



**Interim Financial Results  
For the 1<sup>st</sup> Quarter ended  
31 March 2021**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 Mar 2021 RM'000	PRECEDING YEAR QUARTER 31 Mar 2020 RM'000	CURRENT YEAR TO DATE 31 Mar 2021 RM'000	PRECEDING YEAR TO DATE 31 Mar 2020 RM'000
Revenue	86,495	76,853	86,495	76,853
Cost of sales	(74,640)	(65,750)	(74,640)	(65,750)
Gross profit	11,855	11,103	11,855	11,103
Other income	591	995	591	995
Operating costs	(5,815)	(5,369)	(5,815)	(5,369)
Finance cost	(719)	(1,033)	(719)	(1,033)
Share of profit of a joint venture	91	143	91	143
Share of profit of an associate	60	118	60	118
Profit before tax	6,063	5,957	6,063	5,957
Tax expense	(1,216)	(1,835)	(1,216)	(1,835)
Profit / (loss) for the financial period	4,847	4,122	4,847	4,122
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income / (loss) for the financial period	4,847	4,122	4,847	4,122
Attributable to:				
Owners of the parent	4,545	3,921	4,545	3,921
Non-controlling interests	302	201	302	201
	4,847	4,122	4,847	4,122
Earnings per ordinary share attributable to equity holders of the Company (sen) :				
- Basic	0.92	0.79	0.92	0.79
- Diluted	0.74	0.64	0.74	0.64

*The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2021

	(UNAUDITED) AS AT 31 Mar 2021 RM'000	(AUDITED) AS AT 31 Dec 2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	23,232	20,023
Right-of-use assets	5,450	5,875
Investment properties	32,034	32,209
Investment in a joint venture	1,797	1,706
Investment in an associate	3,644	3,584
Deferred tax assets	8,761	9,935
Intangible assets	27,355	27,355
	<u>102,273</u>	<u>100,687</u>
<b>Current assets</b>		
Inventories	359,475	363,314
Trade and other receivables	226,240	211,695
Contract assets	551,966	541,885
Other investment	744	1,074
Current tax assets	2,077	2,534
Short term funds	270	316
Cash and bank balances	104,917	118,390
	<u>1,245,689</u>	<u>1,239,208</u>
<b>TOTAL ASSETS</b>	<u>1,347,962</u>	<u>1,339,895</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	325,546	325,546
Treasury shares	(1,427)	(1,427)
Retained earnings	130,081	125,537
	<u>454,200</u>	<u>449,656</u>
<b>Non-controlling interests</b>	<u>2,212</u>	<u>6,614</u>
<b>TOTAL EQUITY</b>	<u>456,412</u>	<u>456,270</u>
<b>Non-current liabilities</b>		
Borrowings	15,706	16,273
Lease liabilities	2,787	3,159
Deferred tax liabilities	310	310
	<u>18,803</u>	<u>19,742</u>
<b>Current liabilities</b>		
Trade and other payables	601,841	596,684
Contract liabilities	11,223	22,602
Borrowings	256,864	241,769
Lease liabilities	2,654	2,689
Current tax liabilities	165	139
	<u>872,747</u>	<u>863,883</u>
<b>TOTAL LIABILITIES</b>	<u>891,550</u>	<u>883,625</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,347,962</u>	<u>1,339,895</u>
Net assets per share attributable to owners of the parent (RM)	0.92	0.91

The 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 notes.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	I-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----I					
	I-----Non-distributable-----I Share capital RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000	Total RM'000	Non- controlling- interests RM'000	Total equity RM'000
Balance as at 1 January 2021	325,546	(1,427)	125,537	449,656	6,614	<b>456,270</b>
Profit for the financial period / Total comprehensive income for the period	-	-	4,544	4,544	302	<b>4,846</b>
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	(4,704)	<b>(4,704)</b>
	-	-	4,544	4,544	(4,402)	<b>142</b>
Balance as at 31 March 2021	325,546	(1,427)	130,081	454,200	2,212	<b>456,412</b>

