

BERTAM ALLIANCE BERHAD

[Registration No. 199401019851 (Company No. 305530-A)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR TO DATE ENDED 30 JUNE 2021

	INDIVIDUAL QUARTERS		CUMULATIVE QUARTERS	
	30.06.21 RM'000	30.06.20 RM'000	30.06.21 RM'000	30.06.20 RM'000
Revenue	20	1,078	1,130	1,535
Cost of sales	-	(1,094)	(935)	(1,529)
Gross Profit / (Loss)	20	(16)	195	6
Other items of income	-	-	12	837
Other items of expenses				
Administration expenses	(845)	(14,591)	(1,409)	(15,433)
Finance costs	(11)	(42)	(22)	(145)
Profit / (Loss) before tax	(836)	(14,649)	(1,224)	(14,735)
Income tax expenses	(367)	-	(367)	9
Profit / (Loss) after tax	(1,203)	(14,649)	(1,591)	(14,726)
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income / (loss)	(1,203)	(14,649)	(1,591)	(14,726)
Profit / (Loss) attributable to:				
Owners of the parent	(1,203)	(14,649)	(1,591)	(14,726)
Non-controlling interests	-	-	-	-
	(1,203)	(14,649)	(1,591)	(14,726)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(1,203)	(14,649)	(1,591)	(14,726)
Non-controlling interests	-	-	-	-
	(1,203)	(14,649)	(1,591)	(14,726)
Earnings / (Loss) per share attributable to owners of the parent (sen per share):				
Basic	(0.57)	(7.09)	(0.76)	(7.12)

BERTAM ALLIANCE BERHAD

[Registration No. 199401019851 (Company No. 305530-A)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	AS AT END OF CURRENT QUARTER (UNAUDITED)	AS AT END OF PRECEDING FINANCIAL YEAR (AUDITED)
	30.06.2021	31.12.2020
	RM'000	RM'000
Assets		
Non-current assets		
Property, plant and equipment	339	405
Investment properties	-	-
Land held for property development	150,139	150,174
Goodwill on consolidation	-	-
	150,478	150,579
Current assets		
Inventories	-	-
Trade and other receivables	3,538	1,933
Tax recoverable	759	1,290
Deposit, cash and bank balances	704	91
	5,001	3,314
Total assets	155,479	153,893
Equity and liabilities		
Capital and Reserves		
Share capital	210,598	206,756
Retained earnings / (Accumulated losses)	(91,239)	(89,648)
Equity attributable to equity holders of the Company	119,359	117,108
Non-controlling interests	(153)	(153)
Total equity	119,206	116,955
Non-current liabilities		
Loans and borrowings	-	-
Finance lease payable	110	37
	110	37
Current liabilities		
Trade and other payables	20,585	21,304
Amount due to director	401	558
Tax payables	14,485	14,250
Loans and borrowings	593	608
Finance lease payable	99	181
	36,163	36,901
Net current assets / (liabilities)	(31,162)	(33,587)
Total liabilities	36,273	36,938
Net assets	119,206	116,955
Total equity and liabilities	155,479	153,893
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.57	0.56

The above condensed consolidated statements of financial position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

BERTAM ALLIANCE BERHAD [Registration No. 199401019851 (Company No. 305530-A)]

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	← Attributable to owners of the Company →		(Accumulated Losses) / Retained Earnings RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
	Non-distributable	Distributable				
	Share Capital RM'000	Other Reserve RM'000				
At 1 January 2021	206,756	-	(89,648)	117,108	(153)	116,955
Proceeds from issuance of Private Placement	3,842	-	-	3,842	-	3,842
Total comprehensive income/(loss)	-	-	(1,591)	(1,591)	-	(1,591)
At 30 June 2021	210,598	-	(91,239)	119,359	(153)	119,206
At 1 January 2020	206,756	-	(36,318)	170,438	(152)	170,286
Prior year adjustments	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	(14,726)	(14,726)	-	(14,726)
At 30 June 2020	206,756	-	(51,044)	155,712	(152)	155,560

