Golden Land Berhad (298367-A)
(Incorporated in Malaysia)

Interim Report for the 2nd Quarter Ended 31 December 2019
(The figures have not been audited)

Condensed Consolidated Statements of Comprehensive Income

	Note	Individual Quarter 31 December 2019 RM'000	Individual Quarter 31 December 2018 RM'000	Cumulative Quarter to date 31 December 2019 RM'000	Cumulative Quarter to date 31 December 2018 RM'000
Revenue		5,663	3,391	9,460	3,536
Operating expenses		(11,030)	(7,456)	(19,843)	(11,222)
Loss from operations		(5,367)	(4,065)	(10,383)	(7,686)
Interest income		489	970	960	1,780
Other income		331	83	668	143
Marketing and distribution		(297)	(353)	(383)	(518)
Depreciation and amortisation		(1,855)	(497)	(3,654)	(976)
Finance costs		(3)	(4)	(299)	(9)
Loss before tax		(6,702)	(3,866)	(13,091)	(7,266)
Taxation	**B5**	(54)	(178)	(120)	(277)
Loss net of tax		(6,756)	(4,044)	(13,211)	(7,543)
Other comprehensive income:					
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operation		(232)	5,101	1,297	3,797
Other comprehensive (loss)/income		(232)	5,101	1,297	3,797
Total comprehensive (loss)/income for the period		(6,988)	1,057	(11,914)	(3,746)
Loss attributable to:					
Owners of the Company		(6,334)	(3,936)	(12,462)	(7,076)
Non-controlling interests		(422)	(108)	(749)	(467)
		(6,756)	(4,044)	(13,211)	(7,543)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(6,573)	1,201	(11,143)	(3,206)
Non-controlling interests		(415)	(144)	(771)	(540)
		(6,988)	1,057	(11,914)	(3,746)
Loss per share attributable to equity holders of GLBHD					
Basic (Sen)		(2.95)	(1.83)	(5.81)	(3.30)
	B13	(2.95)	(1.83)	(5.81)	(3.30)

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2019 and the accompanying notes attached to these interim financial statements)

Golden Land Berhad (298367-A)
(Incorporated in Malaysia)

Interim Report for the 2nd Quarter Ended 31 December 2019
(The figures have not been audited)

Condensed Consolidated Statements of Financial Position

	Note	As at 31-12-2019 RM'000	As at 30-06-2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		152,930	138,769
Land use rights		39,725	39,745
Intangible assets		128	155
Right-of- use assets		1,197	-
Other receivables		162,116	146,317
Deferred tax assets		1,690	1,677
Current assets			
Inventories		136,829	128,752
Trade and other receivables		20,450	17,302
Tax refundable		1,954	1,346
Cash and bank balances		64,653	59,082
Contract assets		521	521
		224,407	207,003
TOTAL ASSETS		582,193	533,666
EQUITY AND LIABILITIES			
Share capital		73,678	73,678
Reserves		347,059	358,263
		420,737	431,941
Equity attributable to owners of the company		420,737	431,941
Non-controlling interests		(9,968)	(9,197)
Non-current liabilities			
Borrowings	B9	50,118	12,162
Lease liabilities		654	-
Estimated liabilities for post-employment benefit		1,372	1,111
Deferred taxation		5,695	5,695
		57,839	18,968
Current liabilities			
Trade and other payables		32,699	30,121
Contract liabilities		9,800	9,356
Short term borrowings	B9	70,474	52,477
Lease liabilities		612	-
		113,585	91,954
Total liabilities		171,424	110,922
TOTAL EQUITY AND LIABILITIES		582,193	533,666
Net assets per share attributable to equity holders of GLBHD (RM)		**1.96**	**2.01**

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2019 and the accompanying notes attached to these interim financial statements)

Golden Land Berhad (298367-A)
(Incorporated in Malaysia)

Interim Report for the 2nd Quarter Ended 31 December 2019
(The figures have not been audited)

