

## Unaudited Condensed Consolidated Statement Of Profit Or Loss And Other Comprehensive Income For The Second Quarter Ended 30 June 2021

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT QUARTER ENDED 30 JUNE 2021 RM'000	CORRESPONDING QUARTER ENDED 30 JUNE 2020 RM'000	CURRENT YEAR TO DATE ENDED 30 JUNE 2021 RM'000	CORRESPONDING YEAR TO DATE ENDED 30 JUNE 2020 RM'000
Revenue		46,002	22,965	95,091	58,231
Cost of sales		(40,864)	(20,254)	(83,248)	(49,737)
Gross Profit		5,138	2,711	11,843	8,494
Interest income		14	61	57	111
Other income		339	429	1,352	723
Administrative and other expenses		(5,482)	(5,369)	(11,196)	(11,294)
Selling and distribution expenses		(1,645)	(535)	(3,016)	(1,509)
Loss from operations		(1,636)	(2,703)	(960)	(3,475)
Impairment losses		-	(31)	-	(31)
Finance costs		(758)	(900)	(1,558)	(1,858)
Loss before tax	B5	(2,394)	(3,634)	(2,518)	(5,364)
Tax expense	B6	21	(26)	(222)	(86)
Loss after tax		(2,373)	(3,660)	(2,740)	(5,450)
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign operations		-	-	-	-
Total comprehensive loss for the financial year		(2,373)	(3,660)	(2,740)	(5,450)
Loss attributable to:					
Owners of the Company		(2,079)	(3,569)	(2,205)	(5,239)
Non-controlling interests		(294)	(91)	(535)	(211)
		(2,373)	(3,660)	(2,740)	(5,450)
Total comprehensive loss attributable to:					
Owners of the Company		(2,079)	(3,569)	(2,205)	(5,239)
Non-controlling interests		(294)	(91)	(535)	(211)
		(2,373)	(3,660)	(2,740)	(5,450)
Loss per share attributable to owners of the Company:					
Basic, earnings/loss for the financial period (sen)	B12	(0.90)	(1.69)	(0.95)	(2.48)
Diluted, earnings/loss for the financial period (sen)	B12	N/A	N/A	N/A	N/A

(The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

## Unaudited Condensed Consolidated Statement Of Financial Position As At 30 June 2021

	Note	Unaudited As at 30 Jun 2021 RM'000	Audited As at 31 Dec 2020 RM'000
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant and equipment		46,189	48,159
Right of used assets		12,226	12,191
Concession right		17,391	18,828
Other investments		15	15
Deferred tax assets		1,634	1,631
		<u>77,455</u>	<u>80,824</u>
<b>Current Assets</b>			
Inventories		48,140	41,959
Trade receivables		58,174	67,493
Other receivables, deposits and prepayment		9,157	10,838
Contract assets		29,134	10,413
Tax assets		755	88
Other investments		-	-
Cash and bank balances		7,041	7,650
		<u>152,401</u>	<u>138,441</u>
<b>Total Assets</b>		<u>229,856</u>	<u>219,265</u>
<b>Equity and liabilities</b>			
<b>Current Liabilities</b>			
Trade payables		38,721	41,215
Other payables and accruals		29,632	13,242
Contract liabilities		19,903	17,625
Lease liabilities	B8	1,956	2,559
Borrowings	B8	36,991	36,511
Tax liabilities		1,586	1,360
		<u>128,789</u>	<u>112,512</u>
<b>Non-current Liabilities</b>			
Borrowings	B8	19,452	21,166
Lease liabilities	B8	4,134	5,343
Deferred tax liabilities		6,237	6,260
		<u>29,823</u>	<u>32,769</u>
<b>Total Liabilities</b>		<u>158,612</u>	<u>145,281</u>
<b>Equity attributable to owners of the Company</b>			
Share capital		113,469	113,469
Reserves		(35,098)	(32,892)
		<u>78,371</u>	<u>80,577</u>
Non-controlling interests		(7,127)	(6,593)
<b>Total equity</b>		<u>71,244</u>	<u>73,984</u>
<b>Total Equity and Liabilities</b>		<u>229,856</u>	<u>219,265</u>
Net assets per share attributable to equity holders of the parent (RM)		0.3062	0.3180