The above condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021**

	Current Year ended 30.06.2021 RM'000	Preceding Year ended 30.06.2020 RM'000
Cash Flows From Operating Activities		
Net profit / (loss) before tax	(1,224)	(14,735)
Adjustments for:-		
Depreciation	84	197
Interest / Investment income	-	(1)
Interest expense	22	145
Impairment loss on land held for property development	137	14,140
(Gain) / Loss on disposal of fixed assets	-	150
(Gain) / Loss on disposal of quoted shares	-	-
Impairment loss on trade and other receivables	12	-
Reversal of allowance for impairment on receivables	-	-
Operating cash flows before changes in working capital	(969)	(104)
Changes in working capital:		
(Increased)/Decreased in inventories	-	-
(Increased)/Decreased in trade and other receivables	(1,617)	(1,279)
Increased/(Decreased) in trade and other payables	(876)	970
Net cash flows used in operations	(3,462)	(413)
Interest paid	(22)	(145)
Interest income	-	1
Income taxes paid, net of refunded	399	9
Net cash used in operating activities	(3,085)	(548)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(18)	(8)
Additional to land held for property development	(102)	-
Proceeds from disposal of other investments	-	-
Proceeds from disposal of property, plant and equipment	-	8,106
Net cash flows generated from investing activities	(120)	8,098
Cash Flows from Financing Activities		
Proceeds from issuance of Private Placement	3,842	-
Repayment of borrowings	(24)	(7,950)
Net cash used in financing activities	3,818	(7,950)
Net Increase/(decrease) in cash and cash equivalents	613	(400)
Cash and cash equivalents at beginning of the period	91	449
Cash and cash equivalents at end of year	704	49
Cash and cash equivalents comprise the following:		
	RM'000	RM'000
Cash and short term deposits	704	49
Less : Fixed deposit pledged with licensed banks	-	-
	704	49

The above condensed consolidated statements of cash flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

PART A: NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial statements are unaudited and has been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2020.

2. Significant Accounting Policies

Except as described below, the significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2020.

On 1 January 2020, the Group adopted the following MFRSs:-

MFRSs

- Amendments to MFRS 3, *Business Combinations - Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*
- Amendments to MFRS 9, *Financial Instruments and MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures-Interest Rate Benchmark Reform*

The application of the above Amendments to MFRSs did not result in any significant changes in accounting policies and presentation of the financial results of the Group.

3. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows during the financial period under review.

5. Material Changes in Estimates

There were no material changes in estimates of amounts that have had a material effect in the results during the financial period under review.

6. Issuances, Cancellation, Repurchases, Resale and Repayment of Debts and Equity Securities

There were no issues, repurchases and repayments of debt and equity securities during the financial period under

7. Dividend paid

There were no dividend paid during the financial period under review.

8. Segmental Information

The Group's activities include property for sale, property development, construction and provision of corporate management services to the companies within the Group which are carried out in Malaysia as follows:

Current year to date	Property for Sale / Property Development	Construction	Trading of Building Materials	Corporate and others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
30.06.2021					
Revenue					
External sales	-	987	143	-	1,130
Segment results	(609)	42	131	(682)	(1,118)
Depreciation	(35)	-	-	(49)	(84)
Finance costs	(22)	-	-	-	(22)
(Loss) / Profit before tax	(666)	42	131	(731)	(1,224)
Tax expenses	-	-	-	(367)	(367)
(Loss) / Profit after tax	(666)	42	131	(1,098)	(1,591)

9. Land Held for Property Development

Group	Land	Development cost	Total
	RM'000	RM'000	RM'000
Costs			
At 1 January 2020	177,946	7,805	185,751
Addition	-	14	14
Allowance for impairment	(32,981)	(2,610)	(35,591)
At 31 December 2020	144,965	5,209	150,174
Addition	-	102	102
Allowance for impairment	-	(137)	(137)
At 30 June 2021	144,965	5,174	150,139

10. Material Events Subsequent to the End of the Interim Period

Subsequent to the end of the interim period, the Company issued a private placement of 41,351,299 new ordinary shares at an average issued price of RM0.0929 per share and completed on 26 April 2021. Following this exercise, the number of ordinary shares in the Company increased from 206,756,495 ordinary shares to 248,107,794 ordinary shares with a corresponding increase in share capital value of RM 3,841,415 before accounting for share issue expenses.