Condensed Consolidated Statement of Changes In Equity

	← Attributable to Equity Holders of GLBHD				→		
	← Non-Distributable		→				
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
For the period ended 31 December 2019							
At 1 July 2019	73,678	(1,465)	(5,697)	365,425	431,941	(9,197)	422,744
Effects of adoption of MFRS 16	-	-	-	(61)	(61)	-	(61)
Restated balance	73,678	(1,465)	(5,697)	365,364	431,880	(9,197)	422,683
Loss for the period	-	-	-	(12,462)	(12,462)	(749)	(13,211)
Other comprehensive (loss)/income	-	-	1,319	-	1,319	(22)	1,297
	-	-	1,319	(12,462)	(11,143)	(771)	(11,914)
At 31 December 2019	**73,678**	**(1,465)**	**(4,378)**	**352,902**	**420,737**	**(9,968)**	**410,769**
For the period ended 31 December 2018							
At 1 July 2018 (as previously stated under FRSs)	73,678	(1,461)	(5,857)	390,312	456,672	(8,246)	448,426
Effects of adoption of MFRSs	-	-	2	(5,872)	(5,870)	-	(5,870)
Restated balance	73,678	(1,461)	(5,855)	384,440	450,802	(8,246)	442,556
Loss for the period	-	-	-	(7,076)	(7,076)	(467)	(7,543)
Other comprehensive (loss)/income	-	-	3,870	-	3,870	(73)	3,797
	-	-	3,870	(7,076)	(3,206)	(540)	(3,746)
Acquisition of treasury shares	-	(4)	-	-	(4)	-	(4)
At 31 December 2018	73,678	(1,465)	(1,985)	377,364	447,592	(8,786)	438,806

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2019 and the accompanying notes attached to these interim financial statements)

Golden Land Berhad (298367-A)
(Incorporated in Malaysia)

Interim Report for the 2nd Quarter Ended 31 December 2019
(The figures have not been audited)

Condensed Consolidated Statements of Cash Flows

	Cumulative Quarter to date 31 December	
	2019 RM'000	**2018 RM'000**
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(13,091)	(7,266)
Adjustment for non-cash items :		
Reversal of allowance for impairment on trade and other receivables	-	(243)
Amortisation and depreciation	3,654	976
Operating loss before working capital changes	(9,437)	(6,533)
Working capital changes :		
Increase in receivables	(18,950)	(25,637)
Decrease in payables	2,928	2,585
Increase in inventories	(8,034)	(7,406)
Cash used in operations	(33,493)	(36,991)
Tax refund/(paid)	(729)	(213)
Net cash used in operating activities	(34,222)	(37,204)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of non-current assets	(16,298)	(12,962)
Net cash used in investing activities	(16,298)	(12,962)
CASH FLOW FROM FINANCING ACTIVITIES		
Placement of fixed deposit pledged	(4,720)	-
Acquisition of treasury shares	-	(4)
Drawdown of bank borrowings	51,935	62,000
Repayment of lease liabilities	(318)	-
Repayment of bank borrowings	(376)	(1,368)
Net cash from financing activities	46,521	60,628
Net (decrease)/increase in cash and cash equivalents	(3,999)	10,462
Effect of exchange rates on cash and cash equivalents	31	236
Cash and cash equivalents as at beginning of the financial period	32,329	105,675
Cash and cash equivalents as at end of the financial period	28,361	116,373
Cash and cash equivalents comprise:		
Cash and bank balances	18,755	116,373
Deposits with licensed banks	45,898	-
Bank overdraft	(4,394)	-
	60,259	116,373
Less: Fixed deposits pledged to bank	(31,898)	-
	28,361	116,373

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2019 and the accompanying notes attached to these interim financial statements)

Interim Report for the 2nd Quarter Ended 31 December 2019
(The figures have not been audited)

A. Explanatory Notes

A1. Basis of Preparation and Significant Accounting Policies

The interim financial statements were unaudited and have been prepared in accordance with *MFRS 134 - Interim Financial Reporting* and *paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.*

The report should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2019. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2019.

