



**Interim Financial Results
For the 2nd Quarter ended
30 June 2021**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30 June 2021 RM'000	PRECEDING YEAR QUARTER 30 June 2020 RM'000	CURRENT YEAR TO DATE 30 June 2021 RM'000	PRECEDING YEAR TO DATE 30 June 2020 RM'000
Revenue	98,736	(53,267)	185,231	23,586
Cost of sales	(88,560)	(15,643)	(163,200)	(81,393)
Gross profit / (loss)	10,176	(68,910)	22,031	(57,807)
Other income	1,911	1,526	2,502	2,521
Operating costs	(7,882)	(6,413)	(13,697)	(11,782)
Finance cost	(997)	(876)	(1,716)	(1,909)
Share of profit of a joint venture	327	53	418	196
Share of profit of an associate	36	21	96	139
Profit / (loss) before tax	3,571	(74,599)	9,634	(68,642)
Tax expense	55	553	(1,161)	(1,282)
Profit / (loss) for the financial period	3,626	(74,046)	8,473	(69,924)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income / (loss) for the financial period	3,626	(74,046)	8,473	(69,924)
Attributable to:				
Owners of the parent	3,635	(74,163)	8,180	(70,242)
Non-controlling interests	(9)	117	293	318
	3,626	(74,046)	8,473	(69,924)
Earnings per ordinary share attributable to equity holders of the Company (sen) :				
- Basic	0.67	(15.03)	1.58	(14.24)
- Diluted	0.55	(12.10)	1.29	(11.46)

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 30 JUNE 2021

	(UNAUDITED) AS AT 30 June 2021 RM'000	(AUDITED) AS AT 31 Dec 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24,245	20,023
Right-of-use assets	4,766	5,875
Investment properties	31,863	32,209
Investment in a joint venture	2,124	1,706
Investment in an associate	3,679	3,584
Deferred tax assets	8,816	9,935
Intangible assets	27,355	27,355
	<u>102,848</u>	<u>100,687</u>
Current assets		
Inventories	352,249	363,314
Trade and other receivables	237,514	211,695
Contract assets	593,858	541,885
Other investment	744	1,074
Current tax assets	2,429	2,534
Short term funds	239	316
Cash and bank balances	136,153	118,390
	<u>1,323,186</u>	<u>1,239,208</u>
TOTAL ASSETS	<u>1,426,034</u>	<u>1,339,895</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	355,613	325,546
Treasury shares	(1,427)	(1,427)
Retained earnings	133,717	125,537
	<u>487,903</u>	<u>449,656</u>
Non-controlling interests	<u>2,203</u>	<u>6,614</u>
TOTAL EQUITY	<u>490,106</u>	<u>456,270</u>
Non-current liabilities		
Borrowings	19,755	16,273
Lease liabilities	2,341	3,159
Deferred tax liabilities	310	310
	<u>22,406</u>	<u>19,742</u>
Current liabilities		
Trade and other payables	632,256	596,684
Contract liabilities	15,111	22,602
Borrowings	263,683	241,769
Lease liabilities	2,346	2,689
Current tax liabilities	126	139
	<u>913,522</u>	<u>863,883</u>
TOTAL LIABILITIES	<u>935,928</u>	<u>883,625</u>
TOTAL EQUITY AND LIABILITIES	<u>1,426,034</u>	<u>1,339,895</u>
Net assets per share attributable to owners of the parent (RM)	0.90	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.

30 AUGUST 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 June 2021

	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----					
	I-----Non-distributable-----I	Treasury	Distributable		Non-	Total
	Share	shares	Retained	Total	controlling-	equity
	capital		earnings		interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	325,546	(1,427)	125,537	449,656	6,614	456,270
Profit for the financial period /						
Total comprehensive income for the period	-	-	8,180	8,180	293	8,473
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	(4,704)	(4,704)
Issuance of ordinary shares pursuant to						
- private placement	30,153	-	-	30,153	-	30,153
Share issue expenses	(86)	-	-	(86)	-	(86)
	30,067	-	8,180	38,247	(4,411)	33,836
Balance as at 30 June 2021	355,613	(1,427)	133,717	487,903	2,203	490,106
	-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----					
	I-----Non-distributable-----I	Treasury	Distributable		Non-	Total
	Share	shares	Retained	Total	controlling-	equity
	capital		earnings		interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020	325,546	(1,427)	184,924	509,043	6,215	515,258
Loss for the financial period /						
Total comprehensive income for the period	-	-	(70,242)	(70,242)	318	(69,924)
	-	-	(70,242)	(70,242)	318	(69,924)
Balance as at 30 June 2020	325,546	(1,427)	114,682	438,801	6,533	445,334

