THRIVEN GLOBAL BERHAD
(Incorporated in Malaysia - 198901005042 (182350-H))

Quarterly report on consolidated results for the financial period ended 31 March 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(The figures have not been audited)

	NOTE	Current Quarter Ended 31.03.21 RM'000	Comparative Quarter Ended 31.03.20 RM'000 Restated	3 Months Cumulative To 31.03.21 RM'000	3 Months Cumulative To 31.03.20 RM'000 Restated
Revenue		43,010	41,655	43,010	41,655
Cost of sales		(32,573)	(35,029)	(32,573)	(35,029)
Gross profit		10,437	6,626	10,437	6,626
Other expenses		(5,874)	(4,519)	(5,874)	(4,519)
Other income		616	236	616	236
Profit from operations		5,179	2,343	5,179	2,343
Finance costs		(1,708)	(1,744)	(1,708)	(1,744)
Profit before tax		3,471	599	3,471	599
Tax expense	20	(1,296)	(773)	(1,296)	(773)
Profit/(Loss) for the period		2,175	(174)	2,175	(174)
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		2,175	(174)	2,175	(174)
Profit/(Loss) for the period, total comprehensive income/(loss) for the period attributable to:					
Owners of the Parent		1,028	(163)	1,028	(163)
Non-controlling interests		1,147	(11)	1,147	(11)
		2,175	(174)	2,175	(174)
Earnings/(Loss) per ordinary share (sen)					
Basic / Diluted	25	0.19	(0.03)	0.19	(0.03)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 198901005042 (182350-H))

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(The figures have not been audited)

	NOTE	As At 31.03.2021 RM '000	As At 31.12.2020 RM '000 Restated	As At 01.01.2020 RM '000 Restated
Assets				
Non-Current Assets				
Property, plant and equipment		4,482	4,587	7,777
Investment properties		29,357	30,684	26,263
Inventories		29,970	30,343	30,398
Goodwill		5,314	5,314	5,314
Deferred tax assets		1,610	1,424	1,024
		70,733	72,352	70,776
Current Assets				
Inventories		179,023	183,866	192,899
Trade and other receivables		32,244	31,371	16,291
Contract assets		88,470	67,125	124,381
Current tax assets		284	101	622
Cash and bank balances		11,391	14,480	16,701
		311,412	296,943	350,894
Total Assets		382,145	369,295	421,670
Equity and Liabilities				
Equity attributable to owners of the Parent				
Share capital		59,587	59,587	59,586
Warrant reserve		-	-	14,126
Capital reserve		77,986	77,986	89,559
Retained earnings		44,908	43,880	38,807
		182,481	181,453	202,078
Non-controlling interests		2,876	1,729	312
Total Equity		185,357	183,182	202,390
Non-Current Liabilities				
Borrowings	22	5,968	8,634	8,304
Lease liabilities		2,978	4,420	1,197
Redeemable preference shares		2,493	2,493	2,493
		11,439	15,547	11,994
Current Liabilities				
Borrowings	22	111,807	96,189	100,787
Trade and other payables		62,479	63,697	99,220
Lease liabilities		6,130	6,166	1,368
Contract liabilities		2,300	2,059	3,419
Current tax liabilities		2,633	2,455	2,492
		185,349	170,566	207,286
Total Liabilities		196,788	186,113	219,280
Total Equity and Liabilities		382,145	369,295	421,670
Net assets per share attributable to owners of the Parent (RM)		0.33	0.33	0.37

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

THRIVEN GLOBAL BERHAD
(Incorporated in Malaysia - 198901005042 (182350-H))

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(The figures have not been audited)