The significant accounting policies applied are consistent with those adopted for the audited financial statements for the year ended 30 June 2019 except for the adoption of the following new MFRSs, Amendments and Interpretations to the MFRSs issued by MASB and IC interpretations that are applicable to the Group’s financial year beginning on 1 July 2019:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 11	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 112	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
IC Interpretation 23	Uncertainty over Income Tax Treatments

The adoption of the above new MFRS, Amendments and IC interpretation did not have any material impact on the interim financial report of the Group except for the followings:

<u>MFRS 16 Leases</u>

MFRS 16 Leases supersedes MFRS 117 Leases and the related interpretations. MFRS 16 introduces a single accounting model, requiring lessee to recognises the right-of-use of underlying lease asset and the lease liability representing future lease payments in the statements of financial position . The right-of-use asset is depreciated in accordance with the principles in MFRS 116 Property, Plant and Equipment and the lease liability is accreted over time with interest expense recognised in the statement of comprehensive income. Lessors continue to classify all leases as either operating leases or finance leases using similar principles in MFRS 117.

The Group has adopted MFRS 16 using the modified retrospectively method of adoption with date of initial application of 1 July 2019 and has not restated comparatives for the 2019 reporting period, as permitted under the standard. The reclassifications and adjustments arising from MFRS 16 are therefore recognised in the opening balance of statement of financial position as at 1 July 2019.

The Group also elected to use recognition exemption for short term leases with lease terms of 12 months or less from dates of commencement and leases for which the underlying assets are of low value.

The effects of adoption of MFRS 16 as at 1 July 2019 as follows:-

	As at 30.06.2019 RM'000	Effect on adoption of MFRS 16 RM'000	As at 1.7.2019 RM'000
Rights-of-use assets	-	1,388	1,388
Lease liabilities	-	1,449	1,449
Retained earnings	-	(61)	(61)

A2. Disclosure of audit report qualification and status of matters raised

There was no qualification in the audit report of the preceeding financial year.

A3. Seasonal or Cyclical Phases

The Group's plantation operations are affected by seasonal crop productions, weather conditions and fluctuation of commodity prices.

A4. Unusual items affecting assets, liabilities, equity, net income, or cash flow

There were no material items affecting assets, liabilities, equity, net income, or cash flow that were unusual in nature, size, or incidence during the financial period under review.

A5. Material changes in estimates

There were no changes in estimates of amounts reported in prior financial year, which have a material effect on the current financial period.

A6. Issuances, Cancellations, Repurchases, Resales and Repayments of Debt and Equity Securities

There were no cancellations, repurchases, resale and repayments of debt and equity securities for the quarter.

A7. Dividends paid

There were no dividend paid during the current quarter.

A8. Segment Information

Segment information is presented in respect of the Group's business segments as follows:

RESULTS	**Plantation**	**Property Development**	**Others**	**Eliminations**	**Consolidated**
Period ended 31 December 2019	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
REVENUE					
External sales/total revenue	3,504	5,956	-	-	9,460
Inter-segment sales	-	-	2,852	(2,852)	-
	3,504	5,956	2,852	(2,852)	9,460
RESULTS					
Segment results	(9,278)	804	(5,946)	-	(14,420)
Interest income					960
Other income					668
Finance costs					(299)
Loss before tax					(13,091)
Taxation					(120)
Loss for the period					(13,211)
Non-controlling interest					749
Net loss for the period					(12,462)

	Plantation	**Property Development**	**Others**	**Eliminations**	**Consolidated**
Period ended 31 December 2018	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
REVENUE					
External sales/total revenue	-	3,536	-	-	3,536
Inter-segment sales	-	-	3,220	(3,220)	-
	-	3,536	3,220	(3,220)	3,536
RESULTS					
Segment results	(2,466)	(62)	(6,652)	-	(9,180)
Interest income					1,780
Other income					143
Finance costs					(9)
Loss before tax					(7,266)
Taxation					(277)
Loss for the period					(7,543)
Non-controlling interest					467
Net loss for the period					(7,076)

ASSETS	**Plantation**	**Property Development**	**Others**	**Unallocated Corporate Assets**	**Consolidated**
Segment Assets	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
As at 31 December 2019	275,518	145,439	153,219	8,017	582,193
As at 30 June 2019	249,474	134,028	142,711	7,453	533,666

The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	31.12.19 RM'000	**30.06.19 RM'000**
Deferred tax assets	1,690	1,677
Tax refundable	1,954	1,346
Inter-segment assets	4,373	4,430
	8,017	7,453

The basis of segmentation and measurement of segment profit or loss is consistent with the basis adopted in the last annual financial statements.

A9. Valuation of Property, Plant and Equipment

The valuations of leasehold lands and bearer plants have been brought forward without amendment from the previous audited financial statements for the financial year ended 30 June 2019.