	I-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----I					
	I-----Non-distributable-----I Share capital RM'000	Treasury shares RM'000	Distributable Retained earnings RM'000	Total RM'000	Non- controlling- interests RM'000	Total equity RM'000
Balance as at 1 January 2020	325,546	(1,427)	184,924	509,043	6,215	<b>515,258</b>
Profit for the financial period / Total comprehensive income for the period	-	-	3,921	3,921	201	<b>4,122</b>
	-	-	3,921	3,921	201	<b>4,122</b>
Balance as at 31 March 2020	325,546	(1,427)	188,845	512,964	6,416	<b>519,380</b>

The condensed consolidated statement 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 notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	Current Period Ended 31 Mar 2021 RM'000	Preceding Period Ended 31 Mar 2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,063	5,957
Adjustments for :		
Bad debts written-off	(2)	-
Depreciation of property, plant and equipment	1,638	1,618
Reversal of impairment losses of trade and other receivables	(1,321)	-
Gain on disposal of property, plant and equipment	3	-
Impairment of trade and other receivables	623	123
Impairment of fair value on investment	330	-
Interest expense	719	1,033
Interest income	(340)	(671)
Property, plant and equipment written off	-	3
Share of gain of a joint venture	(91)	(143)
Share of gain of an associate	(60)	(118)
Operating profit before changes in working capital	7,562	7,802
Changes in working capital:		
Inventories	3,839	(189)
Trade and other receivables	(25,077)	15,886
Trade and other payables	(6,224)	(44,036)
Cash used in operating activities	(19,900)	(20,537)
Interest paid	(699)	(873)
Interest received	340	671
Tax paid	(877)	(8,007)
Tax refunded	1,319	7
Net cash used in operating activities	(19,817)	(28,739)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,865)	(548)
Purchase of land held for property development	-	(140)
Proceeds from disposals of property, plant and equipment	14	-
Withdrawals of fixed deposits pledged	5,408	8,461
Net cash generated from investing activities	2,557	7,773
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(20)	(160)
Proceeds from resale of shares in open market	(657)	-
Repayment of lease liabilities	-	(885)
Dividend paid to non-controlling interest of a subsidiary	(4,704)	-
Drawdowns of term loans	51	2,260
Repayments of term loans	(1,580)	(4,454)
Net cash used in financing activities	(6,910)	(3,239)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(24,170)	(24,205)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	(200,815)	(179,240)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	(224,985)	(203,445)

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 31 Mar 2021 RM'000	As at 31 Mar 2020 RM'000
Cash and bank balances	6,336	28,131
Fixed deposits with licensed banks	98,581	98,718
Short term funds	270	322
	105,187	127,171
Less : Bank overdrafts included in borrowings	(231,591)	(231,898)
Fixed deposits pledged	(98,581)	(98,718)
Total cash and cash equivalents	(224,985)	(203,445)

**A Explanatory Notes in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

**A1. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. These explanatory notes attached to the 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 2020.

**A2. Changes in Accounting Policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 31 December 2020.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) effective on 1 January 2021.

<b>Title</b>	<b>Effective Date</b>
<i>Interest Rate Benchmark Reform – Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.

**A3. Qualification of Financial Statements**

The auditors’ report for the preceding audited financial statements was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group’s operations were not materially affected by any seasonal or cyclical factors.

**A5. Nature and Amount of Unusual Items**

There were no unusual items for the current quarter and financial year-to-date.

**A6. Nature and Amount of Changes in Estimates**

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current quarter and financial year-to-date.

**A7. Issuance and Repayment of Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations and shares held as treasury shares for the current quarter.

As at the end of the current quarter and financial year-to-date, a total of 1,165,744 shares were held as treasury shares.

**A8. Dividend Paid**

On 7 January 2021, the Company paid an interim dividend of 1.0 sen per ordinary share, tax exempt under single-tier tax system amounting to RM4.9 million in respect of the financial period ending December 2020.

**A9. Segmental Information**

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.