11. Status of Corporate Proposals:-

There is no other outstanding corporate proposal announced but not completed as at the date of this report.

12. Status of Utilisation of Proceeds Raised from Corporate Proposal:-

(a) Utilisation of Proceeds from Private Placement

The fund utilisation of the Private Placement as at 22 September 2021 is stated as below:

No.	Purpose	Proposed Usage (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Intended time frame for utilisation
1.	Funding for existing contracts/projects	2,000	1,501	499	Within 12 months
2.	Working capital to fund the day-to-day operations and expenses of the Group	1,572	1,572	0	Within 12 months
3.	Expenses for Private Placement	150	89	61	Within 3 months
Total		3,722	3,162	560	

13. Changes in composition of the Group

There were no material changes in composition of the Group during the financial period under review.

14. Contingent Liabilities

The contingent liabilities of the Company and the Group as at 30 June 2021 were as follows:

	Group	Company
	RM'000	RM'000
(i) Guarantees to financial institutions for banking facilities granted to a subsidiary company, Bertam Development Sdn	-	593

The Company as the Corporate guarantor for the facility as mentioned, shall pay the loan instalments from internal generated funds as they fall due.

15. Trade and Other Receivables

The trade and other receivables of the Group were as follows:

	30.06.2021	31.12.2020
	RM'000	RM'000
Trade receivables - third parties, net of impairments	1,351	1,716
Other receivables		
- Sundry receivables, net of impairments	2,110	90
- Prepayment	49	78
- Refundable deposits	28	49
	2,187	217
Total trade and other receivables	3,538	1,933

16. Related Party Transactions

There are no other significant related party transactions except for the followings:

	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding 30.06.2020 RM'000	Current Year to date 30.06.2021 RM'000	Preceding Year Corresponding 30.06.2020 RM'000
Transaction with companies in which the Director of the Company have substantial financial interest				
- rental income on premises	-	44	-	88

The related party transactions have been entered into in the normal course of business under negotiated terms.

17. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January	Financing cash flow	New finance lease	At 30 Jun 2021
Group	RM'000	RM'000	RM'000	RM'000
Amount due to directors	558	(157)	-	401
Finance lease liabilities	218	(9)	-	209
Term loans	608	(15)	-	593
	1,384	(181)	-	1,203

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

1. Operating Segment Review

2nd Quarter 2021 vs 2nd Quarter 2020

	Individual quarter		Changes	
	Current year Quarter	Preceding Year Corresponding Quarter		
	RM'000	RM'000	RM'000	%
Revenue				
Property for sale / Property Development	-	-	-	NA
Construction	-	-	-	NA
Trading of Building Materials	20	1,078	(1,058)	98%
Corporate and others	-	-	-	NA
	<u>20</u>	<u>1,078</u>	<u>(1,058)</u>	<u>98%</u>
Profit/(Loss) before tax				
Property for sale / Property Development	(384)	(14,428)	14,044	97%
Construction	(9)	-	(9)	NA
Trading of Building Materials	8	(40)	48	-120%
Corporate and others	(451)	(181)	(270)	-149%
	<u>(836)</u>	<u>(14,649)</u>	<u>13,813</u>	<u>94%</u>
Profit/(Loss) after tax				
Property for sale / Property Development	(384)	(14,428)	14,044	97%
Construction	(9)	-	(9)	NA
Trading of Building Materials	8	(40)	48	-120%
Corporate and others	(818)	(181)	(637)	-352%
	<u>(1,203)</u>	<u>(14,649)</u>	<u>13,446</u>	<u>92%</u>

Group

The revenue recorded was RM20,000 in current year's quarter compared to RM1.1 million in the preceding year corresponding quarter.

Property for sales / Property development segment

There was no revenue recorded for current year's quarter and previous year's corresponding quarter.

For the current quarter ended 30 June 2021, the segment recorded a loss before tax of RM384,000 as compared to loss before tax of RM14.4 million in the previous year corresponding quarter.

Construction segment

There was no revenue recorded for current year's quarter and previous year's corresponding quarter.

