

The Board of directors is pleased to submit its quarterly report on the consolidated results of the Group for the first quarter ended 31 March 2020. The figures have not been audited.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Individual Period			Cumulative Period				
	Current Year Quarter 31/03/2020 RM'000	Preceding Year Corresponding Quarter 31/03/2019 RM'000	Changes in Amount RM'000	Changes in %	Current Year-to- date 31/03/2020 RM'000	Preceding Year Corresponding Period 31/03/2019 RM'000	Changes in Amount RM'000	Changes in %
Continuing Operations								
Revenue	5,178	6,792	(1,614)	(24)	5,178	6,792	(1,614)	(24)
Cost of sales	(1,397)	(1,231)	(166)	(13)	(1,397)	(1,231)	(166)	(13)
Gross profit	3,781	5,561	(1,780)	(32)	3,781	5,561	(1,780)	(32)
Interest income	8	1	7	700	8	1	7	700
Net gain from disposal of investment properties	2,806	3,163	(357)	(11)	2,806	3,163	(357)	(11)
Other income	-	7	(7)	(100)	-	7	(7)	(100)
Administrative and Distribution expenses	(1,513)	(1,684)	171	10	(1,513)	(1,684)	171	10
Depreciation of investment properties and PPE	(1,102)	(1,091)	(11)	(1)	(1,102)	(1,091)	(11)	(1)
Other expenses	(463)	(554)	91	16	(463)	(554)	91	16
Finance costs	(2,456)	(2,672)	216	8	(2,456)	(2,672)	216	8
Profit before taxation	1,061	2,731	(1,670)	(61)	1,061	2,731	(1,670)	(61)
Income tax expense	(701)	(397)	(304)	(77)	(701)	(397)	(304)	8
Profit for the period	360	2,334	(1,974)	(85)	360	2,334	(1,974)	(85)

Earning/(Loss) per share attributable to shareholders of the parent:

Basic and diluted earnings/(loss) per ordinary share (sen) 0.33 2.17 0.33 2.17

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statement for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements).

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020
Condensed Consolidated Statement of Financial Position

	Unaudited As At 31/03/2020 RM'000	Audited As At 31/12/2019 RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	2,329	2,401
Investment properties	280,148	282,152
Prepaid lease payments	2,172	2,190
Other investments	10,147	10,147
Deferred tax assets	237	240
	<u>295,033</u>	<u>297,130</u>
Current Assets		
Inventories	184	144
Contract assets	1,040	1,386
Receivables, deposits and prepayment	19,321	11,953
Current tax assets	41	-
Assets classified as held for sale	-	524
Fixed Deposit	3,003	2,996
Cash & bank balances	5,084	3,419
	<u>28,673</u>	<u>20,422</u>
TOTAL ASSETS	<u>323,706</u>	<u>317,552</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	107,491	107,491
Reserves	39,786	39,426
Total equity	<u>147,277</u>	<u>146,917</u>
Non-current liabilities		
Loan and borrowings	128,880	133,168
Deferred income	892	906
Deferred tax liabilities	509	317
	<u>130,281</u>	<u>134,391</u>
Current liabilities		
Loan and borrowings	34,397	23,661
Payables and accruals	11,435	12,295
Provision for taxation	261	233
Deferred income	55	55
	<u>46,148</u>	<u>36,244</u>
Total liabilities	<u>176,429</u>	<u>170,635</u>
TOTAL EQUITY AND LIABILITIES	<u>323,706</u>	<u>317,552</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.37	1.37

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements).

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020
Condensed Consolidated Statement of Cash Flows

	3 months period ended 31 Mar	
	2020	2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	1,061	2,731
Adjustment for:-		
Depreciation and amortisation	1,102	1,091
Interest income	(8)	(1)
Interest expense	2,456	2,672
Net gain from disposal of Investment properties	(2,806)	(3,163)
Operating profit before working capital changes	1,805	3,330
Decrease/(Increase) in:		
Inventories	(40)	(1,240)
Contract assets	346	929
Receivables	(7,368)	(2,004)
Increase/(Decrease) in:		
Deferred income	(14)	(13)
Payables	(860)	3,311
Cash (used in)/generated from operating activities	(6,131)	4,313
Tax paid	(518)	(836)
Net cash (used in)/generated from operating activities	(6,649)	3,477
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	8	1
Acquisition of:		
- property, plant and equipment	(4)	(2)
- investment properties	(69)	(6,352)
Proceeds from disposal of investment properties	4,394	5,025
Net cash generated from/(used in) investing activities	4,329	(1,328)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of finance lease liability	-	(24)
Interest paid	(2,456)	(2,672)
Redeem term loan	(15,384)	-
Drawdown of term loan	16,000	5,000
Repayment of term loan	(3,990)	(2,723)
Withdrawal/(Placement) of pledged deposit	(7)	-
Net cash used in financing activities	(5,837)	(419)
Net (decrease)/increase in cash and cash equivalents	(8,157)	1,730
Cash and cash equivalents at 1 January	(3,853)	(11,542)
Cash and cash equivalents at 31 March	(12,010)	(9,812)
Net Cash Generated From/(Used In) Operating Activities	(6,649)	3,477
Net Cash Generated From/(Used In) Investing Activities	4,329	(1,328)
Net Cash Generated From/(Used In) Financing Activities	(5,837)	(419)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,157)	1,730
CASH AND CASH EQUIVALENTS AT 1 JANUARY	(3,853)	(11,542)
CASH AND CASH EQUIVALENTS AT 31 MARCH	(12,010)	(9,812)
Cash and Cash Equivalents at 31 March consist of:-		
Cash and bank balances	5,084	8,158
Bank overdrafts	(17,094)	(16,209)
Less: Deposit pledged to the financial institutions	-	(1,761)
	(12,010)	(9,812)