	<-------------------- Attributable to Owners of the Parent -------------------->						
	<-------------- Non-distributable -------------->			<- Distributable ->			
	Share capital	**Warrant reserve**	**Capital reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
	RM '000	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**	**RM '000**
At 1 January 2021	59,587	-	77,986	48,410	185,983	2,303	188,286
Effects on adoption of IFRIC Agenda Decision	-	-	-	(4,530)	(4,530)	(574)	(5,104)
At 1 January 2021, restated	59,587	-	77,986	43,880	181,453	1,729	183,182
Total comprehensive income for the period	-	-	-	1,028	1,028	1,147	2,175
At 31 March 2021	59,587	-	77,986	44,908	182,481	2,876	185,357
At 1 January 2020	59,586	14,126	89,559	40,572	203,843	585	204,428
Effects on adoption of IFRIC Agenda Decision	-	-	-	(1,765)	(1,765)	(273)	(2,038)
At 1 January 2020, restated	59,586	14,126	89,559	38,807	202,078	312	202,390
Total comprehensive loss for the period	-	-	-	(163)	(163)	(11)	(174)
At 31 March 2020	59,586	14,126	89,559	38,644	201,915	301	202,216

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

THRIVEN GLOBAL BERHAD

(Incorporated in Malaysia - 198901005042 (182350-H))

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(The figures have not been audited)

		<--------3 Months Ended------->	
		31.03.2021	**31.03.2020**
		RM '000	**RM '000**
			Restated
Cash Flows from Operating Activities			
Profit before tax		3,471	599
Adjustments for :-			
Depreciation of property, plant and equipment		522	794
Depreciation of investment properties		1,327	-
Property, plant and equipment written off		-	372
Impairment losses on trade and other receivables		765	-
Finance costs		1,708	1,744
Interest income		(80)	(59)
Operating profit before changes in working capital		7,713	3,450
Changes in working capital:			
Inventories		5,216	25,496
Receivables		(22,983)	(8,243)
Payables		(977)	(9,999)
Cash (used in)/generated from operating activities		(11,031)	10,704
Interest paid		(1,568)	(1,727)
Tax paid		(1,487)	(1,585)
Net cash (used in)/generated from operating activities		(14,086)	7,392
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		(285)	(154)
Additions to investment properties		-	(396)
Interest received		80	59
Net cash used in investing activities		(205)	(491)
Cash Flows from Financing Activities			
Drawdowns of borrowings		13,184	1,063
Placement of pledged deposits		(397)	(4)
Repayment of lease liabilities		(1,750)	(710)
Net cash generated from financing activities		11,037	349
Net (decrease)/increase in Cash & Cash Equivalents		(3,254)	7,250
Cash & Cash Equivalents at beginning of financial year		5,603	12,226
Cash & Cash Equivalents at end of financial year	**Note A**	2,349	19,476

Note A :

Included in cash and cash equivalents as at 31 March are the following:

	31.03.2021	31.03.2020
- Cash and deposits with licensed banks	11,391	23,913
- Bank overdrafts	(3,440)	(3,553)
- Deposits pledged	(5,602)	(884)
	2,349	19,476

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements of the Group for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

Explanatory Notes Pursuant to Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the condensed consolidated interim financial statements are consistent with those adopted in the most recent annual audited consolidated financial statements for the financial year ended 31 December 2020 except for the adoption of the following:-

Amendments to MFRS 4	*Interest Rate Benchmark Reform - Phase 2*
Amendments to MFRS 7	*Interest Rate Benchmark Reform - Phase 2*
Amendments to MFRS 9	*Interest Rate Benchmark Reform - Phase 2*
Amendments to MFRS 16	*Interest Rate Benchmark Reform - Phase 2*
Amendments to MFRS 139	*Interest Rate Benchmark Reform - Phase 2*

The adoption of the above has no material impact on the financial statements of the Group.