For the current quarter ended 30 June 2021, the segment recorded a loss before tax of RM9,000 as compared to no loss before tax in the previous year's corresponding quarter.

Trading of building materials segment

The revenue recorded was RM20,000 in current year's quarter compared to RM1.1 million in the preceding year corresponding quarter.

For the current quarter ended 30 June 2021, the segment recorded a profit before tax of RM8,000 as compared to loss before tax of RM40,000 in the previous year's corresponding quarter.

Corporate and others

There was no revenue recorded for current year's quarter and previous year's corresponding quarter.

For the current quarter ended 30 June 2021, the segment recorded a loss before tax of RM451,000 as compared to loss before tax of RM181,000 in the previous year's corresponding quarter.

Year to date 30.06.2021 vs 30.06.2020

	Cumulative period		Changes	
	Current year to date RM'000	Preceding Year Corresponding period RM'000	RM'000	%
Revenue				
Property for sale / Property Development	-	-	-	NA
Construction	987	-	987	NA
Trading of Building Materials	143	1,535	(1,392)	91%
Corporate and others	-	-	-	NA
	<u>1,130</u>	<u>1,535</u>	<u>(405)</u>	<u>26%</u>
(Loss) / Profit before tax				
Property for sale / Property Development	(666)	(14,748)	14,082	95%
Construction	42	-	42	NA
Trading of Building Materials	131	(21)	152	-724%
Corporate and others	(731)	34	(765)	2250%
	<u>(1,224)</u>	<u>(14,735)</u>	<u>13,511</u>	<u>92%</u>
(Loss) / Profit after tax				
Property for sale / Property Development	(666)	(14,739)	14,073	95%
Construction	42	-	42	NA
Trading of Building Materials	131	(21)	152	-724%
Corporate and others	(1,098)	34	(1,132)	3329%
	<u>(1,591)</u>	<u>(14,726)</u>	<u>13,135</u>	<u>89%</u>

Group

The revenue recorded was RM1.1 million in current year to date compared to RM1.5 million in the preceding year corresponding period.

The Group recorded loss before tax of RM1.2 million as compared to loss before tax of RM14.7 million in the previous year's corresponding period.

Property for sale / Property development segment

There was no revenue recorded for current to date and previous year's corresponding period.

For the current year to date as at 30 June 2021, the segment recorded loss before tax of RM666,000 as compared to loss before tax of RM14.7 million in the previous year corresponding period.

Construction segment

The revenue recorded was RM987,000 million in current year to date compared to no revenue recorded in the previous year corresponding period.

For the current year to date as at 30 June 2021, the segment recorded a profit before tax of RM42,000 as compared to no profit before tax in the previous corresponding period.

Trading of building materials segment

The revenue recorded was RM143,000 in current year to date compared to RM1.5 million in the previous year corresponding period.

For the current year to date as at 30 June 2021, the segment recorded a profit before tax of RM131,000 as compared to loss before tax of RM21,000 in the previous corresponding period.

Corporate and others

There was no revenue recorded for current to date and previous year's corresponding period.

For the current year to date as at 30 June 2021, the segment recorded a loss before tax of RM731,000 as compared to profit before tax of RM34,000 in the previous corresponding period.

2. Review of Current Quarter Profitability against Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Changes	
	RM'000	RM'000	RM'000	%
Revenue				
Property for sale / Property Development	-	-	-	NA
Construction	-	987	(987)	-100%
Trading of Building Materials	20	123	(103)	-84%
Corporate and others	-	-	-	NA
	<u>20</u>	<u>1,110</u>	<u>(1,090)</u>	<u>-184%</u>
(Loss)/Profit before tax				
Property for sale / Property Development	(384)	(282)	(102)	-36%
Construction	(9)	51	(60)	-118%
Trading of Building Materials	8	123	(115)	-93%
Corporate and others	(451)	(280)	(171)	-61%
	<u>(836)</u>	<u>(388)</u>	<u>(448)</u>	<u>-115%</u>
(Loss)/Profit after tax				
Property for sale / Property Development	(384)	(282)	(102)	-36%
Construction	(9)	51	(60)	-118%
Trading of Building Materials	8	123	(115)	-93%
Corporate and others	(818)	(280)	(538)	-192%
	<u>(1,203)</u>	<u>(388)</u>	<u>(815)</u>	<u>-210%</u>