## A9. Segmental Information (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

3 months ended 31 March 2021	Construction RM'000	Property Development RM'000	Other RM'000	Inter-segment Elimination RM'000	Total RM'000
<b>Segment Revenue</b>					
External	78,532	5,125	2,838	-	86,495
Inter-segment	19,068	-	9,374	(28,442)	-
<b>Total revenue</b>	<b>97,600</b>	<b>5,125</b>	<b>12,212</b>	<b>(28,442)</b>	<b>86,495</b>
Interest income	997	39	236	(932)	340
Finance cost	(663)	(689)	(353)	986	(719)
<b>Net finance expense</b>	<b>334</b>	<b>(650)</b>	<b>(117)</b>	<b>54</b>	<b>(379)</b>
<b>Segment profit before taxation</b>	<b>5,894</b>	<b>380</b>	<b>6,749</b>	<b>(6,960)</b>	<b>6,063</b>
Share of profit of an associate	60	-	-	-	60
Share of profit of a joint venture	-	-	91	-	91
Taxation	(1,553)	-	(42)	379	(1,216)
<b>Segment profit after taxation</b>	<b>4,341</b>	<b>380</b>	<b>6,707</b>	<b>(6,581)</b>	<b>4,847</b>
Other material non-cash item: - Depreciation	(1,391)	(116)	(498)	367	(1,638)
Additions to non-current assets other than financial instruments and deferred tax assets	-	-	2	-	2
<b>Segment assets</b>	<b>950,495</b>	<b>542,637</b>	<b>446,815</b>	<b>(591,985)</b>	<b>1,347,962</b>
<b>Segment liabilities</b>	<b>726,967</b>	<b>452,928</b>	<b>35,146</b>	<b>(323,491)</b>	<b>891,550</b>
<b>3 months ended 31 March 2020</b>					
<b>Segment Revenue</b>					
External	73,276	739	2,838	-	76,853
Inter-segment	21,902	-	1,609	(23,511)	-
<b>Total revenue</b>	<b>95,178</b>	<b>739</b>	<b>4,447</b>	<b>(23,511)</b>	<b>76,853</b>
Interest income	1,130	25	211	(695)	671
Finance cost	(802)	(511)	(489)	769	(1,033)
<b>Net finance expense</b>	<b>328</b>	<b>(486)</b>	<b>(278)</b>	<b>74</b>	<b>(362)</b>
<b>Segment profit/(loss) before taxation</b>	<b>5,951</b>	<b>(802)</b>	<b>1,440</b>	<b>(632)</b>	<b>5,957</b>
Share of loss of an associate	118	-	-	-	118
Share of profit of a joint venture	-	-	143	-	143
Taxation	(1,261)	-	(458)	(116)	(1,835)
<b>Segment profit/(loss) after taxation</b>	<b>4,690</b>	<b>(802)</b>	<b>982</b>	<b>(748)</b>	<b>4,122</b>
Other material non-cash item: - Depreciation	(1,325)	(161)	(499)	367	(1,618)
Additions to non-current assets other than financial instruments and deferred tax assets	646	41	1	-	688
<b>Segment assets</b>	<b>1,069,950</b>	<b>546,005</b>	<b>428,558</b>	<b>(590,028)</b>	<b>1,454,485</b>
<b>Segment liabilities</b>	<b>799,030</b>	<b>415,079</b>	<b>37,363</b>	<b>(316,367)</b>	<b>935,105</b>

**A10. Valuation of Property, Plant and Equipment**

There is no valuation of property, plant and equipment performed in the current quarter and financial year-to-date.

**A11. Acquisition/Disposal of Property, Plant and Equipment**

There was no material acquisition or disposal of property, plant and equipment during the current quarter and financial year-to-date.

**A12. Material Subsequent Event**

There were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

**A13. Changes in the Composition of the Group**

There were no changes to the composition of the Group for the current quarter.