IFRIC Agenda Decision on MFRS 123 Borrowing Costs
The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 Borrowing Costs and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:
i. Any receivable and contract asset that the entity recognises is not a qualifying asset.
ii. Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group has adopted the IFRIC Agenda Decision retrospectively in its financial position as at 1 January 2020 and throughout all comparative interim periods presented, as if these policies had always been in effect. Comparative information in this interim financial statements have been restated to give effect to the above changes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

As a result, the following comparatives in the interim financial report have been restated.

a) Impact on condensed consolidated statements of financial position as at 1 January 2020 (date of transition):

	As previously reported 31.12.2019 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	Restated as at 1.1.2020 RM'000
Non-Current Asset			
Deferred tax assets	490	534	1,024
Current Asset			
Inventories	195,471	(2,572)	192,899
Equity			
Retained earnings	(40,572)	1,765	(38,807)
Non-controlling interests	(585)	273	(312)

b) Impact on condensed consolidated statements of financial position as at 31 December 2020:

	As previously reported 31.12.2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	Restated as at 31.12.2020 RM'000
Non-Current Asset			
Investment properties	30,729	(45)	30,684
Deferred tax assets	34	1,390	1,424
Current Asset			
Inventories	190,315	(6,449)	183,866
Equity			
Retained earnings	(48,410)	4,530	(43,880)
Non-controlling interests	(2,303)	574	(1,729)

c) Impact on condensed consolidated statements of comprehensive income for the 3 months period ended 31 March 2020:

	As previously reported 31.03.2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	Restated as at 31.03.2020 RM'000
Cost of sales	(36,024)	995	(35,029)
Finance costs	(1,353)	(391)	(1,744)
Tax expense	(1,008)	235	(773)
(Loss)/Profit for the period, total comprehensive (loss)/income for the period attributable to:			
Owners of the Parent	(1,144)	981	(163)
Non-controlling interests	131	(142)	(11)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Impact on condensed consolidated statements of cash flows for the 3 months period ended 31 March 2020:

	As previously reported 31.03.2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	Restated as at 31.03.2020 RM'000
Cash Flows from Operating Activities			
Adjustments for :-			
Finance costs	1,353	391	1,744
Changes in working capital:			
Inventories	26,100	(604)	25,496
Interest paid	(1,353)	(374)	(1,727)
Cash Flows from Financing Activities			
Repayment of lease liabilities	(693)	(17)	(710)

e) Impact on net assets per share attributable to owners of the Parent as at 1 January 2020 (date of transition) and 31 December 2020:

There is no material impact on net assets per share attributable to owners of the Parent as at 1 January 2020 (date of transition) and the impact as at 31 December 2020 is as follows:

	As previously reported 31.12.2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	Restated as at 31.12.2020 RM'000
Net assets per share attributable to owners of the Parent (RM)	0.34	(0.01)	0.33

f) Impact on basic earnings per ordinary share for the 3 months period ended 31 March 2020:

	As previously reported 31.03.2020 RM'000	Effects on adoption of IFRIC Agenda Decision RM'000	Restated as at 31.03.2020 RM'000
Loss per ordinary share attributable to owners of the Parent:			
- Basic (sen)	(0.21)	0.18	(0.03)

3. AUDIT REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the preceding year annual financial statements was not qualified.

4. SEASONAL OR CYCLICAL FACTORS

The business of the Group is generally not subject to seasonal changes.

5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period ended 31 March 2021.

6. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the results for the current financial period ended 31 March 2021.

7. CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuance or repayment of debt and equity securities, share buy-backs and share cancellations during the current financial period ended 31 March 2021.

8. PAYMENT OF DIVIDEND

No dividend was paid during the current financial period ended 31 March 2021.

