



SUNSURIA BERHAD
Registration No.: 196801000641 (8235 - K)

INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

SUNSURIA BERHAD

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**

	Note	Individual Quarter		Year To Date	
		Current Year 31/12/2020 RM'000 (Unaudited)	Preceding Year 31/12/2019 RM'000 (Unaudited)	Current Year 31/12/2020 RM'000 (Unaudited)	Preceding Year 31/12/2019 RM'000 (Unaudited)
Revenue		47,937	47,498	47,937	47,498
Cost of sales		(31,275)	(28,494)	(31,275)	(28,494)
Gross profit		16,662	19,004	16,662	19,004
Other income		3,506	3,181	3,506	3,181
		20,168	22,185	20,168	22,185
Administrative and other expenses		(8,427)	(11,754)	(8,427)	(11,754)
Finance costs		(3,316)	(1,565)	(3,316)	(1,565)
Share of results in associates		-	-	-	-
Profit before taxation		8,425	8,866	8,425	8,866
Income tax expense	B5	(1,932)	(2,641)	(1,932)	(2,641)
Profit after taxation		6,493	6,225	6,493	6,225
Other comprehensive income		-	-	-	-
Total comprehensive income		6,493	6,225	6,493	6,225
Profit after taxation attributable to:					
Owners of the Company		5,324	9,135	5,324	9,135
Non-controlling interests		1,169	(2,910)	1,169	(2,910)
		6,493	6,225	6,493	6,225
Total comprehensive income attributable to:					
Owners of the Company		5,324	9,135	5,324	9,135
Non-controlling interests		1,169	(2,910)	1,169	(2,910)
		6,493	6,225	6,493	6,225
Basic earnings per share attributable to Owners of the Company (sen) :	B9	0.59	1.02	0.59	1.02

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

SUNSURIA BERHAD

(Registration No.: 196801000641 (8235 - K))

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31/12/2020 RM'000 (Unaudited)	As At 30/09/2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Investment in associates	576	576
Other investment	159	184
Property, plant and equipment	30,014	30,558
Investment properties	190,142	181,507
Goodwill	11,453	11,453
Inventories - land held for property development	537,740	533,497
Deferred tax assets	9,555	9,286
Right-of-use assets	1,175	1,425
	780,814	768,486
Current Assets		
Inventories - completed units and others	61,291	63,842
Inventories - property development costs	251,755	241,939
Biological assets	106	111
Contract assets	117,955	116,975
Contract costs	16,475	16,540
Trade receivables	56,808	48,781
Other receivables, deposits and prepayments	25,845	25,962
Lease receivables	145	204
Amount owing by related parties	1,586	1,763
Amount owing by an associate	8,585	4,270
Current tax assets	11,977	14,501
Short-term investments	239,231	92,264
Fixed deposits with licensed banks	28,748	34,908
Cash and bank balances	97,623	140,606
	918,130	802,666
Asset classified as held for sale	2,998	3,013
	921,128	805,679
TOTAL ASSETS	1,701,942	1,574,165
EQUITY AND LIABILITIES		
Equity		
Ordinary share capital	640,288	640,288
Reserves	393,702	388,378
Equity attributable to owners of the Company	1,033,990	1,028,666
Non-controlling interests	8,504	7,335
TOTAL EQUITY	1,042,494	1,036,001

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As At 31/12/2020 RM'000 (Unaudited)	As At 30/09/2020 RM'000 (Audited)
<u>EQUITY AND LIABILITIES (CONTINUED)</u>		
Non-Current Liabilities		
Deferred tax liabilities	93,076	94,773
Long-term borrowings	220,301	227,207
Sukuk Wakalah	112,666	-
Lease liabilities	1,279	2,558
	<u>427,322</u>	<u>324,538</u>
Current Liabilities		
Trade payables	58,020	52,070
Other payables, deposits received and accruals	118,270	111,831
Contract liabilities	26,208	13,960
Amount owing to associate	3,208	2,158
Short-term borrowings	22,459	24,069
Lease liabilities	1,688	2,238
Current tax liabilities	2,273	7,300
	<u>232,126</u>	<u>213,626</u>
TOTAL LIABILITIES	659,448	538,164
TOTAL EQUITY AND LIABILITIES	<u>1,701,942</u>	<u>1,574,165</u>
Net assets per share attributable to Owners of the Company (RM)	<u>1.15</u>	<u>1.15</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Non-distributable →			Distributable			Total Equity RM'000
	Ordinary Share Capital	Warrant Reserve	Capital Reserve	Retained profits	Attributable to Owners of the Company	Non-controlling Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 October 2020	640,288	-	815	387,563	1,028,666	7,335	1,036,001
Profit after taxation/Total comprehensive income	-	-	-	5,324	5,324	1,169	6,493
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	-	-
Balance as at 31 December 2020 (unaudited)	640,288	-	815	392,887	1,033,990	8,504	1,042,494