**A14. Capital Commitment**

	As at 31 Mar 21 RM'000	As at 31 Dec 20 RM'000
Contracted but not provided for:		
- Freehold land held under development	38	58

**A15. Contingent Liabilities**

	As at 31 Mar 21 RM'000	As at 31 Dec 20 RM'000
Bank guarantees given by financial institutions in respect of construction and property projects	129,206	128,965

**B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia**

**B1. Review of Performance**

**Performance of current quarter against the preceding year corresponding quarter**

**Group**

	Individual Period (1 <sup>st</sup> Quarter)		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter	
	31/3/2021	31/3/2020	
	RM'000	RM'000	
Revenue	86,495	76,853	12.55
Profit Before Tax	6,063	5,957	1.78
Profit After Taxation	4,847	4,122	17.57

During the current quarter, the Group recorded revenue of RM86.5 million, a 12.6% increase compared to the 1Q20 revenue of RM76.9 million. The increase in Group revenue is due to higher progress work achieved from both the construction and property development projects.

In 1Q21, the Group incurred operating costs of RM5.8 million, representing an 8.3% increase compared to 1Q20. The increase is due to sales and marketing expenses incurred for the sales of property development units amounting to RM0.7 million.

Our reported PAT for the current quarter stood at RM4.8 million, representing a 17.6% increase compared to 1Q20. This is attributable to a lower tax expense and a reduction in finance cost incurred by the Group this quarter.

**Construction segment**

	Individual Period (1 <sup>st</sup> Quarter)		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter	
	31/3/2021	31/3/2020	
	RM'000	RM'000	
Revenue	97,600	95,178	2.54
Profit Before Tax	5,894	5,951	(0.96)
Profit After Tax	4,341	4,690	(7.44)

The construction division reported a revenue of RM97.6 million in 1Q21, compared to RM95.2 million in 1Q20. This quarter, revenue was mainly from the LRT3 construction job, which is currently in full-swing. Whereas in the preceding year quarter, revenue was also contributed by the PPSAS and SUKE projects, which are currently nearing its completion stage.

The construction division reported a PAT of RM4.3 million in 1Q21, compared to RM4.7 million in 1Q20. The lower profit after tax is due to the abovementioned reason coupled with adjustments made to the accruals of construction costs.

**B1. Review of Performance (Cont'd)**

**Performance of current quarter against the preceding year corresponding quarter (Cont'd)**

**Property Development segment**

	Individual Period (1 <sup>st</sup> Quarter)		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter	
	31/3/2021	31/3/2020	
	RM'000	RM'000	
Revenue	5,125	739	593.50
Profit/(loss) Before Tax	380	(802)	(147.38)
Profit/(loss) After Tax	380	(802)	(147.38)

The property development division reported revenue of RM5.1 million in 1Q21, representing a six-fold increase compared to 1Q20. Profit after tax for the division stood at RM0.4 million in 1Q21, compared to a loss after tax of RM0.8 million in 1Q20. The increase in revenue and profit is due to higher property sales achieved, resulting in increased revenue recognition for the E'Island Lake Haven development.

**B2. Material Changes in the Result for the Current Quarter Compared with the Results for the Preceding Quarter**

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/3/2021	31/12/2020	
	RM'000	RM'000	
Revenue	86,495	94,271	(8.25)
Profit Before Tax	6,063	3,680	64.76
Profit After Tax	4,847	10,845	(55.31)

For the current quarter, the Group reported a revenue and profit after tax of RM86.5 million and RM4.9 million respectively, as compared to immediate preceding quarter revenue and profit after tax of RM94.3 million and RM10.8 million respectively.

**B3. Prospects**

As at 31 March 2021, we have a total of RM2.2 billion in future gross revenue to be recognised, which will drive earnings and cashflow visibility up to FYE 2024, on the back of total borrowings of RM272.6 million, comprising RM15.7 million in long-term borrowings and RM256.9 million in short-term borrowings, and cash and cash equivalents of RM105.2 million. Additionally, by FYE 2024, the balance cash to be received from the construction and property development divisions' projects amount to RM1.3 billion (including RM75.8 million in retention sum) and RM848.6 million respectively.