A10. Material events subsequent to the end of the interim period

Same as disclosed in Note B8 and below, there were no other material events subsequent to the end of the interim period that have not been reflected in the current financial statements.

A11. Changes in the composition of the Group

There was no change in the composition of the Group for the current quarter and financial period to-date.

A12. Changes in contingent liabilities or contingent assets

There were no material changes in contingent liabilities or contingent assets from the amount disclosed in the last annual financial statements.

A13. Capital Commitments

The total Group capital commitments as at 31 December 2019 were as follows:-

	RM'000
Capital expenditure approved and contracted for	57,229
Capital expenditure approved but not yet contracted	78,140
	135,369

B. Additional Information As Required by Appendix 9B of Bursa Malaysia Listing Requirements

B1. Review of Performance

Todate 2nd Quarter FY2020 vs Todate 2nd Quarter FY2019

	Cumulative Quarter to date 31 December		**Changes**
	2019 RM'000	**2018 RM'000**	**%**
Revenue	9,460	3,536	168%
Loss from operations	(10,383)	(7,686)	-35%
Loss before interest and tax	(12,792)	(7,257)	-76%
Loss before tax	(13,091)	(7,266)	-80%
Loss after tax	(13,211)	(7,543)	-75%
Loss Attributable to Ordinary Equity Holders of the Parent	(12,462)	(7,076)	-76%

The Group registered higher revenue of RM9.5 million in the current period compared to RM3.5 million in the last financial period, mainly due to higher revenue contributions from plantation segment of RM3.5 million and property development segment of RM6.0 million.

However the Group recorded a higher loss after tax of RM13.2 million compared to a loss after tax of RM7.5 million in the last financial period mainly due to plantation operations cost being charged out upon the planted area being declared as mature area and higher depreciation and amortisation cost due to all the palms are below the age of five. The performance of the business sectors are summarized as follows:-

Plantation Segment (Indonesia)
The plantation segment generated RM3.5 million revenue from its fresh fruit bunches (‘FFB”) production of 11,427 mt during the current period from its mature area. However the plantation segment recorded a higher segment loss of RM9.3 million for the current period compared to RM2.5 million in the last financial period, mainly due to higher depreciation and amortisation cost and the commencement of estate operations cost being charged out upon declaration of mature area and all the palms are below the age of five.

Property Development Segment
The property segment recorded a higher revenue of RM6.0 million in the current period compared to RM3.5 million in the last financial period, due to higher income recognition from its ongoing sales of its property development project in Penang. As a result of the higher revenue, the property development segment recorded a segment profit of RM0.8 million in the current period compared to a segment loss of RM0.06 million in the last financial period.

B1. Review of Performance (continued)

2nd Quarter FY 2020 vs 2nd Quarter FY 2019

	Individual Quarter 31 December		Changes
	2019 RM'000	2018 RM'000	%
Revenue	5,663	3,391	67%
Loss from operations	(5,367)	(4,065)	-32%
Loss before interest and tax	(6,699)	(3,862)	-73%
Loss before tax	(6,702)	(3,866)	-73%
Loss after tax	(6,756)	(4,044)	-67%
Loss Attributable to Ordinary Equity Holders of the Parent	(6,334)	(3,936)	-61%

This quarter's revenue increased by RM2.3 million compared to the last corresponding quarter mainly due to additional revenue on sale of fresh fruit bunches from Plantation segment. Howerver the Group recorded a loss after tax of RM6.8 million for the current quarter compared to loss after tax of RM4.0 million in the last corresponding quarter mainly due to plantation operations cost being charged out upon the planted area being declared as mature area and higher depreciation and amortisation cost due to all the palms are below the age of five.

B2. Material changes in profit before taxation for the current quarter as compared with the immediate preceding quarter

2nd Quarter FY 2020 vs 1st Quarter FY 2020

	Individual Quarter		Changes
	31 December 2019 RM'000	30 September 2019 RM'000	%
Revenue	5,663	3,797	49%
Loss from operations	(5,367)	(5,016)	-7%
Loss before interest and tax	(6,699)	(6,093)	-10%
Loss before tax	(6,702)	(6,389)	-5%
Loss after tax	(6,756)	(6,455)	-5%
Loss attributable to Ordinary Equity Holders of the Parent	(6,334)	(6,128)	-3%

The Group recorded a loss after tax for current quarter at RM6.7 million compared to RM6.5 million loss in the preceding quarter. The losses were mainly due to higher depreciation and amortisation cost and estate operations cost being charged out upon declaration of mature area of which the palms are below the age of five.