9. SEGMENTAL REPORTING

a) Segment revenue and results

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
3 months ended 31 March 2021				
Total Revenue				
External Revenue	42,568	442	-	43,010
Inter-segment revenue	-	1,410	(1,410)	-
	42,568	1,852	(1,410)	43,010
Profit from operations	4,682	447	50	5,179
3 months ended 31 March 2020 (Restated)				
Total Revenue				
External Revenue	41,580	75	-	41,655
Inter-segment revenue	-	1,514	(1,514)	-
	41,580	1,589	(1,514)	41,655
Profit from operations	2,163	2,113	(1,933)	2,343

9. SEGMENTAL REPORTING (CONTINUED)

b) Segment assets and liabilities

	Property Development RM'000	Investment Holding / Others RM'000	Elimination RM'000	Consolidated RM'000
As at 31 March 2021				
Segment assets	418,775	339,325	(375,955)	382,145
Segment liabilities	343,445	120,455	(267,112)	196,788
As at 31 December 2020 (Restated)				
Segment assets	378,525	358,503	(367,733)	369,295
Segment liabilities	305,415	135,246	(254,548)	186,113

Segmental information relating to geographical areas of operations is not presented as the Group operates only in Malaysia.

10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of property, plant and equipment is at cost less accumulated depreciation and impairment losses.

11. MATERIAL SUBSEQUENT EVENTS

There were no material events subsequent to the financial period ended 31 March 2021.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 31 March 2021.

13. CHANGES IN CONTINGENT LIABILITIES / CAPITAL COMMITMENTS

There were no material changes in contingent liabilities and capital commitments as at the date of this report.

14. RELATED PARTY TRANSACTIONS

	1st Quarter Ended		3 Months Ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Directors				
-Revenues recognised from the sale of properties under construction	304	418	304	418

Explanatory Notes Pursuant to paragraph 9.22 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad

15. REVIEW OF PERFORMANCE

	3 Months Ended		Increase
	31.03.2021 RM'000	31.03.2020 RM'000 Restated	%
Revenue	43,010	41,655	3
Profit before tax	3,471	599	479

The Group achieved revenues of RM43.01 million, which was 3% higher than the corresponding period's figure of RM41.66 million. The lower revenue in the first quarter of 2020 was due to the recognition of liquidated ascertained damages for Lumi Tropicana Phase 1 in that period.

With the higher revenue recorded in the first quarter of 2021, the Group reported a higher pre-tax profit of RM3.47 million as compared to the corresponding period's pre-tax profit of RM599k.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

	1Q 2021 RM'000	4Q 2020 RM'000 Restated	Increase %
Revenue	43,010	34,780	24
Profit/(Loss) before tax	3,471	(2,836)	N/A

The Group recorded higher revenues of RM43.01 million as compared to the preceding quarter's revenues of RM34.78 million. The increase of approximately 24% was principally attributed to the higher sales achieved for Lumi Tropicana in the current quarter.

As a result of higher revenue obtained, the Group reported a pre-tax profit of RM3.47 million in comparison to the preceding quarter's pre-tax loss of RM2.84 million. The loss before tax in the preceding quarter was also mainly due to impairment losses on investment properties.

17. PROSPECTS

Lumi Tropicana

Lumi Tropicana (Phase 1) and Lumi Tropicana (Wellness Tower/Tower 3) achieved an average take up rate of 94% and 70% respectively for the units launched. In April 2019, we started selling the last of the four towers comprising the remaining 186 units of serviced residences, namely Lifestyle Tower/Tower 4. Sales of Lifestyle Tower units are on-going and buyer interest has significantly improved with encouraging new sales during the first quarter of 2021. Our Phase 1 construction has been completed with the notice of vacant possession to buyers issued on 29 June 2020. Construction of Phase 2 (Towers 3 and 4) is currently nearing completion following the reactivation of our construction works in June 2020, with both towers anticipated to be handed over to buyers sometime in the third quarter of 2021.

17. PROSPECTS (CONTINUED)

Kepong

In Kepong, both projects (Residensi ENESTA Kepong and Suite eNESTa Kepong) had been launched and received very encouraging responses from purchasers. All the non-bumiputra residential units for both projects have been fully sold. We are pleased to report that overall, the average take-up rate has exceeded 89% and further sales are expected upon the approval for release of more units from the bumiputra quota to non-bumiputra by the relevant authorities. Residensi ENESTA Kepong has been completed with the notice of vacant possession to buyers issued on 15 October 2020. The external building works for Suite eNESTa Kepong has been completed and vacant possession handover is expected by the third quarter of 2021.