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 SECOND QUARTER ENDED 30 June 2021

30 AUGUST 2021



	Current Period Ended 30 June 2021 RM'000	Preceding Period Ended 30 June 2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	9,634	(68,642)
Adjustments for :		
Bad debts written-off	2	-
Depreciation of property, plant and equipment	3,336	3,152
Reversal of impairment losses of trade and other receivables	(173)	(4)
Reversal of impairment losses of property, plant and equipment	(1,151)	-
Gain on disposal of property, plant and equipment	3	(80)
Gain on lease modification	-	(6)
Impairment of trade and other receivables	698	123
Impairment of fair value on investment	330	-
Interest expense	1,716	1,909
Interest income	(803)	(1,337)
Property, plant and equipment written off	-	4
Share of gain of a joint venture	(418)	(196)
Share of gain of an associate	(96)	(139)
Operating profit / (loss) before changes in working capital	13,078	(65,216)
Changes in working capital:		
Inventories	11,065	13,711
Trade and other receivables	(78,320)	114,419
Trade and other payables	28,080	(56,096)
Cash (used in) / generated from operating activities	(26,097)	6,818
Interest paid	(1,653)	(1,629)
Interest received	803	1,337
Tax paid	(1,268)	(8,190)
Tax refunded	1,319	7
Net cash used in operating activities	(26,896)	(1,657)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,713)	(583)
Purchase of land held for property development	-	(293)
Purchase of investment property	(4)	-
Proceeds from disposals of property, plant and equipment	14	-
(Placements) / Withdrawals of fixed deposits pledged	(25,069)	5,689
Net cash (used in) / generated from investing activities	(29,772)	4,813
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(63)	(280)
Proceeds from issuance of share from private placement	30,153	-
Share issue expenses	(86)	-
Repayment of lease liabilities	(1,411)	(1,594)
Dividend paid to non-controlling interest of a subsidiary	(4,704)	-
Drawdowns of term loans	65,802	4,786
Repayments of term loans	(4,246)	(9,545)
Net cash generated from / (used in) financing activities	85,445	(6,633)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	28,777	(3,477)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	(200,815)	(179,240)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	(172,038)	(182,717)

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

	As at 30 June 2021 RM'000	As at 30 June 2020 RM'000
Cash and bank balances	7,096	26,708
Fixed deposits with licensed banks	129,057	101,490
Short term funds	239	375
	136,392	128,573
Less : Bank overdrafts included in borrowings	(179,373)	(209,800)
Fixed deposits pledged	(129,057)	(101,490)
Total cash and cash equivalents	(172,038)	(182,717)

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.

Title	Effective Date
<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

During the current quarter, the Company increased its issued and paid-up ordinary share capital by way of issuance of 49,342,852 ordinary shares of RM0.6111 each pursuant to the Private Placement.

Save for the above, 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, a total of 1,165,744 shares were held as treasury shares.

A8. Dividend Paid

No dividend has been paid during the current quarter.

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:

6 months ended 30 June 2021	Construction RM'000	Property Development RM'000	Other RM'000	Inter-segment Elimination RM'000	Total RM'000
Segment Revenue					
External	132,224	50,168	2,839	-	185,231
Inter-segment	35,867	-	12,673	(48,540)	-
Total revenue	168,091	50,168	15,512	(48,540)	185,231
Interest income	1,900	69	854	(2,020)	803
Finance cost	(1,433)	(1,429)	(978)	2,124	(1,716)
Net finance expense	467	(1,360)	(124)	104	(913)
Segment profit before taxation	6,790	3,634	5,825	(6,615)	9,634
Share of profit of an associate	96	-	-	-	96
Share of profit of a joint venture	-	-	418	-	418
Taxation	(1,553)	-	(42)	434	(1,161)
Segment profit after taxation	5,237	3,634	5,783	(6,181)	8,473
Other material non-cash item:					
- Depreciation	(2,843)	(230)	(997)	734	(3,336)
Additions to non-current assets other than financial instruments and deferred tax assets	4,704	-	7	-	4,711
Segment assets	953,513	577,656	511,462	(616,597)	1,426,034
Segment liabilities	729,089	484,692	70,670	(348,503)	935,948
6 months ended 30 June 2020	Construction RM'000	Property Development RM'000	Other RM'000	Inter-segment Elimination RM'000	Total RM'000
Segment Revenue					
External	38,140	(20,231)	5,677	-	23,586
Inter-segment	23,367	-	3,249	(26,616)	-
Total revenue	61,507	(20,231)	8,926	(26,616)	23,586
Interest income	2,157	52	481	(1,353)	1,337
Finance cost	(1,478)	(1,036)	(888)	1,493	(1,909)
Net finance expense	679	(984)	(407)	140	(572)
Segment profit/(loss) before taxation	(31,366)	(38,881)	2,723	(1,118)	(68,642)
Share of loss of an associate	139	-	-	-	139
Share of profit of a joint venture	-	-	196	-	196
Taxation	(41)	-	(1,141)	(100)	(1,282)
Segment profit/(loss) after taxation	(31,407)	(38,881)	1,582	(1,218)	(69,924)
Other material non-cash item:					
- Depreciation	(2,607)	(280)	(999)	734	(3,152)
Additions to non-current assets other than financial instruments and deferred tax assets	914	41	1	-	956
Segment assets	977,994	528,876	417,716	(582,362)	1,342,224
Segment liabilities	743,171	436,029	25,921	(308,231)	896,890