B3. Prospects

Plantation Segment
The Group’s plantation division mainly operated in Kalimantan Timur and Selatan, Indonesia, has planted 6,271 hectares and will continue to focus with its planting target of 18,000 hectares by year 2024. The Group expects higher FFB production as matured area and palm age increase. The Group is also optimistic that the FFB prices are stabilising and expect to generate higher contributions for the coming quarters.

Property Development Segment
The Group’s property development division is focussing on increasing its sales of the current industrial development property in Penang, and is optimistic of achieving its sales target. Currently the property development division is carrying out feasibility studies for a few projects in the pipeline, and will be assessing the market demand cautiously before any decision to launch any new property development projects.

B4. Variance of actual profit from forecast profit / profit guarantee

Not applicable as no profit forecast or profit guarantee was published.

B5. Taxation

	Individual Quarter 31 December		Cumulative Quarter to date 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax :				
Income taxation - Malaysia	54	215	121	318
	54	215	121	318
Deferred tax :				
Relating to reversal of temporary differences	-	(37)	-	(41)
over provision in prior years	-	-	(1)	-
	-	(37)	(1)	(41)
	54	178	120	277

Tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. The effective tax rates for the current financial period was higher than the statutory tax rate mainly due to losses of certain subsidiaries which cannot be off set against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purpose.

B6. Profit on Sales of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter and financial period to-date.

B7. Purchase or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities for the current quarter and financial period to-date.

B8. Status of Corporate Proposals Announced

Saved as disclosed below, there was no corporate proposal announced but not completed as at the date of this quarterly report.

(a) On 26 August 2013, the following indirect subsidiaries of GLBHD incorporated in Cambodia have been placed under "Member's Voluntary Winding Up"-

1. NWP (Cambodia) Pte Ltd, wholly-owned subsidiary of Gainfield International Limited, a wholly-owned subsidiary of GLBHD
2. Perfect Element Plantation Pte Ltd, wholly-owned subsidiary of Pacific Bloom Limited, a wholly-owned subsidiary of GLBHD
3. Malaysia Palm Plantation Pte Ltd, wholly-owned subsidiary of Better Yield Limited, a wholly-owned subsidiary of GLBHD

(b) On 17 November 2014, Shinny Yield Holdings Limited ("SYHL"), a subsidiary of GLBHD entered into a Conditional Shares Sale and Purchase Agreement ("CSPA") for the proposed acquisition of 95% fully paid-up shares of Rp 1,000,000 each in PT Setara Kilau Mas Adicita ("SKMA") for a purchase consideration of Rp 24,433,165,000 ("Proposed Acquisition").

SKMA is a limited liability company incorporated in the Republic of Indonesia with an authorized share capital of Rp500,000,000 divided into 500 shares of Rp 1,000,000 each, of which 130 shares in a total amount of Rp 130,000,000 have been issued at par and fully paid. Both of the Indonesian shareholders are Mr Wisma Sinulinggair ("Wisma") and Mr Jeffrey Lachmandas Mahtani ("Jeffrey").

SKMA carries out activities in oil palm plantation and has a Location Permit (Ijin Lokasi) land of 2,835 hectares located at Sandaran District, Kutai Timur Regency, Kalimantan Timur Province, Indonesia.

The Proposed Acquisition is subject to conditions precedent to be fulfilled, which include, amongst others, obtaining approval from the followings local authorities:-

a. National Land Office of the Republic of Indonesia
b. Investment Coordinating Board of the Republic of Indonesia
c. Minister of Laws and Human Rights of the Republic of Indonesia

Upon completion of all the conditions precedent and payment conditions as stipulated in the CSPA, Shinny will own 95% of SKMA.