3. Prospects

In view of the global covid-19 pandemic which had significantly affected the global as well as local economy and the property demand, the property market outlook is expected to remain challenging in the year ahead. Despite these challenges, the Group will continue to focus on the development of the affordable residential, namely Idaman Residence, properties in Kepyayan, Kota Kinabalu, Sabah over the next 3 years with the estimated Gross Development Value of approximately RM150 million.

The Group is also looking into the development of various parcel of lands owned by the Group located in Luyang, Telipok and Kepyayan of the greater Kota Kinabalu area into residential and commercial properties.

The Group is also exploring for construction contract works in the future.

The Group will also continue to maintain the business of trading of building materials such as sawn timber, plywood, solid door, fire doorset and moulding products.

4. Explanatory Note for Variance of Actual Profit from Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee for the period under review.

5. Tax expenses

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Tax expenses				
- current year provision	-	-	-	-
- (under)/over provision in prior years	(367)	-	(367)	9
	<u>(367)</u>	<u>-</u>	<u>(367)</u>	<u>9</u>
Deferred tax:				
- Origination and reversal of temporary differences	-	-	-	-
- Over provision in prior years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax expenses for the financial period	<u>(367)</u>	<u>-</u>	<u>(367)</u>	<u>9</u>

6. Finance Costs

	Current Year Quarter 30.06.2021 RM'000	Preceding Year Corresponding Quarter 30.06.2020 RM'000	Current Year To Date 30.06.2021 RM'000	Preceding Year Corresponding Period 30.06.2020 RM'000
Interest expenses				
Term loans	(9)	(39)	(18)	(139)
Bank overdrafts	-	-	-	-
Finance lease payables	(2)	(3)	(4)	(6)
	<u>(11)</u>	<u>(42)</u>	<u>(22)</u>	<u>(145)</u>
Less:				
Interest capitalised in property dev. costs	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest expenses for the financial period	<u>(11)</u>	<u>(42)</u>	<u>(22)</u>	<u>(145)</u>

7. Borrowings

The Group's borrowings (all denominated in Ringgit Malaysia) are as follows:

	Current RM'000	Non Current RM'000	Total RM'000
Secured			
Term loans	593	-	593
Obligations under finance lease	99	110	209
As at 30 June 2021	692	110	802
	Current RM'000	Non Current RM'000	Total RM'000
Secured			
Term loans	856	-	856
Obligations under finance lease	99	141	240
As at 30 June 2020	955	141	1,096

8. Material Litigation

There are no other pending material litigation as at reporting date except for the following:

MV Properties Sdn. Bhd. ("MVSB"), an indirect wholly-owned subsidiary, had on 19 August 2020 received a Writ of Summons dated 5 August 2020 and Statement of Claim dated 5 August 2020 ("the Summons") served by Lembaga Hasil Dalam Negeri Malaysia for and on behalf of Government of Malaysia ("Plaintiff") issued by the Kuala Lumpur High Court.

The Summons demanding for the settlement of the outstanding payable inclusive of penalties by MVSB amounting to RM17,655,014.19 for the year of assessment of 2017. Pursuant to the Summons, MVSB has fourteen (14) days from the date of receipt of the Writ of Summons to serve the appearance.

The above legal suit is fixed for case management on 4 September 2020 at Mahkamah Tinggi, Kompleks Mahkamah Kuala Lumpur, Jalan Duta, 50592 Kuala Lumpur.

On 4 September 2020, the Solicitors informed the Court that the Company is discussing with LHDNM for a settlement proposal on the Outstanding Tax Payable ("Settlement Proposal"). The Court has fixed the matter on 6 October 2020 for next case management for updating the status of the Settlement Proposal before giving the further directions.