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

A15. Contingent Liabilities

	As at 30 June 21 RM'000	As at 31 Dec 20 RM'000
Bank guarantees given by financial institutions in respect of construction and property projects	133,752	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 (2 nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30/6/2021	30/6/2020		30/6/2021	30/6/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	98,736	(53,267)	285.36	185,231	23,586	685.34
Core Operational Revenue	98,736	8,232 *	1,099.42	185,231	85,085 *	117.70
Profit Before Tax	3,571	(74,599)	104.79	9,634	(68,642)	114.04
Profit After Taxation	3,626	(74,046)	104.90	8,473	(69,924)	112.12

**after adjusting for one-off impairments that impacted revenue*

The Group achieved a revenue and PBT of RM98.7 million and RM3.6 million in 2Q21, representing a 11-fold increase in revenue and PBT as compared to a loss before tax in 2Q20. Revenue and PBT for the current quarter improved significantly compared to the preceding year corresponding quarter due to improving progress of recognition from all business divisions.

In 2Q21, the Group incurred operating costs of RM7.9 million, representing a 22.9% increase compared to 2Q20, as a result of higher sales and marketing expenses incurred. The total sales and marketing expenses incurred in 2Q21 stood at RM1.4 million for RM70.0 million worth of properties sold, compared to RM0.3 million in 2Q20 for RM11.2 million worth of properties sold.

Construction segment

	Individual Period (2 nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30/6/2021	30/6/2020		30/6/2021	30/6/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	70,491	(33,671)	309.35	168,091	61,507	173.29
Profit Before Tax	896	(37,317)	102.40	6,790	(31,366)	121.65
Profit After Taxation	896	(36,097)	102.48	5,237	(31,407)	116.67

The construction division reported a revenue of RM70.5 million in 2Q21, compared to a negative revenue that was reported in 2Q20. This quarter, revenue was mainly contributed by the LRT3 and the SUKE construction projects.

The construction division reported a PBT of RM0.9 million in 2Q21, compared to a loss before tax in 2Q20. The increase in profit is due to higher work progress compared to a total halt construction activity in 2Q20 as a result of the MCO 1.0.

B1. Review of Performance (Cont'd)

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

Property Development segment

	Individual Period (2 nd Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/6/2021	30/6/2020		30/6/2021	30/6/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	45,043	(20,970)	314.80	50,168	(20,231)	347.98
Profit Before Tax	3,254	(38,079)	108.55	3,634	(38,881)	109.35
Profit After Taxation	3,254	(38,079)	108.55	3,634	(38,881)	109.35

The property development division reported revenue of RM45.0 million in 2Q21, compared to a negative revenue in 2Q20. Profit before tax for the division stood at RM3.3 million in 2Q21, compared to a loss before tax of RM38.1 million in 2Q20. Revenue and PBT were contributed by the sale of 5 units of Contours worth RM24.7 million and the recognition of progress billings of ongoing property developments.

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

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/6/2021	31/3/2021	
	RM'000	RM'000	
Revenue	98,736	86,495	14.15
Profit Before Tax	3,571	6,063	(41.10)
Profit After Tax	3,626	4,847	(25.19)

Overall, the Group's revenue and profit before tax for the current quarter of RM98.7 million and RM3.6 million respectively, as compared to the immediate preceding quarter revenue and profit before tax of RM86.5 million and RM6.1 million respectively. The lower profit before tax is as a result of decreased Group's efficiency and productivity as a result of MCO 3.0.