(The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

## Unaudited Condensed Consolidated Statement Of Changes In Equity for the Second Quarter Ended 30 June 2021

	----- Attributable to Owners of the Company -----					Total	Non-controlling interests	Total Equity
	----- Non-Distributable -----							
	Share Capital	Revaluation Reserve	Capital Reserve	Foreign Currency Translation Reserve	Accumulated Losses			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>6 months ended 30 June 2020</b>								
As at 1 Jan 2020	110,092	21,866	1,671	(68)	(47,101)	86,460	(6,311)	80,149
Loss for the financial year	-	-	-	-	(5,239)	(5,239)	(211)	(5,450)
Foreign currency translation difference for foreign operations	-	-	-	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	-	(5,239)	(5,239)	(211)	(5,450)
<b>Transactions with owners of the Company</b>	-	-	-	-	-	-	-	-
As at 30 June 2020	110,092	21,866	1,671	(68)	(52,340)	81,221	(6,522)	74,699
<b>6 months ended 30 June 2021</b>								
As at 1 Jan 2021	113,469	21,866	1,671	(68)	(56,362)	80,576	(6,592)	73,984
Loss for the financial year	-	-	-	-	(2,205)	(2,205)	(535)	(2,740)
Foreign currency translation difference for foreign operations	-	-	-	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	-	(2,205)	(2,205)	(535)	(2,740)
<b>Transactions with owners of the Company</b>	-	-	-	-	-	-	-	-
As at 30 June 2021	113,469	21,866	1,671	(68)	(58,567)	78,371	(7,127)	71,244

(The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

## Unaudited Condensed Consolidated Statement Of Cash Flows For The Second Quarter Ended 30 June 2021

	As at End of Current Quarter 30 Jun 2021 RM'000	Preceding Period To Date Ended 30 Jun 2020 RM'000
<b>Cash Flows from Operating Activities</b>		
Loss before tax	(2,518)	(5,364)
Adjustments for:		
Amortisation of concession right	1,436	1,267
Depreciation of property, plant and equipment	2,140	1,918
Depreciation of right-of-use assets	1,272	1,301
Inventories written back	(127)	-
Interest expense	1,558	1,858
Interest income	(57)	(111)
Impairment loss on trade receivables	5	31
Unrealised loss on foreign exchange	7	19
	<hr/>	<hr/>
Operating profit before working capital changes	3,716	919
Net changes in working capital	1,701	8,631
Tax paid, net of refund	(695)	(451)
Interest paid	(1,558)	(2,126)
Interest received	57	111
	<hr/>	<hr/>
Net cash from operating activities	3,221	7,084
	<hr/>	<hr/>
<b>Cash flows from Investing Activities</b>		
Addition of intangible asset	-	(1,278)
Proceeds from disposal of property, plant and equipment	334	37
Purchase of property, plant and equipment	(503)	(738)
Withdrawal/(Placement) of bank deposits	367	(7,007)
	<hr/>	<hr/>
Net cash from/(used in) investing activities	198	(8,986)
	<hr/>	<hr/>
<b>Cash Flows from Financing Activities</b>		
Net drawdown/(repayment) of borrowings	(348)	3,004
Advances from/(Repayment to) director	693	5
Net repayment of lease liabilities	(3,120)	(1,586)
	<hr/>	<hr/>
Net cash (used in)/from financing activities	(2,775)	1,423
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	644	(479)
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
<b>Cash and cash equivalents at beginning of the financial year</b>	(2,569)	(10,419)
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<b>Cash and cash equivalents at end of the financial year</b>	(1,925)	(10,898)
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Cash and cash equivalents comprises the followings:-		
Deposits with licensed banks	-	421
Cash in hand and at bank	2,360	1,634
Bank overdrafts	(4,285)	(12,953)
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	(1,925)	(10,898)
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(The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2020)

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2021**

**A1. Basis Of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirement of MFRS 134: Interim Financial Reporting 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 financial statements of the Company for the financial year ended 31 December 2020.

**Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2020, except for the adoption of the following New and Revised Malaysian Financial Reporting Standards (“MFRSs”) and amendments/Improvements to MFRS and New IC Interpretations (“IC Int”) for financial periods beginning on or after 1 January 2021:-

Amendments to MFRS 9, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16 IFRS Interpretation Committee (“IFRIC”)’s Agenda Decision on IAS 23 Borrowing Costs (“Agenda Decision”)	Covid-19 – Related Rent Concessions Borrowing Costs

As at the date of authorisation of the interim financial report, the following new MFRSs, amendments/Improvements to MFRSs and IC Interpretations were issued but not yet effective and have not been adopted by the Group:-

**Effective for financial periods beginning on or after 1 January 2022**

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 to 2020	

**Effective for financial periods beginning on or after 1 January 2023**

Amendments to MFRS 4	Insurance Contracts (Extension of the Temporary Exemption from Applying MFRS 9)
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101 and MFRS Practice Statement 2	Classification of Liabilities as Current or Non- Current

**A1. Basis Of Preparation (Cont'd)**

**Effective for financial periods beginning on or after 1 January 2023 (Cont'd)**

Amendments to MFRS 108

Definition of Accounting Estimates

**Effective date to be announced**

Amendments to MFRS 10  
and MFRS 128

Sale or Contribution of Assets between an  
Investor and its Associate or Joint Venture

The Group will adopt the above pronouncement when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial applications.

**A2. Auditors' Report On Preceding Annual Financial Statements**

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

**A3. Seasonal Or Cyclical Factors**

The Group's operations were not materially affected by any seasonality or cyclicity for the financial period under review.

**A4. Unusual Items Due To Their Nature, Size Or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the current financial period under review.

**A5. Changes In Estimates**

There were no changes in estimates used for accounting estimates which may have a material effect for the current financial period under review.

**A6. Debt And Equity Securities**

There were no issuance and repayment of debts and equity securities for the financial period.

**A7. Dividends Paid**

No dividend has been paid or declared by the Company since the end of the previous financial year.

**A8. Segment Information**

Segmental information for the 6 months ended 30 June 2021:

<b>Business Segments</b>	<b>Manufacturing RM'000</b>	<b>Construction and Property RM'000</b>	<b>Hostel Management RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
External sales	67,538	25,273	2,280	-	95,091
Inter-segment revenue	-	689	-	(689)	-
Total revenue	<u>67,538</u>	<u>25,962</u>	<u>2,280</u>	<u>(689)</u>	<u>95,091</u>
Operating profit/(loss)	2,970	(4,204)	217	-	(1,017)
Impairment losses					-
Finance costs					(1,558)
Interest income					57
Loss before tax					<u>(2,518)</u>
Tax expense					<u>(222)</u>
Loss after tax					<u><u>(2,740)</u></u>
<b>Assets</b>					
Segment assets	<u>116,695</u>	<u>92,176</u>	<u>18,572</u>	<u>2,413</u>	<u>229,856</u>
<b>Liabilities</b>					
Segment liabilities	<u>67,310</u>	<u>73,108</u>	<u>10,372</u>	<u>7,822</u>	<u>158,612</u>