SKMA has on 25 February 2016 entered into another Service Provision Agreement ("the SPA") to engage Mr Jeffrey Lachmandas Mahtani to assist in applying another piece of land located in Kecamatan Sandaran, Kabupaten Kutai Timur, Kalimantan Timur Province from the Bupati of Kutai Timur with a total land area of approximately 1,170 hectares. Pursuant to the agreement, Mr Jeffrey will obtain the Required Documents, to perform the Required Activities and subsequently obtain the certificate of Hak Guna Usaha for the said land with a maximum service fee of Rp9,843,200,000.

B8. Status of Corporate Proposals Announced (continued)

SKMA has on 16 March 2018 entered into a Service Provision Agreement ("the SPA") to engage PT ADJ Konsultan Abadi ("ADJ") to assist in applying for another piece of land located in Desa Susuk Dalam, District of Sandaran, Kutai Timur Regency, East Kalimantan Province with a total land area of approximately 1,625 hectares. In accordance with the SPA, ADJ will assist in obtaining the Required Documents, to perform the Required Activities and subsequently obtain the certificate of Hak Guna Usaha ("the HGU") for the said land with a maximum service fee of Rp16,991,625,000.

(c) On 28 April 2016, Pacific Bloom Limited ("PBL"), a wholly owned subsidiary of Golden Land Berhad ("GLBHD") has entered into 2 Conditional Sale and Purchase Agreements ("the CSPA") for the proposed acquisition of the 2 companies as follows:-

(i) 475 fully paid-up shares of a total Rp125,000,000 representing 95% of fully paid up shares in PT Citra Enggang Nusalaras ("PT CITRA"); and

(ii) 475 fully paid-up shares of Rp125,000,000 representing 95% of fully paid up shares in PT Cipta Enggang Nusalaras ("PT CIPTA").

Pacific Bloom Limited also entered into 2 Service Provision Agreements ("the SPA") with Mr Ikhsanudin ("Ikhsanudin" or the "Service Provider") to engage him to assist in applying and obtaining the Required Documents, to perform the Required Activities for PT CITRA and PT CIPTA with an estimated maximum Service Fee of Rp124,016,000,000 and Rp101,565,000,000 respectively ("the Service Fee").

PT CITRA is a limited liability company established under Indonesian laws with an authorized share capital of Rp500,000,000 divided into 2,000 shares of Rp250,000 each, of which 500 shares in a total amount of Rp125,000,000 have been issued at par and fully paid. PT CITRA is the holder of a Location Permit (Izin Lokasi) No. 188.45/163/2016 dated 29 February 2016, issued by the Regent of Murung Raya for an area of 15,453 hectares located at Laung Tuhup, Tanah Siang and Barito Tuhup Raya Districts, Murung Raya Regency, Kalimantan Tengah Province, Indonesia.

The current shareholders of PT CITRA is Mr. Ikhsanudin, a private person, citizen of the Republic of Indonesia, holder of Identification Card No.3471021307610001, having his address at Perum Griya Jetis Asri C 25, RT025/RW006, Kelurahan Cokrodiningratan, Kalimantan Jetis, Yogyakarta, Indonesia. Firman Wijaya, a private person, citizen of the Republic of Indonesia, holder of Identification Card number 6472031211820002, having his address at Raudah lll, Blok llB No. 59, RT013/RW13 Teluk Lerong Ilir, Samarinda Ulu, Samarinda, Kalimantan Timur, Indonesia.

PT CIPTA is a limited liability company established under Indonesian laws with an authorized share capital of Rp500,000,000 divided into 2,000 shares of Rp.250,000 each, of which 500 shares in a total amount of Rp125,000,000 have been issued at par and fully paid. PT CIPTA is the holder of a Location Permit (Izin Lokasi) No. 188.45/162/2016 dated 29 February 2016, issued by the Regent of Murung Raya for an area of 11,423 hectares located at Laung Tuhup and Barito Tuhup Raya Districts, Murung Raya Regency, Kalimantan Tengah Province, Indonesia.

The current shareholders of PT CIPTA is Mr. Ikhsanudin, a private person, citizen of the Republic of Indonesia, holder of Identification Card No.3471021307610001, having his address at Perum Griya Jetis Asri C 25, RT025/RW006, Kelurahan Cokrodiningratan, Kalimantan Jetis, Yogtakarta, Indonesia. Mr Firdaus, a private person, citizen of the Republic of Indonesia, holder of Identification Card number 6472031808870001, having his address at Jalan Raudah III Blok 2 B No. 59, RT013, Kelurahan Teluk Lerong Ilir, Kecamatan Samarinda Ulu, Samarinda, Indonesia.