B3. Prospects

GBG currently has RM1.98 billion in future gross revenue to be recognised up to FYE 2024, comprising of RM1.23 billion from the construction division and RM0.75 billion from the property development division.

As at 2Q21, our total cash and cash equivalents has increased to RM136.4 million, representing a 30.0% or RM31.2 million increase compared to 1Q21. The Group's total borrowings stood at RM286.2 million, comprising RM21.1 million in long-term borrowings and RM265.1 million in short-term borrowings (68.1% are project financing related). As a result of higher cash and cash equivalents, our net gearing has improved by 16.2% to 0.31x as at 2Q21, compared to 0.37x in 1Q21.

B3. Prospects (Cont'd)

As the Group was in the midst of recovery in 1Q21, our operations were impacted by the implementation of MCO 3.0 from 6 May 2021 to 20 May 2021, which were placed in the areas of Selangor, Wilayah Persekutuan Kuala Lumpur and Johor. During MCO 3.0, we were granted the necessary permissions to operate, albeit at a 60% workforce. Supply chain disruptions we also faced as certain suppliers and subcontractors were not granted permission to operate. As a result, the Group's efficiency had reduced, hampering our productivity. From 3 July 2021 to 16 July 2021, the enforcement of the EMCO had resulted in total closure of our offices and sites.

Positively, during the various movement control orders, the Group's procurement division had achieved favorable cost optimisation results that would reduce project costs and would subsequently improve margins, while the property development division continued to register a strong sales momentum, and was able to hit record booking rates in July 2021.

To ensure the wellbeing of the team, the Group had funded Covid-19 vaccination for its employees under the various vaccination programmes opened to the private sector. As at 23 August 2021, 75% of employees, including staff at construction sites, have been fully-vaccinated. We are on track to achieve a fully-vaccinated workforce by September 2021.

Against the backdrop of a challenging operating environment, the Group's business fundamentals remain strong and is anticipated to, barring any unforeseen circumstances, to stage a meaningful recovery in FYE 2022.

(a) Construction Division

Operations at our project sites, including workforce our subcontractors and suppliers are currently operating at an efficiency of between 60% to 100%, and is on track to operate at full-capacity by September 2021. Currently, only the construction site of E'Island Lake Haven is operating at a 100% capacity.

The Group's construction division is armed with a healthy outstanding orderbook of RM1.23 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.

(b) Property Development Division

Property Sales Increased by 481% in 1H21

Property Sales	1H21		1H20	
	No of Units	Sales Value	No of Units	Sales Value
	185	RM102.9 million	32	RM17.7 million

The Group recorded RM70.0 million in property sales in 2Q21, which represents a seven-fold increase compared to RM13.0 million property sales achieved in 2Q20. This lifts our first-half FYE 2021 property sales to RM102.9 million, comprising 185 units. As a comparison, we had secured only RM17.7 million in sales of 32 units in the first-half of FYE 2020.

Year to date, as at 23 August 2021, we have secured 245 units of sales worth RM129.1 million, with additional bookings worth RM106.0 million that are undergoing loan applications stage. Whilst operating in a challenging environment, we were able to hit our record sales in July 2021, and we believe that the Group is on track to achieve its 300-unit sales target for the year.

B3. Prospects (Cont'd)

(b) Property Development Division (Cont'd)

Property Sales Summary up to 23 August 2021

Property Sales Summary up to 23 August 2021	No of Units				Take Up	Cumulative Sales since 2Q19
	Unsold as at (Jan 21)	Sold (1H21)	Sold (July to 23 Aug 2021)	Sold (Jan 21 to 23 Aug 21)		
<u>Developments Under Construction</u>						
E'Island Lake Haven	739 of 1,140	178	60	238	639 units or 56%	RM269.9m
The Peak	395 of 668	1	-	1	273 units or 41%	RM103.0m
<u>Completed Developments</u>						
Contours	7 of 40	5	-	5	38 units or 95%	RM32.2m
Permas Centro	1 of 99	1	-	1	100%	RM15.5m
Kinrara Uptown	2 of 177	-	-	-	175 or 99%	-
Total	1,144	185	60	245		RM420.6m
						<u>Bookings</u>
						RM106.0m

Based on the table above, since the relaunch of our property development division in 2Q19, we have achieved RM420.6 million in total property sales, and represents an overall take-up rate of 46%. Additionally, we have RM106.0 million in property bookings pending loan conversions. 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 contributions.

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.

B3. Prospects (Cont'd)

(b) Property Development Division (Cont'd)

As at 30 June 2021, our total sold and unbilled sales stand at RM324.5 million, which will mostly be recognised in FYE 2022 and FYE 2023. As a comparison, our total sold and unbilled sales stood at RM266.3 million in 1Q21.