Northern Region

We have successfully completed and achieved strong sales for our single storey semi-detached houses (Indahyu) and fully sold the low medium cost apartments (Residensi eNESTa Desa Aman), continuing the positive trend from prior years. Based on these encouraging sales responses, the Group is planning to launch a series of affordable housing projects, including a new phase of affordable single storey terrace and semi-detached houses (under the name Enesta Avenue) to meet the local market demand. So far, buyer interest in Enesta Avenue has been strong, and we believe that this trend will continue once the project is launched in mid-2021.

Covid-19 Impact Assessment

The Group has taken steps to alleviate and minimise the impact of the pandemic on our operations, which involve among others, prudent financial management and adapting our business plans to the prevailing market.

We do not have any major loan principal obligations due, other than a substantially reduced bridging loan which is secured by redemptions from existing sales. Most of our debt are revolving in nature which we have been servicing promptly. Hence, we do not anticipate any difficulty in meeting our debt obligations in the forseeable future. In 2020 to further improve liquidity, we have managed to obtain interest moratoriums (for a period of three to six months) and certain other flexibilities to our credit facilities from several of our bankers. At the same time, we continue to amongst others, engage our bankers and look at various fund raising avenues, including attractive sales packages and credit facilities to meet the Group's working capital requirements.

The Group's developments have re-commenced work and we have now completed and delivered vacant possession of Lumi Tropicana Phase 1 and Residensi ENESTA Kepong. Both Lumi Tropicana Phase 1 and Residensi ENESTA Kepong projects had collected more than RM85 million in handover proceeds, which has sustained our financial position in 2020. We expect to deliver vacant possession for our Desa Aman Apartment, Lumi Tropicana Phase 2 and Suite eNESTa Kepong projects this year, generating another RM85 million in proceeds.

The Group intends to deploy more resources to further develop our activities in the affordable housing sector as our future growth driver, particularly in Desa Aman, which continues to see resilient demand. We have already embraced the 'new normal', by better utilising our existing information technology resources and introducing new procedures to reduce health risks and increase our operating efficiencies.

Overall

For the financial period ending 31 March 2021, the Group’s revenues will continue to be underpinned by the unbilled sales of more than RM110 million from our on-going developments, to be delivered in the coming financial period.

17. PROSPECTS (CONTINUED)

Overall (continued)
We are of the view that 2021 will remain challenging for the local property market, as sales continue to be affected by the economic downturn caused by the COVID-19 outbreak. With the earlier lifting of restrictions under the Recovery MCO, we were able to re-commence our business activities, however the subsequent return of most of the nation to MCO status has further dampened interest in property sales. As mentioned above, the Group will deliver vacant possession of further phases for both its Klang Valley (Lumi Tropicana Phase 2 and Suite eNesta Kepong) and Desa Aman projects over the next 6 to 9 months, and consolidating its property development activities in the affordable housing segment going forward. The hand over proceeds from these projects in 2021 will enable us to ride out the difficult business environment. We are still confident that our strategies are sufficiently flexible to overcome the challenges encountered in this current business environment.

We hope that the many economic stimulus packages and accommodative monetary policies announced by the Government in the past 12 months will revive the economy. In particular, the Government's efforts under the PENJANA economic package to stimulate the property sector by re-introducing the Home Ownership Campaign, and exemption of real property gains tax for residential disposal, are expected to provide more impetus to the local property market. The accumulative cuts in the overnight policy rate of 125 basis points since January 2020 by Bank Negara Malaysia are helping to lower borrowing costs for property buyers, potentially further improving demand. Therefore, we are still cautiously optimistic that the local property market will remain relatively stable, especially in the affordable housing sub-sector, where we are planning the next phase of our Desa Aman development (i.e. Enesta Avenue).