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements).

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2020
Condensed Consolidated Statement of Changes in Equity

	Attributable to shareholders of the parent		Total
	Non-distributable	Distributable	RM'000
	Share Capital RM'000	Share Premium RM'000	Fair Value Reserve RM'000
	Retained Earnings RM'000		
At 1 January 2019	107,491	-	2,542
			31,271
			141,304
Profit for the period	-	-	2,334
Total comprehensive income for the period	-	-	2,334
At 31 March 2019	107,491	-	2,542
			33,605
			143,638
At 1 January 2020	107,491	-	3,188
			36,238
			146,917
Profit for the period	-	-	360
Total comprehensive income for the period	-	-	360
At 31 March 2020	107,491	-	3,188
			36,598
			147,277

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER IN RESPECT OF FINANCIAL YEAR ENDING 31 MARCH 2020 – UNAUDITED

Part A: Selected explanatory notes pursuant to Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting

A1 Basis of preparation

These condensed consolidated interim financial reports, for the period ended 31 March 2020, have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited annual financial statement of the Group for the financial year ended 31 December 2019. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

A2 Significant Accounting Policies

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2019.

The Group has adopted the following MFRSs, Interpretation and amendments effective 1st January 2020:

Amendments to MFRS 3	Business Combinations
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting estimates and Errors

The adoption has no material financial impact to the Group.

The following revised MFRSs and Amendments to MFRSs applicable to the Group have been issued by the MASB and are not yet effective for adoption to the Group :

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17 Insurance Contracts

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 101 Presentation of Financial Statements-Classification of Liabilities as Current or Non Current

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements
- MFRS 128 Investment in Associates and Joint Ventures - Sale or Contribution by Assets between an Investor and its Associate or Joint Venture

The Group do not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on or after 1 January 2021 as it is not applicable to the Group.

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption.

A3 Auditors' Report on Preceding Annual Financial Statements

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

A4 Seasonal or cyclical factors

The Group's operations were not affected by any significant seasonal or cyclical factors in the current quarter.

A5 Unusual items Due to Their Nature, Size or Incidence

Other than disclosed in the financial statements, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the first quarter ended 31 March 2020 ("Q1 FY20").

A6 Change in Estimates

There were no significant changes in estimates of amounts reported in prior financial year which have a material effect in Q1 FY20.

A7 Debts and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year-to-date.

A8 Dividend

There was no dividend payment made for the current quarter under review.

A9 Segmental Reporting

Segmental reporting by quarter and cumulative year-to-date basis is as tabulated.

3 Months ended Q1 FY20	Manufacturing RM'000		Investment Holding RM'000		Consolidated RM'000	
	2020	2019	2020	2019	2020	2019
Revenue	1,382	2,683	3,796	4,109	5,178	6,792
Results						
Segment results	(603)	670	4,120	4,733	3,517	5,403
Interest Expenses	(208)	(193)	(2,248)	(2,479)	(2,456)	(2,672)
Total					1,061	2,731

A10 Valuations of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendments from the audited financial statements for the financial year ended 31 December 2019.

A11 Material events subsequent to balance sheet date

There were no material events subsequent to the end of the period under review to 8 June 2020.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group subsequent to the end of the period under review to 8 June 2020.

A13 Changes in contingent liabilities or contingent assets as at 31 March 2020

The contingent liabilities / assets as at 31 March 2020 is as tabulated:

Unsecured:	RM '000
Corporate guarantee issued to banks for credit facilities granted to subsidiary companies	113,415

A14 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment losses.

A15 Capital commitments

There was no capital commitments during the current quarter ended 31 March 2020.