**A8. Segment Information (Cont'd)**

**Segmental information for the 6 months ended 30 June 2020:**

<b>Business Segments</b>	<b>Manufacturing RM'000</b>	<b>Construction and Property RM'000</b>	<b>Hostel Management RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
External sales	48,067	7,781	2,383	-	58,231
Inter-segment revenue	-	688	-	(688)	-
Total revenue	<u>48,067</u>	<u>8,469</u>	<u>2,383</u>	<u>(688)</u>	<u>58,231</u>
Operating profit/(loss)	587	(4,480)	307	-	(3,586)
Impairment losses					(31)
Finance costs					(1,858)
Interest income					111
Loss before tax					<u>(5,364)</u>
Tax expense					<u>(86)</u>
Loss after tax					<u><u>(5,450)</u></u>
<b>Assets</b>					
Segment assets	<u>108,005</u>	<u>87,362</u>	<u>18,295</u>	<u>2,895</u>	<u>216,557</u>
<b>Liabilities</b>					
Segment liabilities	<u>58,119</u>	<u>67,930</u>	<u>8,048</u>	<u>7,761</u>	<u>141,858</u>

**A9. Valuation Of Property, Plant And Equipment**

The valuation of property, plant and equipment has been brought forward without amendment from the previous annual financial statements.

**A10. Subsequent Event**

There were no material events subsequent to the end of the reporting period that have not been reflected in these interim financial statements.



**A11. Changes In Composition Of The Group**

On 31 March 2021, the Company had acquired 1 ordinary shares, representing 100% issued shares of Auto Equity Sdn. Bhd. ("AESB") from Jetson Development Sdn. Bhd. for a total consideration of RM1. Consequent there upon, AESB became 100% owned subsidiary of the Company.

Other than as disclosed above, there were no changes in the composition of the Group during the current financial period under review.

**A12. Capital Commitments**

	<b>As at 30 Jun 2021 RM'000</b>	<b>As at 30 Jun 2020 RM'000</b>
Approved and contracted for:- Property, plant and equipment	<u>1,556</u>	<u>1,192</u>
Approved and not contracted for:- Property, plant and equipment	<u>-</u>	<u>-</u>

**A13. Changes In Contingent Liabilities And Contingent Assets**

The changes in contingent liabilities were as below:-

	<b>As at 30 Jun 2021 RM'000</b>	<b>As at 30 Jun 2020 RM'000</b>
Bank guarantees	<u>9,504</u>	<u>19,344</u>

**A14. Related Party Transactions**

There were no related party transactions during the period and the correspondence period.

**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Financial Review For The Current Quarter**

	Revenue		Operating Results	
	Current Quarter Ended 30 Jun 2021 RM'000	Corresponding Quarter Ended 30 Jun 2020 RM'000	Current Quarter Ended 30 Jun 2021 RM'000	Corresponding Quarter Ended 30 Jun 2020 RM'000
Operating segment				
Manufacturing	29,712	19,318	283	(767)
Construction and Property	15,496	1,783	(2,024)	(2,163)
Hostel Management	1,139	1,192	96	166
Elimination	(345)	672	-	-
	<u>46,002</u>	<u>22,965</u>	<u>(1,645)</u>	<u>(2,764)</u>
Impairment losses			(5)	(31)
Finance costs			(758)	(900)
Interest income			14	61
Loss before tax			<u>(2,394)</u>	<u>(3,634)</u>

The Group recorded revenue of RM46.002 million for current quarter, an increase of RM23.037 million or 100.3% compared to preceding year's corresponding quarter of RM22.965 million mainly due to increase in revenue from Construction Division and Manufacturing Division. The Group achieved an operating loss of RM1.645 million in the current quarter compared to an operating loss of RM2.764 million in the preceding year corresponding quarter, this was mainly due to increase in sales volume in the Manufacturing Division and lower operating costs in the Manufacturing Division.

The performance of the respective divisions for the current quarter was as follows:-

*a) Manufacturing Division*

Manufacturing Division registered total revenue of RM29.712 million in the current quarter, which was RM10.394 million higher than the preceding year corresponding quarter of RM19.318 million. The increase in revenue was mainly due to higher sales of automotive and pails products as the result of recovery of the COVID-19 pandemic.

The division reported operating profit of RM0.283 million, which was RM1.050 million higher than the operating loss of RM0.767 million in the preceding year corresponding quarter. It was mainly due to higher revenue achieved while in the preceding year corresponding quarter revenue was badly impacted by the COVID-19 pandemic and MCO implemented by the Government.

