<u>(33,118)</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020
(The figures have not been audited)

	Cumulative Quarters	(Audited)
	30.09.20	Year to date
	RM'000	31.03.20
		RM'000
Cash Flows From Financing Activities		
Decrease in fixed deposits pledged	-	110
Payment of lease liabilities	(373)	(687)
Net changes in banker's acceptances	(2,065)	(4,794)
Net changes in term loans	29	(25)
Net changes in revolving credit	21,000	42,500
Proceeds from exercise of warrants	652	67
Proceeds from issuance of shares	10,500	-
Net cash flows from financing activities	<u>29,743</u>	<u>37,171</u>
Net increase/(decrease) in cash and cash equivalents	12,506	(5,804)
Effects of changes in exchange rates	(1)	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>17,215</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 second quarter ended 30 September 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.

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 second quarter ended 30 September 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 issuance of 3,261,900 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 RM652,380.
- (ii) During the current financial quarter, there was issuance of 30,000,000 new ordinary shares at the issue price of RM0.35 each for a total cash consideration of RM10,500,000.

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

As at 30 September 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.

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
	30.09.20	31.03.20
	RM'000	RM'000
- Limit of guarantee	<u>103,833</u>	<u>103,856</u>
- Amount utilised	<u>87,683</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 offer letter dated on 30 October 2020 for the intended proposal to acquire the entire equity interest of Frazel World Sdn. Bhd. and Frazel Icon Sdn. Bhd., the legal and beneficial owner of five (5) pieces of freehold lands.

14. Profit Forecast Variance

Not applicable.

Notes to the Interim Financial Statements for the second quarter ended 30 September 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.

B) Utilisation of Proceeds from Special Issue of Shares

As at 30 September 2020, the status of the utilisation of the proceeds of RM10.5 million raised from the first tranche of Special Issue of Shares is as follows:-

	RM'000	Estimated timeframe for utilisation from the listing date
Proceeds raised from first tranche of Special Issue of Shares	10,500	-
Land acquisition	-	Within twenty four (24) months
Payment of the relevant expenses incurred for Special Issue of Shares	(56)	Within one (1) month
Balance Unutilised	10,444	

Notes to the Interim Financial Statements for the second quarter ended 30 September 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	
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Rental expense paid to other related party*	(52)	(39)	(105)	(56)
Rental income received from other related party*	3	6	6	11
Sales to other related party*	12,149	4,745	25,856	10,863
Purchases from other related party*	(5,445)	(2,728)	(15,361)	(4,208)
Purchase of motor vehicle from other related party*	(140)	-	(140)	-
Road tax and insurance paid to other related party*	(6)	(2)	(12)	(72)
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)	(8)	(8)

* 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	
	30.09.20 RM'000	30.06.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Revenue					
(a) Commercial vehicles and bodyworks	20,385	15,622	24,757	36,007	47,965
(b) Property development	12,149	13,706	4,745	25,855	10,863
(c) Rental and fleet management services	876	752	1,036	1,628	2,181
(d) Others Segment	173	171	176	344	352
	33,583	30,251	30,714	63,834	61,361
Less : Elimination	(172)	(169)	(172)	(341)	(345)
Total	33,411	30,082	30,542	63,493	61,016

Profit before taxation

(a) Commercial vehicles and bodyworks	312	369	1,022	681	1,294
(b) Property development	2,130	816	126	2,946	682
(c) Rental and fleet management services	333	154	163	487	272
(d) Others Segment	(241)	(95)	(553)	(336)	(768)
	2,534	1,244	758	3,778	1,480
Less : Elimination	(3)	(3)	-	(6)	-
	2,531	1,241	758	3,772	1,480
Share of results of associates	157	81	-	238	-
Total	2,688	1,322	758	4,010	1,480

Notes to the Interim Financial Statements for the second quarter ended 30 September 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 RM20.38 million, a decrease of RM4.38 million compared to RM24.76 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 RM0.31 million, a decrease of RM0.71 million compared to RM1.02 million in the previous year's corresponding quarter. The lower profit before taxation was due to impairment of inventory.

(b) For property development segment, revenue for the current quarter was RM12.15 million, an increase of RM7.40 million compared to RM4.75 million in the previous year's corresponding quarter. The stage of recognition of the project was 67.09% as at 30 September 2020 (as at 30 September 2019: 37.15%). Profit before taxation was RM2.13 million, an increase of RM2.00 million compared to RM0.13 million in the previous year's corresponding quarter. The higher profit before taxation was mainly attributable to higher delivery in the current quarter.

The share of joint venture result has no comparative figure for the preceding year corresponding quarter as the agreement was commenced on 1 November 2019. The weighted stage of completion for the project was approximate 17.21% for commercial lots and 5.34% for residential lots and share of profit was RM0.16 million for the current quarter.

(c) For rental and fleet management services segment, revenue for the current quarter was RM0.88 million, a decrease of RM0.16 million compared to RM1.04 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. The profit before taxation in the current quarter was increased by RM0.17 million compared to the previous year's corresponding quarter. The higher profit before taxation was attributable to higher disposal of used forklifts and lower administrative expenses incurred in the current quarter.