The value of our existing businesses remains sturdy, and in reference to our property sales achievement to-date, we anticipate that the Group's future cashflow and earnings will progressively increase.

**B3. Prospects (Cont'd)**

(a) Construction Division

Currently, our project construction sites are operating at optimal capacity while strictly adhering to the SOPs outlined by the Government.

The Group's construction division is armed with a healthy outstanding orderbook of RM1.3 billion, that will sustain earnings and cashflow contribution up to FYE 2023.

In FYE 2021, we are targeting an orderbook replenishment rate of RM400 million. Year to date, the construction division has secured RM84.8 million in new construction jobs. While we continue to be on the lookout for new construction jobs, these prospective jobs will have to generate healthy margins and cashflows.

Based on our experience, capabilities and resources, we see opportunities from potential Government and private construction projects. Prospective jobs are required to undergo an extensive internal assessment to ensure that the risk-reward parameters are of an optimal level, including margins and cashflow generation.

(b) Property Development Division

The Group recorded RM32.9 million in property sales in 1Q21, which represents a 7-fold increase compared to RM4.7 million property sales achieved in 1Q20. As at 11 June 2021, the total year-to-date sales amounted to RM97.1 million, an encouraging achievement given the Movement Control Orders implemented by the Government.

Based on our sales up to 11 June 2021 of RM97.1 million comprising 172 units, we are on track to achieve our 300-unit sales target for the year. As a comparison, we achieved RM17.7 million sales in first-half of FYE 2020 for 32 units.

**Summary of Property Sales up to 11 June 2021**

Development	Number of unsold units as at Jan 21	Units Sold in 1Q21	Units Sold in April to 11 June 2021	Total Unit Sold Up to 11 June 2021	Cumulative project take-up	Project Sales since 2Q 19 (RM'mil)
<b><u>Developments Under Construction</u></b>						
E'Island Lake Haven	739 of 1,140	77	88	165	566 units or 50%	238.3
The Peak	395 of 668	1	-	1	273 units or 41%	103.0
<b><u>Completed Developments</u></b>						
Contours	7 of 40	-	5	5	38 units or 95%	32.2
Permas Centro	1 of 99	-	1	1	100%	15.5
Kinrara Uptown	2 of 177	-	-	-	175 units or 99%	-
<b>Total</b>	<b>1,144</b>	<b>78</b>	<b>94</b>	<b>172</b>		<b>389.0</b>

**B3. Prospects (Cont'd)**

(b) Property Development Division (Cont'd)

Based on the table above, since the relaunch of our property development division in April 2019, we have achieved RM389.0 million in total property sales, and represents an overall divisional unit take-up rate of 41%. While we foresee that the properties may potentially be fully-sold by FYE 2023, we target for the properties to be fully taken-up by FYE 2024; and will be the key to future earnings and cashflow growth.

Thus far, our product offerings have been receiving encouraging response from buyers. Additionally, the recent announcement by Government for the extension of the Home Ownership Campaign to the end of 2021 will continue to benefit our property development projects.

As our property sales momentum continue to be robust, plans are initiated to provide visibility of future earnings and cashflow beyond FYE 2023. As such, we are in the process to finalise two new property development joint-ventures with a combined GDV of approximately RM400 million. Subject to approvals, we target to finalise the joint-venture projects by 4Q21.

The property development currently has total unbilled (sold and unsold properties) GDV of RM1,071.8 million which is expected to generate operating cashflows of RM431.9 million, after taking into account the construction costs and repayment of borrowings.

As at 31 March 2021, our total sold and unbilled sales stand at RM266.3 million.

**B4. Profit Forecast and Profit Estimate**

The Group did not issue any profit forecast or profit estimate in any public document.