*b) Construction and Property Division*

The division generated total revenue of RM15.496 million, which was RM13.713 million higher compared to the preceding year corresponding quarter of RM1.783 million. It was mainly due to the rapid progress of projects which were halted by the Government in preceding year corresponding quarter to comply with the MCO procedures. Revenue for the quarter was mainly contributed by the existing projects namely Isola and APU project.

**B1. Financial Review For The Current Quarter (Cont'd)**

*b) Construction and Property Division (Cont'd)*

The division's operating loss for the current quarter decrease to RM2.024 million from RM2.163 million in preceding year corresponding quarter mainly due to higher revenue achieved and lower operating costs in current quarter.

*c) Hostel Management Division*

There was a decrease in revenue for the quarter by RM0.053 million from RM1.192 million in preceding year corresponding quarter to RM1.139 million reported in the current quarter was due to lower rental rate given to our customers.

The division reported lower operating profit of RM0.096 million as compared to RM0.166 million in the preceding year corresponding quarter mainly due to lower rental received as the result from lower rental rate given.

**B2. Financial Review For The Current Quarter Compared With Immediate Preceding Quarter**

	Revenue		Operating Results	
	Current Quarter Ended 30 Jun 2021 RM'000	Immediate Preceding Quarter Ended 31 Mar 2021 RM'000	Current Quarter Ended 30 Jun 2021 RM'000	Immediate Preceding Quarter Ended 31 Mar 2021 RM'000
Operating segment				
Manufacturing	29,712	37,826	283	2,692
Construction and Property	15,496	10,466	(2,024)	(2,180)
Hostel Management	1,139	1,141	96	121
Elimination	(345)	(344)	-	-
	<u>46,002</u>	<u>49,089</u>	<u>(1,645)</u>	<u>633</u>
Impairment losses			(5)	-
Finance costs			(758)	(800)
Interest income			14	43
Loss before tax			<u>(2,394)</u>	<u>(124)</u>

The Group's revenue decreased from RM49.089 million in the immediate preceding quarter to RM46.002 million in the current quarter. The decrease in revenue was mainly from Manufacturing Division due to minimum revenue recorded in June 2021 as MCO implemented for the whole month.

The Group recorded operating loss of RM1.645 million as compared to operating profit of RM0.633 million in the immediate preceding quarter mainly due to lower revenue achieved as a result of full MCO implemented on 1 June 2021 but fixed cost remained unchanged.

**B3. Commentary On Prospect**

The core business of the Group and the prospects for year 2021 is as analysed below.

*a) Manufacturing Division*

The Manufacturing Division will still be the main driver for the Group's revenue in 2021.

- **Anti-vibration segment**

The anti-vibration segment which is supplying to the automotive industry will continue to be the main revenue contributor of the Manufacturing Division. For the local market, we are currently involved in the development of the anti-vibration parts for new car models for Perodua, the anti-vibration parts for new car models for Proton and the localisation of anti-vibration parts for existing Proton models.

Meanwhile the division is also expected to further expand its export market with collaborations with existing and new customers (consist of car manufacturers and major OEM automotive parts manufacturers) in Europe, Japan, US, Thailand, Indonesia, India and China.

- **Chemical segment**

The adhesive, sealant and cementitious products business will continue to be the main source of revenue of the Chemical Division and the growth is forecasted from the export market such as South East Asia, Pacific Islands, Middle East and Africa countries.

- **Plastic segment**

This segment is expected to maintain its position as one of the leading manufacturers of industrial pails for the paint, lubricant, joint compound and adhesive industry in Malaysia. At the same time, we will continue to grow our market share in packaging products for the food industries and plastic products for the agriculture sector.