(d) Other Segment's revenue for the current quarter was RM0.17 million was consistent with the previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.24 million, a decrease of RM0.31 million compared to RM0.55 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 RM20.38 million, an increase of RM4.76 million compared to RM15.62 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 RM0.31 million, a decrease of RM0.06 million compared to RM0.37 million in the preceding quarter. The lower profit before taxation was due to impairment of inventory which was partly mitigated with higher gross profit in the current quarter.

(b) For property development segment, revenue for the current quarter was RM12.15 million, a decrease of RM1.56 million compared to RM13.71 million in the preceding quarter. The stage of recognition of the project was 67.09% as at 30 September 2020 (as at 30 June 2020: 61.07%). Profit before taxation in the current quarter was RM2.13 million, an increase of RM1.31 million compared to profit before taxation of RM0.82 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 17.21% for commercial lots and 5.34% for residential lots as at 30 September 2020 (as at 30 June 2020: commercial lots: 15.28%, residential lots: 4.57%) and share of profit of RM0.16 million in the current quarter.

(c) For rental and fleet management services segment, revenue for the current quarter was RM0.88 million, an increase of RM0.12 million compared to RM0.75 million in the preceding quarter. Profit before taxation in the current quarter was RM0.33 million, an increase of RM0.18 million as compared to RM0.15 million in the preceding quarter. The higher profit before taxation was mainly attributable to higher revenue recognised and gain on disposal of used forklifts in the current quarter.

(d) Other Segment's revenue for the current quarter of RM0.17 million was almost consistent with preceding quarter. Loss before taxation in the current quarter was RM0.24 million, an increase of RM0.10 million compared to RM0.10 million in the preceding quarter. The higher loss before taxation was mainly due to higher administrative expenses incurred in the current quarter.

Notes to the Interim Financial Statements for the second quarter ended 30 September 2020

18. Profit before taxation

This was arrived at :

	Individual Quarter		Cumulative Quarters	
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
After charging :				
Depreciation of property, plant and equipment	275	418	550	849
Depreciation of right-of-use assets	201	-	395	-
Impairment loss on trade receivables	-	-	-	79
Inventories impairment	810	-	1,070	-
Interest expenses	832	432	1,597	743
Lease expenses relating to short term lease	11	-	22	-
Rental of hostel	-	8	-	16
Rental of premises	-	87	-	152
Rental of vehicles	-	15	-	31
Unrealised (gain)/loss on foreign exchange	(88)	(63)	(146)	280
And crediting :				
Interest income	2	12	2	34
Gain on disposal of property, plant and equipment	75	26	75	67
Gain on disposal of right-of-use assets	24	-	24	-
Realised gain on foreign exchange	152	41	264	271
Rental income	3	6	6	11
Reversal of impairment loss on trade receivables	140	-	163	-
Share of results of associate company	157	-	238	-
Waiver of debts	8	-	8	-

19. Taxation

	Individual Quarter		Cumulative Quarters	
	30.09.20 RM'000	30.09.19 RM'000	30.09.20 RM'000	30.09.19 RM'000
Malaysian taxation based on profit for the period:				
-Current tax	(1,368)	(89)	(1,576)	(386)
-Deferred tax	(100)	-	(201)	(1)
	<u>(1,468)</u>	<u>(89)</u>	<u>(1,777)</u>	<u>(387)</u>

The effective tax rate for the financial period ended 30 September 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 RMCO, 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.

(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 target 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 is sourcing for new potential lands bank with good commercial value for office and residential development in this and 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 second quarter ended 30 September 2020

21. Cash and Bank Balances

	As At 30.09.20 RM'000	As At 31.03.20 RM'000
Cash and bank balances	11,823	4,710
Short-term funds with licensed financial institutions	5,392	-
	<u>17,215</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 30 September 2020 were as below:-

	Total Secured RM'000
<u>Current liabilities</u>	
Banker's acceptances	23,350
Revolving credits	63,500
Term loans	23
Sub-total	<u>86,873</u>
<u>Non-current liabilities</u>	
Term loans	810
Sub-total	<u>810</u>
Total	<u>87,683</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	
	30.09.20	30.09.19	30.09.20	30.09.19
Profit for the period attributable to the owners of the Parent (RM'000)	<u>1,223</u>	<u>669</u>	<u>2,236</u>	<u>1,098</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	1,992	-	1,992	-
Effect of treasury shares held ('000 units)	(700)	(700)	(700)	(700)
	<u>298,737</u>	<u>296,411</u>	<u>298,737</u>	<u>296,411</u>
Basic Earnings Per Share (sen)	<u>0.41</u>	<u>0.23</u>	<u>0.75</u>	<u>0.37</u>

Notes to the Interim Financial Statements for the second quarter ended 30 September 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>1,223</u>	<u>669</u>	<u>2,236</u>	<u>1,098</u>
Weighted average number of ordinary shares in issue ('000 units)	298,737	296,411	298,737	296,411
Adjustment for dilutive effect of warrants ('000 units)	<u>33,207</u>	<u>23,559</u>	<u>33,207</u>	<u>23,559</u>
Weighted average number of shares assumed to be in issue ('000 units)	<u>331,944</u>	<u>319,970</u>	<u>331,944</u>	<u>319,970</u>
Diluted Earnings Per Share (sen)	<u>0.37</u>	<u>0.21</u>	<u>0.67</u>	<u>0.34</u>

Date : 26 November 2020