While sales in general may take some time to fully recover, we believe that demand in prime areas (our Lumi Tropicana and eNESTa Kepong developments are strategically located in mature and prime residential areas within the Klang Valley), will continue to be supported by scarcity values, expected improved liquidity and likely better sentiment in the second half of 2021 and beyond.

18. VARIANCE FROM PROFIT FORECAST OR PROFIT GUARANTEE

Not applicable as there was no profit forecast or profit guarantee issued.

19. PROFIT BEFORE TAXATION

	1st Quarter Ended		**3 Months Ended**	
	31.03.2021 RM'000	**31.03.2020 RM'000 Restated**	**31.03.2021 RM'000**	**31.03.2020 RM'000 Restated**
Profit before tax is arrived at after charging/(crediting) the following:-				
Depreciation of property, plant and equipment	522	794	522	794
Depreciation of investment properties	1,327	-	1,327	-
Impairment losses on:				
- trade and other receivables	765	-	765	-
Property, plant and equipment written off	-	372	-	372
Finance costs:				
- bank borrowings	960	1,119	960	1,119
- Other non-financial institution borrowings (arising from sale and leaseback arrangement)	608	608	608	608
- lease liabilities	140	17	140	17
Interest income	(80)	(59)	(80)	(59)

20. TAX EXPENSE

	1st Quarter Ended		3 Months Ended	
	31.03.2021	**31.03.2020**	**31.03.2021**	**31.03.2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		Restated		**Restated**
Tax expense				
Income tax	1,482	1,229	1,482	1,229
Deferred tax	(186)	(456)	(186)	(456)
Total tax expense charged in current period	1,296	773	1,296	773

The effective tax rates of the Group was higher than the statutory tax rate of 24%, principally due to losses from other subsidiaries which reduced the profit before tax of the Group and non-deductibility of certain expenses including impairment losses on trade receivables plus depreciation and amortisation on properties, plant and equipment.

21. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed during the financial period ended 31 March 2021.

22. BORROWINGS

The details of the Group's borrowings are as follows:-

	31.03.2021	**31.12.2020**
	RM'000	**RM'000**
Borrowings denominated in Ringgit Malaysia:		
Long Term - Secured	5,968	8,634
Short Term - Secured	111,807	96,189
	117,775	104,823

Short term borrowings include other borrowing from a non-financial institution which represents proceeds received from a sale and leaseback arrangement that is accounted for as a financial liability.

23. CHANGES IN MATERIAL LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration, either as plaintiff or defendant as at date of this report, which would have a material effect on the financial position of the Group.

24. DIVIDENDS

The Directors do not recommend any dividend for the financial period ended 31 March 2021.

25. EARNINGS/(LOSS) PER ORDINARY SHARE

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:-

	1st Quarter Ended		**3 Months Ended**	
	31.03.2021 RM'000	**31.03.2020 RM'000 Restated**	**31.03.2021 RM'000**	**31.03.2020 RM'000 Restated**
Profit/(Loss) for the period	2,175	(174)	2,175	(174)
Add: Non-controlling interests	(1,147)	11	(1,147)	11
Profit/(Loss) attributable to the owners of the Parent	1,028	(163)	1,028	(163)
Weighted average number of ordinary shares in issue ('000) ("WAVOS")	546,943	546,943	546,943	546,943
Basic earnings per ordinary share (sen) ("EPS")	0.19	(0.03)	0.19	(0.03)

There are no dilution effects for the bonus issue of warrants on the ordinary shares due to the warrants' adjusted exercise price of 48 sen being out-of-the-money since their listing on 13 October 2015. Accordingly, the diluted earnings per ordinary share for the reporting quarter and financial year are equal to the basic earnings per ordinary share.

Please note that upon their expiry, the warrants have since been de-listed from the Official List of Bursa Malaysia Securities Berhad on 6 October 2020.