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 6 months ended	
	30 June 21	30 June 20	30 June 21	30 June 20
	RM'000	RM'000	RM'000	RM'000
Interest income	463	666	803	1,337
Reversal of impairment losses of receivables	173	-	173	-
Reversal of impairment losses of investment properties	1,151	-	1,151	-
Other income	124	780	375	1,104
Interest expense (excluding interest capitalised)	(997)	(876)	(1,716)	(1,909)
Depreciation and amortisation	(1,698)	(1,534)	(3,336)	(3,152)
Impairment losses of receivables	(75)	-	(698)	(123)
Impairment losses of fair value on investment	-	-	(330)	-
Property, plant and equipment written off	-	(1)	-	(4)
Gain/(loss) on disposal of property, plant and equipment	-	80	(3)	80
Gain on disposal of quoted investments	-	*	-	*
Bad debts written off	(3)	-	(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 6 months ended	
	30 June 21	30 June 20	30 June 21	30 June 20
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current year	-	(537)	42	1,182
- Previous year	-	-	-	-
	-	(537)	42	1,182
Deferred taxation				
- Current year	(55)	(16)	1,119	100
- Prior years	-	-	-	-
	(55)	(16)	1,119	100
	(55)	(553)	1,161	1,282

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

B7. Status of Corporate Proposals Announced

There are no corporate proposals announced by the Company but not completed as at 23 August 2021, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

Status of Utilisation of Private Placement Proceeds

Pursuant to the Private Placement Exercise which was duly completed upon the subscription and listing of 49,342,852 Placement shares at RM0.6111 each on the Main Market of Bursa Malaysia Securities Berhad with effect from 5 April 2021, the gross proceeds raised from the Private Placement Exercise was RM30,153,417 and current utilisation status as at 23 August 2021 is as set out below:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation	Deviation		Explanations
				Amount RM'000	%	
Funding for existing and future property development and construction projects	29,491	16,423	Within 24 months	-	-	
Defrayment of expenses related to the Proposed Private Placement	662	684	Upon completion	(22)	(3.3)	<i>Under-estimation of professional cost</i>
Total	30,153	17,107		(22)		

B8. Group Borrowings and Debt Securities

As at 30 June 2021			
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
- Term loan	19,755	82,310	102,065
- Revolving credit	-	2,000	2,000
- Bank overdrafts	-	179,373	179,373
	<u>19,755</u>	<u>263,683</u>	<u>283,438</u>
As at 30 June 2020			
	Long term RM'000	Short term RM'000	Total borrowings RM'000
Secured			
- Term loan	16,751	19,186	35,937
- Revolving credit	-	2,000	2,000
- Bank overdrafts	-	209,800	209,800
	<u>16,751</u>	<u>230,986</u>	<u>247,737</u>

B9. Dividend

No dividend has been proposed by the Board of Directors for the current quarter ended 30 June 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. The decision for GAB and TVSB's application for further and better particulars, which is initially fixed on 17 August 2021 was adjourned to 25 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.

In March 2021, the following defendants applied to strike out GSSB's Suit against them: -

- 1. 2nd Defendant;
- 2. 3rd Defendant;
- 3. 4th to 6th Defendants and 11 Defendant; and
- 4. 9th and 10th Defendants,
(collectively the "Striking Out Applications")

B10. Material litigation (Cont'd)

- (b) The 1st Defendant applied for a Determination of Question of Law under Order 14A of the Rules of Court, 2021 on 19 March 2021 ("Order 14A Application").

The Striking Out Applications and Order 14A Application were heard before the Kuala Lumpur High Court Judge on 17th August 2021. The Judge reserved his decision to be delivered on 18 October 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, 31 March 2021 and 1 July 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 2022.

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		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June 21	30 June 20	30 June 21	30 June 20
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the Company (RM'000)	3,635	(74,163)	8,180	(70,242)
Weighted average number of ordinary shares ('000)	540,060	493,429	516,873	493,429
Basic earnings per share (sen)	0.67	(15.03)	1.58	(14.24)

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		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June 21	30 June 20	30 June 21	30 June 20
	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the Company (RM'000)	3,635	(74,163)	8,180	(70,242)
No of ordinary shares for basic earnings per share computation	540,060	493,429	516,873	493,429
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)	659,455	612,824	636,268	612,824
Diluted earnings per share (sen)	0.55	(12.10)	1.29	(11.46)

B13. Authorisation for Issue

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