Both land banks are adjacent to each other.

PBL and Mr. Ikhsanudin have mututally agreed in writing to extend the determined timeframe in obtaining all the Required Documents as stated in the SPA dated 28 April 2016 by 30 September 2018.

(d) On 12 December 2018, the Company announced that a joint venture company under the name of Sembulan Emas Sdn Bhd ("SESB"), was incorporated on 12 December 2018, with a total issued and paid-up capital of RM100.00 which consists of 100 ordinary shares of RM1.00 each. GLBHD has subscribed 70% of the issued and paid-up capital, which consists of 70 ordinary shares of RM1.00 each.

The principal activity of SESB is property development, construction and trading.

The incorporation of SESB will not have material effect on the earnings per share, net assets or share capital of the Company.

On 16 May 2019 and 17 May 2019, the Company announced that Sembulan Emas Sdn Bhd ("SESB" or "the Developer") had entered into a Joint Venture Agreement with United Sabah Islamic Association ("USIA") ("Proposed Joint Venture").

The Proposed Joint Venture is for the development of commercial project to be determined by the Developer subject to the terms, conditions, specifications and scheme contained in the approved Project Plans and requirements and directives of the appropriate authorities, on a parcel of land measuring approximately 1.359 acres identified as Sembulan, in the District of Kota Kinabalu, Sabah ("the Project").

The proposed Joint Venture was entered into based on an agreed land value of approximately RM17,700,000 based on the valuation document by licensed and registered independent property valuar (" Land Value").

B9. Group Borrowings

The total Group borrowings were as follows:-	As at 31.12.2019 Unaudited RM'000	As at 30.06.2019 Audited RM'000
Long term bank borrowings (Secured)		
Term loans	50,000	12,000
Hire Purchase	118	162
	50,118	12,162
Short term bank borrowings (Secured)		
Revolving Credit	65,993	52,370
Hire Purchase	87	107
Overdraft	4,394	-
	70,474	52,477
Total borrowings	120,592	64,639

All borrowings are denominated in Ringgit Malaysia, except for the following borrowing:

	Foreign Currency IDR'000	RM Equivalent RM'000
IDR – Bank Overdraft @ 0.000295	14,894,485	4,394

The term loan and revolving credit are secured by way of corporate guarantee by the Company.

B10. Off-Balance Sheet Financial Instruments

The Group does not have any financial instruments with off-balance sheet risk as at 27 February 2020.

B11. Material Litigation

There was no material litigation as at the date of issuance of this report.

B12. Dividend

The Board did not recommend payment of interim dividend for the financial period ended 31 December 2019.

B13. Earnings per Share

	Individual Quarter 31 December		Cumulative Quarter to date 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(a) Basic (loss)/earnings per share				
Loss for the period	(6,334)	(3,936)	(12,462)	(7,076)
	(6,334)	(3,936)	(12,462)	(7,076)
Weighted average number of shares in issue	214,514	214,520	214,514	214,522
Basic loss per share (Sen)	(2.95)	(1.83)	(5.81)	(3.30)
	(2.95)	(1.83)	(5.81)	(3.30)

(b) Diluted earnings/(loss) per share

The Group has no potential ordinary shares in issue as at balance sheet and therefore, diluted earnings per share have not been presented.

B14. Related Party Transactions

	Individual Quarter 31 December		Cumulative Quarter to date 31 December	
	2019 RM	2018 RM	2019 RM	2018 RM
Transactions with a company in which Yap Phing Cern, Yap Fei Chien and a family member of both have financial interests :				
Riwagu Property Sdn. Bhd.				
- Rental paid	19,800	19,800	39,600	39,600
Transaction with a company in which a director of the company, Tang Weihann, has financial interest :				
PT Agro Tradisi				
- Purchase of fertiliser	63,137	-	63,137	170,108

B15. Authorisation for issue of interim financial statements

The current interim financial statements were authorised to be issued by the Board of Directors in accordance with a resolution of the Board of Directors on 27 February 2020.

By Order of the Board,

Voo Yin Ling

Secretary

Kuala Lumpur
27 February 2020