On 11 December 2020, a case management was held before the High Court Judge. The Court has given the following direction pursuant to Order 14 application by LHDNM/Plaintiff :-

- (a) Written Submission to be filed on or before 14 January 2021;
- (b) Reply to be filed on or before 23 February 2021;
- (c) Hearing is fixed on 30 March 2021; and
- (d) Hearing date on 16 December 2020 is vacated because of Court vacation until 31 December 2020.

On 5 April 2021, the Solicitors informed the Learned Judge had allowed the Company to do the reassessment of taxation until 21 May 2021 which the Company had complied and is currently waiting for the outcome.

9. Significant Events

On 4 April 2018, the Company is classified as an affected listed issuer pursuant to Paragraph 8.04(2) and Paragraph 2.1(c) of Practice Note 17 ("PN17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The PN17 criteria was triggered by the Winding-Up Order made against Bertam Development Sdn. Bhd. ("BDSB"), a wholly-owned subsidiary company of the Company, which accounts for more than 50% of the total assets employed of the Group on a consolidated basis ("Winding-up Order"). This winding-up order was terminated in June 2019 following the full settlement of the liabilities being claimed. Additionally, the Group's financial result for the financial year ended 31 December 2020 has further triggered Paragraph 8.03A(2)(b) of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), whereby the Group has an insignificant business or operations due to its revenue for the financial year ended 31 December 2020 being less than 5% of its share capital.

In compliance with paragraph 4.1 of PN17, the Company is required to submit the Regularisation Plan to the relevant authorities for which the Company is required to announce the details of the Regularisation Plan ("Requisite Announcement") and sufficient information to demonstrate that the Company is able to comply with all the requirements set out in Paragraph 5.0 of PN17 after implementation of the Regularisation Plan, which shall include a timetable for the complete implementation of the Regularisation Plan. The Requisite Announcement must be made by the Company's Principal Adviser.

The deadline of the submission of the regularisation plan was initially on 3 April 2019 but has been extended several times to 3 October 2021. The last extension request was approved by Bursa Securities on 20 May 2021. The extension of time is without prejudice to Bursa Securities' right to proceed to suspend the trading of the listed securities of the Company and to de-list the Company in the events:

- (i) the Company fails to submit a regularisation plan to the regulatory authorities on or before 3 October 2021;
- (ii) the Company fails to obtain the approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; or
- (iii) the Company fails to implement its regularisation plan with the time frame or extended time frame stipulated by any of the regulatory authorities.

As at the date of this report, the Company is currently in the midst of preparing its regularisation plan.

10. Dividend Payable

The Board of Directors does not recommend any payment of dividend in respect of the financial period under review.

11. Earnings/(Loss) per share

The basic earnings per share has been calculated by dividing the Group's profit/(loss) for the period attributable to owners of the Company by weighted average number of shares in issue. The weighted number of shares in issue is calculated as follows:

	Quarter ended		Year to date	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
(Loss) / Profit attributable to owners of the Company (RM'000)	(1,203)	(14,649)	(1,591)	(14,726)
Number of ordinary shares in issue ('000 shares)	210,598	206,756	210,598	206,756
Basic earnings/(loss) per share (sen)	<u>(0.57)</u>	<u>(7.09)</u>	<u>(0.76)</u>	<u>(7.12)</u>

The diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares outstanding.

12. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was subject to qualifications with disclaimer of opinion.

13. (Loss)/Profit Before Tax

The following items have been included in arriving at (loss) / profit before tax:

	Quarter ended		Year to date	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	-	-	-	1
Rental income	-	-	-	85
Interest expense	(11)	(42)	(22)	(145)
Depreciation	(42)	(55)	(84)	(197)
Gain/(Loss) on disposal of quoted shares	-	-	-	-
Gain/(Loss) on disposal of fixed assets	-	-	-	751

14. Retained Earnings

	As at	As at
	30.06.2021	31.12.2020
	RM'000	RM'000
Realised	(1,591)	(40,838)
Unrealised	-	-
	<u>(1,591)</u>	<u>(40,838)</u>
Consolidation adjustments	-	-
Retained earnings	<u>(1,591)</u>	<u>(40,838)</u>

15. Authorised For Issue

The Interim Financial Statements were authorised for issue by the Board in accordance with a resolution of the Directors on 22 September 2021.