**B5. Items included in the Statements of Comprehensive Income include:**

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 21 RM'000	31 Mar 20 RM'000	31 Mar 21 RM'000	31 Mar 20 RM'000
Interest income	340	671	340	671
Reversal of impairment losses of receivables	1,321	-	1,321	-
Other income	(1,067)	324	(1,067)	324
Interest expense (excluding interest capitalised)	(719)	(1,033)	(719)	(1,033)
Depreciation and amortisation	(1,638)	(1,618)	(1,638)	(1,618)
Impairment losses of receivables	(623)	(123)	(623)	(123)
Impairment losses of fair value on investment	(330)	-	(330)	-
Property, plant and equipment written off	-	(3)	-	(3)
Gain/(loss) on disposal of property, plant and equipment	(3)	-	(3)	-
Gain on disposal of quoted investments	-	*	-	*
Bad debts written off	2	-	2	-
Foreign exchange gain or loss	*	*	*	*
Gain or loss on derivatives	*	*	*	*
Exceptional items	*	*	*	*

\* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

**B6. Taxation**

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 21 RM'000	31 Mar 20 RM'000	31 Mar 21 RM'000	31 Mar 20 RM'000
Current taxation				
- Current year	42	1,719	42	1,719
- Previous year	-	-	-	-
	<u>42</u>	<u>1,719</u>	<u>42</u>	<u>1,719</u>
Deferred taxation				
- Current year	1,174	116	1,174	116
- Prior years	-	-	-	-
	<u>1,174</u>	<u>116</u>	<u>1,174</u>	<u>116</u>
	<u>1,216</u>	<u>1,835</u>	<u>1,216</u>	<u>1,835</u>

The Group effective tax rate for the cumulative quarter is lower than the statutory rate mainly due to utilization of unabsorbed business loss.

**B7. Status of Corporate Proposals Announced**

There are no corporate proposals announced by the Company but not completed as at 10 June 2021, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

**B8. Group Borrowings and Debt Securities**

	As at 31 March 2021		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
- Term loan	15,706	23,273	38,979
- Revolving credit	-	2,000	2,000
- Bank overdrafts	-	231,591	231,591
	<u>15,706</u>	<u>256,864</u>	<u>272,570</u>
	As at 31 March 2020		
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
- Term loan	16,544	21,958	38,502
- Revolving credit	-	2,000	2,000
- Bank overdrafts	-	231,897	231,897
	<u>16,544</u>	<u>255,855</u>	<u>272,399</u>

**B9. Dividend**

No dividend has been proposed by the Board of Directors for the current quarter ended 31 March 2021.

## **B10. Material litigation**

- (a) On 15 September 2020, Gabungan AQRS Berhad (“GAB”) and Trusvest Sdn Bhd (“TVSB”), commenced legal proceedings against the former Executive Director and Group Chief Financial Officer for the Gabungan AQRS Group of Companies, Bernard Lim Soon Chiang (“Bernard”), in the High Court at Shah Alam.

GAB and TVSB’s case is that Bernard had acted negligently and / or in breach of his service contract with GAB as its Chief Financial Officer, by, amongst others, failing, refusing and / or neglecting to give proper tax advice and / or properly consult a tax consultant on the tax implications of a project to construct, own and subsequently sublease base-camp accommodation to Petronas Chemicals Fertiliser Sabah Sdn Bhd at Sipitang, Sabah (“Sipitang Project”). The Sipitang Project was awarded to TVSB by a consortium comprising Seri Wilayah Engineering Sdn Bhd and REMT Utama Sdn Bhd. TVSB in turn awarded the construction works to a subsidiary of GAB, Gabungan Strategik Sdn Bhd. GAB and TVSB also allege that :-

- (i) Bernard had fraudulently and / or negligently misrepresented the tax implications of the Sipitang Project to the Audit Committee and Board of Directors of GAB; and
- (ii) Bernard had breached his fiduciary duties owed to GAB and Trusvest.

In consequence, GAB and TVSB suffer loss and damage amounting to RM13,245,173.

GAB and TVSB filed its Reply to the Defence on 21 December 2020. Both parties attended to the e-review case management on 13 January 2021, 5 February 2021 and 2 March 2021 before the Deputy Registrar. GAB and TVSB have filed an application for further and better particulars of Bernard’s Defence (“Application”). The hearing of the Application was adjourned from 10 June 2021 to 2 August 2021.