Part B: Additional information required under Part A of Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1 Group's Financial Performance Review and Segmental Analysis

(a) Overall review of Group's financial performance by quarter

<----- 3 months ended 31 March ----->

Segment	Current year quarter 1Q FY20 RM'000	Preceding year corresponding quarter 1Q FY19 RM'000	Changes in amount RM'000	Changes in %
Manufacturing				
Revenue	1,382	2,683	(1,301)	(48)
(Loss)/Profit Before Interest and Tax	(603)	670	(1,273)	(190)
(Loss)/Profit Before Tax	(811)	477	(1,288)	(270)
(Loss)/Profit After Tax	(947)	266	(1,213)	(456)
Investment holding				
Revenue	3,796	4,109	(313)	(8)
Profit Before Interest and Tax	4,120	4,733	(613)	(13)
Profit Before Tax	1,872	2,254	(382)	(17)
Profit After Tax	1,307	2,068	(761)	(37)
Total				
Revenue	5,178	6,792	(1,614)	(24)
Profit Before Interest and Tax	3,517	5,403	(1,886)	(35)
Profit Before Tax	1,061	2,731	(1,670)	(61)
Profit After Tax	360	2,334	(1,974)	(85)

(i) **Statement of Profit or Loss and Other Comprehensive Income**

During the current quarter under review the Group recorded revenue of RM5.18 million, a decrease of RM1.61 million from RM6.79 million reported in the preceding year corresponding quarter. The decrease in revenue was mainly due to lower demand from our existing customers.

(ii) **Statement of Financial Position**

The total equity attributable to the owners of the Company as at 31 March 2020 was RM147.28 million from RM146.92 as at 31 December 2019. The increase was mainly due to net profit achieved for the period ended 31 March 2020.

Total borrowings of the Group increased to RM163.28 million as at 31 March 2020 against RM156.83 million as at 31 December 2019.

(iii) **Statement of Cash Flows**

The net cash used in operations of the Group was RM6.65 million for the three months ended 31 March 2020 against RM3.45 million generated from operating activities in the preceding year corresponding period ended Q1 FY19. The net cash generated from investing activities was RM4.33 million during the current quarter against RM1.33 million used in preceding year corresponding quarter. The net cash used in financing activities was RM5.84 million for Q1 FY20 against RM0.42 million in the preceding year corresponding period ended Q1 FY19. Overall, cash and cash equivalents as at 31 March 2020 was (RM12.01) million compared with (RM3.85) million as at 1 January 2020.

(b) **Segmental Analysis**

Current quarter compared with previous year corresponding quarter

The manufacturing division recorded a revenue RM1.38 million compared to RM2.68 million recorded in the preceding year corresponding quarter. During the current quarter the manufacturing division recorded loss before tax ("LBT") of RM0.81 million compared with PBT of RM0.48 million achieved in the 1Q FY19. The lower revenue and PBT was mainly due to lower demand from existing customers.

The investment holding division recorded a revenue of RM3.80 million during the current quarter, a decrease of RM0.31 million from RM4.11 million achieved in the preceding year corresponding quarter. The investment holding division recorded PBT of RM1.87 million, a decrease of RM0.38 million from PBT of RM2.25 million recorded in 1Q FY19. The decrease in revenue was mainly due to lower occupancy rate.

B2 Financial review for current quarter compared with immediate preceding quarter

The Group posted revenue of RM5.18 million during the current financial quarter compared with RM8.68 million recorded in the immediate preceding quarter. The Group PBT recorded in the current quarter was RM1.06 million as compared to RM1.87 million reported in the immediate preceding quarter. The contributory factors to the above performance are explained in the respective business segments as follows:

	Current Quarter ended 31.03.2020 RM'000	Immediate Preceding Quarter ended 31.12.2019 RM'000	Changes in amount RM'000	Changes in %
Manufacturing				
Revenue	1,382	3,923	(2,541)	(65)
(Loss)/Profit Interest and Tax	(603)	588	(1,191)	(203)
(Loss)/Profit before Tax	(811)	352	(1,163)	(330)
(Loss)/Profit after Tax	(947)	231	(1,178)	(510)
Investment holding				
Revenue	3,796	4,760	(964)	(20)
Profit before Interest and Tax	4,120	3,879	241	6
Profit before Tax	1,872	1,516	356	23
Profit after Tax	1,307	1,102	205	19
Total				
Revenue	5,178	8,683	(3,505)	(40)
Profit before Interest and Tax	3,517	4,467	(950)	(21)
Profit before Tax	1,061	1,868	(807)	(43)
Profit after Tax	360	1,333	(973)	(73)

- (a) The manufacturing division recorded revenue of RM1.38 million and LBT of RM0.81 million in the current quarter compared with RM3.92 million and PBT of RM0.35 million respectively in the immediate preceding quarter. The decrease in revenue and loss before tax during the current quarter was mainly due to lower orders received from existing customers.