*b) Construction and Property Division*

The division will monitor the construction market, exercise prudence in the selection of projects to participate in or tender for, with emphasis on our strengths as a Design and Build and Construction of infrastructure. At the same time this division will concentrate to complete the existing residence development, Tropika Melawati, at Taman Melawati, Selangor, APU hostel works, UPM refurbishment works and building works for Isola at KLCC.

**B3. Commentary On Prospect (Cont'd)**

The core business of the Group and the prospects for year 2021 is as analysed below.  
(Cont'd)

*c) Hostel Management Division*

The division continues to operate and manage the hostels and facilities in University Putra Malaysia (UPM), Serdang under the “Build, Operate and Transfer” (BOT) arrangement with UPM for concession period of 25 years. (expiring in 2028)

A new rental agreement was signed on 21 August 2019, where UPM had agreed to pay an improved fixed half yearly rental payment for the remaining concession period (against the previously arrangement of daily rental and depending on occupancy rate by students). As part of the agreement we will undertake a major refurbishment of the hostel facilities commencing in 2019 and expected to be completed by end of 2021. This new agreement will ensure a steady income flow to the Hostel Management Division while we implementing various measures to improve the costs structure.

The Group anticipates the business operating conditions to remain challenging with the persistence of uncertainties clouding the global and local markets due to the COVID-19 pandemic. However, the Board remain steadfast as to continue to focus on the expansion plans.

**B4. Profit Forecast**

Not applicable as no profit forecast was published.

**B5. Loss Before Tax**

	<u>Individual quarter</u>		<u>Cumulative quarter</u>	
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Loss before tax is arrived after charging/(crediting):-				
Amortisation of concession right	718	642	1,436	1,267
Depreciation of property, plant and equipment	1,060	951	2,140	1,918
Depreciation of right-of-use assets	628	662	1,272	1,301
Gain on disposal of property, plant and equipment	(1)	(3)	-	-
Impairment loss on trade receivables	5	31	5	31
Interest expense	758	900	1,558	1,858
Interest income	(14)	(61)	(57)	(111)
Inventories written back	-	-	(127)	-
(Gain)/Loss on foreign exchange:				
- realised	(83)	(192)	(129)	(199)
- unrealised	87	152	7	19

**B6. Tax Expense**

	<u>Individual quarter</u>		<u>Cumulative quarter</u>	
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Income tax:-</b>				
Based on result for current quarter	54	(32)	(252)	(147)
Under/(Over) provision in prior year	(32)	-	4	-
	<u>22</u>	<u>(32)</u>	<u>(248)</u>	<u>(147)</u>
<b>Deferred tax:-</b>				
Origination of temporary differences	(1)	6	26	61
Underprovision in prior year	-	-	-	-
	<u>(1)</u>	<u>6</u>	<u>26</u>	<u>61</u>
	<u>21</u>	<u>(26)</u>	<u>(222)</u>	<u>(86)</u>

The effective tax rate of the Group for the current year is lower than the statutory tax rate principally due mainly to losses incurred by the Company and certain operating subsidiaries.

**B7. Status Of Corporate Proposal**

On 2 June 2021, KAF Investment Bank Berhad (“KAF”) announced on behalf of the Board of Directors (“Board”) that the Company proposed to undertake a private placement of up to 20% of the total number of issued shares of the Company to independent third party investor(s) to be identified (“Proposed Private Placement”). The Proposed Private Placement may entail the issuance of up to 46,533,402 new ordinary shares in the Company (“Placement Shares”).

KAF had on 22 June 2021 announced on behalf of the Board that Bursa Malaysia Securities Berhad (“Bursa Securities”) had, vide its letter dated 22 June 2021, approved the the listing of and quotation for up to 46,533,402 new ordinary shares in the Company to be issued pursuant to the Proposed Private Placement, subject to the following conditions:-

- i) The Company and KAF must fully comply with the relevant provisions under the Listing Requirement pertaining to the implementation of the Proposed Private Placement, including compliance with Paragraph 6.03(1) of the Listing Requirement in relation to the aggregated number of shares to be issued pursuant to shareholders general mandate during the preceding 12 months must not exceed 20% of the total number of issued shares;
- ii) The Company and KAF are required to inform Bursa Securities upon the completion of the Proposed Private Placement;
- iii) The Company and KAF are required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Proposed Private Placement is completed; and
- iv) The Company/KAF is required to furnish Bursa Securities with details of the places in accordance with Paragraph 6.15 of the Listing Requirement as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement.