- (b) On 1 October 2020, Gabungan Strategik Sdn Bhd (“GSSB”), the subsidiary of the company, filed a Writ of Summons against: -
- (i) Geonamics (M) Sdn Bhd (“1st Defendant”)
  - (ii) Jurutera Perunding Primareka Sdn Bhd (“2nd Defendant”)
  - (iii) Yee Yong Yip (“3rd Defendant”)
  - (iv) Tiong Ping Siing (“4th Defendant”)
  - (v) Tang Pui San (“5th Defendant”)
  - (vi) Mohd Noor Nazrul Bin Mohd Yusof (“6th Defendant”)
  - (vii) Azmi Bin Md Aziz (“7th Defendant”)
  - (viii) Wong Kee Choo (“8th Defendant”)
  - (ix) Choon Suan Fatt (“9th Defendant”)
  - (x) Ahmad Bashti Bin Azmi (“10th Defendant”)
  - (xi) Foo Mun Pong (“11th Defendant”)

For negligence and/or breach of employment contracts with GSSB, in connection with a contract awarded to GSSB for the earthworks, piling works, and substructure works for a project known as the Paloma Project. In the said suit, GSSB claims losses of RM14,392,347.10.

All the defendants (besides the 7th and 8th Defendants) have filed their Defences, and GSSB has filed its reply on 15 February 2021. Substituted service was effected against the 7th Defendant on 28 January 2021, and GSSB is in the midst of applying for leave of the Bankruptcy Court to proceed against the 8th Defendant, a bankrupt.

The next case management in Court is on 9 August 2021.



**B11. Status of Memorandum of Understanding announced**

Reference is made to the announcements dated 20 July 2017, 19 October 2017, 16 January 2018, 13 April 2018, 28 May 2018, 28 August 2018, 28 November 2018, 31 December 2018, 29 March 2019, 28 June 2019, 1 July 2019, 30 September 2019, 31 December 2019, 31 March 2020, 30 June 2020, 30 September 2020, 31 December 2020 and 31 March 2021 made by the Company pertaining to the MOU between the Company and Tera Capital.

In view of the current pandemic which has been ongoing since early 2020, both the Company and Tera Capital will be monitoring the situation closely and will continue with their commitment on the project as well as speed up its progress once the pandemic is over and business can resume. Consequently, the Company and Tera Capital have mutually agreed to extend the MOU until 30 June 2021.

**B12. Earnings Per Share**

(a) Basic

The basic earnings per share are calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 21 RM'000	31 Mar 20 RM'000	31 Mar 21 RM'000	31 Mar 20 RM'000
Profit attributable to equity holders of the Company (RM'000)	4,545	3,921	4,545	3,921
Number of shares at the beginning of the year ('000)	493,429	493,429	493,429	493,429
Share resale	-	-	-	-
Dividend issue by shares	-	-	-	-
Weighted average number of ordinary shares ('000)	493,429	493,429	493,429	493,429
<b>Basic earnings per share (sen)</b>	<b>0.92</b>	<b>0.79</b>	<b>0.92</b>	<b>0.79</b>

**B12. Earnings Per Share (Cont'd)**

(b) Diluted

Diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment for the effects of dilutive potential ordinary shares, calculated as follows:

	Current Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31 Mar 21 RM'000	31 Mar 20 RM'000	31 Mar 21 RM'000	31 Mar 20 RM'000
Profit attributable to equity holders of the Company (RM'000)	4,545	3,921	4,545	3,921
No of ordinary shares for basic earnings per share computation	493,429	490,027	493,429	490,027
Effect of dilution - on assumption that remaining warrants are exercised	119,395	119,395	119,395	119,395
Weighted average number of ordinary shares ('000)	612,824	609,422	612,824	609,422
<b>Diluted earnings per share (sen)</b>	<b>0.74</b>	<b>0.64</b>	<b>0.74</b>	<b>0.64</b>

**B13. Authorisation for Issue**

This interim financial report was authorised for issue by the Board of Directors.