(Incorporated in Malaysia)

- (b) During the current quarter, the investment holding division achieved revenue of RM3.80 million and PBT of RM1.87 million compared with RM4.76 million and RM1.52 million respectively in the immediate preceding quarter. The higher revenue recorded in the immediate preceding quarter compared to the current quarter was mainly due to higher occupancy rate and reclassification of dividend received.

B3 Prospects for FY2020

The Movement Control Order (“MCO”) which was implemented by our Malaysian Government since 18th March 2020 had gravely impacted the production output. The operation for the tooling division was totally disrupted during the MCO and only resumed back on 20 April 2020 after approval was obtained from the relevant authority. The management has taken a number of measures to minimise the impact of Covid 19 to the operation of the tooling division. In terms of employees’ health and safety, the management ensures that the working crew strictly comply with MCO and Health Ministry preventive measures and guidelines such as regular use of hand sanitizer, temperature check, wearing of face mask and social distancing procedure.

The investment holding division which derived its revenue through rental income from investment properties would be a challenge due to the MCO issued by the government. Retailers given approval to operate are required to comply with the government SOPs and only certain business with social distancing are allowed to operate. The soft demand for rental property market and competition from coming on-stream of new similar properties in the vicinity of the Group’s investment properties is a challenge to the investment property division.

The uncertainties persisting in world economy, US-China trade war and impact of the Covid 19 pandemic would be a challenge to the group’s performance.

B4 Profit forecast

This was not applicable as no profit forecast was published.

B5 Profit/(Loss) before taxation

Profit/(Loss) before taxation is arrived at after crediting/ (charging) the following income/ (expenses):

	←-----3 months ended-----→		←-----Period ended-----→	
	31.03.2020 RM’000	31.03.2019 RM’000	31.03.2020 RM’000	31.03.2019 RM’000
(a) Net gain on disposal of investment properties	2,806	3,163	2,806	3,163
(b) Interest expense	(2,456)	(2,672)	(2,456)	(2,672)
(c) Interest income	8	1	8	1

	←-----3 months ended-----→		←-----Period ended-----→	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
(d) Allowance for write (down)/back of inventories	(75)	(75)	(75)	(75)
(e) Gain/(loss) on foreign exchange				
– realised	(13)	(5)	(13)	(5)
– unrealised	23	(3)	23	(3)
(f) Depreciation and amortisation	(1,102)	(1,091)	(1,102)	(1,091)

B6 Tax expense

	←-----3 months ended-----→		←-----Period ended-----→	
	31.03.2020 RM'000	31.03.2019 RM'000	31.03.2020 RM'000	31.03.2019 RM'000
Income tax expense				
-Current	591	271	591	271
-Prior year				
Deferred tax expense				
-Current	110	126	110	126
	701	397	701	397

The effective tax rate for the current quarter is higher than the statutory tax rate mainly due to certain expenses which is not tax deductible.

B7 Gain/(losses) on sale of unquoted investments and/or properties

There was no profit/losses on sale of unquoted investment in the current quarter ended 31 March 2020 except for the net gain of RM2.81 million from disposal of investment properties.

B8 Marketable securities

There were no purchase or disposal of quoted securities during the current quarter ended 31 March 2020.

B9 Status of corporate proposals

There were no corporate proposals during the current quarter ended 31 March 2020.

B10 Borrowing and debts securities

All borrowings of the Group are denominated in Ringgit Malaysia.

	3 months ended 31.03.2020 (RM'000)		
	Long Term	Short Term	Total Borrowings
Bank Overdraft	-	17,094	17,094
Bank Loan	128,880	17,303	146,183
Finance Lease Liability	-	-	-
Total	128,880	34,397	163,277

	3 months ended 31.03.2019 (RM'000)		
	Long Term	Short Term	Total Borrowings
Bank Overdraft	-	16,209	16,209
Bank Loan	122,441	14,328	136,769
Finance Lease Liability	-	91	91
Total	122,441	30,628	153,069

B11 Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at 8 June 2020.

B12 Changes in material litigation

There was no material litigation during the current quarter and period ended 31 March 2020.

B13 Basis of calculation of earnings per share

The basic earnings per share for the current quarter and cumulative year to date are computed as follows:

	3 months ended		Period ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Net profit for the period attributable to owners of the Company (RM'000)	360	2,334	360	2,334
Weighted average number of ordinary shares in issue	107,491,228	107,491,228	107,491,228	107,491,228
Basic earnings per share (sen)	0.33	2.17	0.33	2.17

B14 Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors.

By order of the Board
LEE CHIEW HIANG
Executive Director
Date : 15 June 2020