Other than the above, there was no other corporate proposal announced but not completed as at 6 August 2021 (being the latest practicable date which is not earlier than 7 days from the date of this report).

**B8. Group Borrowings**

	<b>As at 30 June 2021</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total Borrowing RM'000</b>
<b>Secured</b>			
Bank overdrafts	-	4,285	4,285
Trust receipts and bankers' acceptance	-	29,150	29,150
Term loans	19,452	3,556	23,008
Finance lease payables	4,134	1,956	6,090
	<u>23,586</u>	<u>38,947</u>	<u>62,533</u>

	<b>As at 30 June 2020</b>		
	<b>Long Term RM'000</b>	<b>Short Term RM'000</b>	<b>Total Borrowing RM'000</b>
<b>Secured</b>			
Bank overdrafts	-	12,953	12,953
Trust receipts and bankers' acceptance	-	25,247	25,247
Term loans	17,659	8,206	25,865
Finance lease payables	3,817	2,971	6,788
	<u>21,476</u>	<u>49,377</u>	<u>70,853</u>

- a) The Group's total borrowing as at 30 June 2021 was RM62.533 million, a decrease of RM8.320 million compared to preceding year corresponding quarter.
- b) The Group does not have any borrowings denominated in foreign currency.

**B9. Off Balance Sheet Financial Instruments**

There is no financial instrument with off balance sheet risk at the date of this report.

**B10. Status Of Material Litigation**

Detail of the material litigation should be read in conjunction with the Company's Annual Financial Statements for the year ended 31 December 2020

(a) Jetson Construction Sdn Bhd-vs-MCC Overseas (M) Sdn Bhd

A case management was fixed on 12 March 2020 for parties to fix a Hearing date. Subsequently, the hearing date fixed on 28 October 2020 was postponed to 29 June 2021 which was again postponed to 16 December 2021.



**B10. Status Of Material Litigation (Cont'd)**

- (b) Jetson Construction Sdn Bhd-vs-Skyscape Industries Sdn Bhd ("Skyscape) (WA-22C-81-08/2020)

Case management has been fixed on 16 October 2020 and JCSB had replied the defence paper on 20 October 2020. The Court has fixed an online mediation session between JCSB and Skyscape on 24 February 2021. The said mediation session has been postponed to a date to be fixed by the Court.

**B11. Dividend Payable**

No dividend has been recommended by the Board of Directors during the financial period ended 30 June 2021.

**B12. Loss Per Ordinary Share**

- (a) Basic

Basic loss per ordinary share are calculated by dividing loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

	<u>6 Months Ended</u>		<u>Cummulative Year To-date</u>	
	<u>30 Jun 2021</u>	<u>31 Jun 2020</u>	<u>30 Jun 2021</u>	<u>31 Jun 2020</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Net loss attributable to the owners of the Company	<u>(2,079)</u>	<u>(3,569)</u>	<u>(2,205)</u>	<u>(5,239)</u>
Adjusted weighted average number of ordinary shares in issue and issuable	<u>232,667</u>	<u>211,567</u>	<u>232,667</u>	<u>211,567</u>
Basic loss per share (sen)	<u>(0.90)</u>	<u>(1.69)</u>	<u>(0.95)</u>	<u>(2.48)</u>

- (b) Diluted

Diluted loss per ordinary share for the financial period is calculated by dividing the loss for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares. The Group had no dilution in its loss per ordinary shares.

**B13. Authorised For Issuance**

The interim financial statements for the financial period ended 30 June 2021 has been approved by the Board of Directors on 26 August 2021 for release to the Bursa Securities.