	← Non-distributable →			Distributable			Total Equity RM'000
	Ordinary Share Capital	Warrant Reserve	Capital Reserve	Retained profits	Attributable to Owners of the Company	Non-controlling Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance as at 1 October 2019	640,288	48,299	815	310,168	999,570	16,304	1,015,874
Profit after taxation/Total comprehensive income	-	-	-	9,135	9,135	(2,910)	6,225
Redemption of non-convertible non-cumulative preference shares by subsidiary to non-controlling interest	-	-	-	-	-	(2,499)	(2,499)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	-	-	(2,940)	(2,940)
Balance as at 31 December 2019 (unaudited)	640,288	48,299	815	319,303	1,008,705	7,955	1,016,660

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/12/2020 RM'000 (Unaudited)	31/12/2019 RM'000 (Unaudited)
Cash Flows From Operating Activities		
Profit before taxation	8,425	8,866
Adjustments for:		
Depreciation of:		
- property, plant and equipment	1,340	1,425
- investment properties	104	128
- right-of-use assets	155	296
Impairment loss on:		
- club membership	25	-
Gain on disposal of:		
- property, plant and equipment	(23)	-
- investment properties	-	(1,893)
- right-of-use assets	(1,222)	-
Interest expense	3,316	1,559
Interest income	(1,530)	(1,022)
Fair value changes on biological assets	5	1
Operating profit before working capital changes	10,595	9,360
Changes in working capital:		
Decrease in inventories - completed units and others	2,551	2,199
Increase in inventories - property development costs	(10,226)	(9,864)
Increase in trade and other receivables	(7,909)	(37,267)
Increase in trade and other payables	12,389	1,197
(Increase)/Decrease in contract assets	(921)	131,415
Decrease/(Increase) in contract costs	65	(528)
Increase in contract liabilities	13,387	9,502
Decrease in amount owing by related parties	177	1,702
Increase in amount owing by associate	(3,231)	-
Cash from operations	16,877	107,716
Interest paid	(3,655)	(4,036)
Income tax refund	2,774	-
Income tax paid	(9,175)	(10,480)
Net cash from operating activities	6,821	93,200
Cash Flows For Investing Activities		
Expenditure incurred on land held for property development	(4,162)	(1,920)
Decrease/(Increase) in fixed deposits pledged to licensed banks	7,677	(30)
Interest income received	1,530	1,022
Purchase of:		
- property, plant and equipment	(704)	(1,845)
- investment properties	(8,208)	(4,424)
Proceeds from disposal of:		
- property, plant and equipment	82	-
- investment properties	-	2,300
Advance to associate	(34)	(402)
Net cash for investing activities	(3,819)	(5,299)

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INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended	
	31/12/2020	31/12/2019
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows From/(For) Financing Activities		
Drawdown of term loan	17,260	6,000
Repayment of term loans	(25,734)	(10,917)
Repayment of hire purchase obligations	(43)	(55)
Proceeds from issuance of Sukuk Wakalah	112,666	-
Repayment to related parties	-	(1,144)
Payments for the principal portion of lease liabilities	(1,652)	(746)
Redemption of non-convertible non-cumulative preference shares	-	(2,499)
Dividend paid to non-controlling interests	-	(2,940)
Net cash from/(for) financing activities	<u>102,497</u>	<u>(12,301)</u>
Net change in cash & cash equivalents	105,499	75,600
Cash & cash equivalents at the beginning of the financial period	235,423	103,133
Cash & cash equivalents at the end of the financial period	<u>340,922</u>	<u>178,733</u>

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

	3 months ended	
	31/12/2020	31/12/2019
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Short-term investment	239,231	12,209
Fixed deposits with licensed banks	28,748	34,439
Cash and bank balances	<u>97,623</u>	<u>154,492</u>
	365,602	201,140
Less: Deposit pledged to licensed banks	<u>(24,680)</u>	<u>(22,407)</u>
Total Cash and cash equivalents for the year	<u>340,922</u>	<u>178,733</u>

Notes :

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 30 September 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. Basis of Preparation

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standards (“MFRS”) No. 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 audited financial statements for the year ended 30 September 2020 which were prepared under the Malaysian Financial Reporting Standards. 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 financial year ended 30 September 2020.

A2. Changes in Accounting Policies

The accounting policies and presentation adopted for this interim report are consistent with those adopted for the audited financials for the financial year ended 30 September 2020, except for the adoption of the following MFRSs, amendments to MFRSs and Issues Committee Interpretations (“IC Interpretations”) issued by Malaysia Accounting Standards Board (MASB) that are relevant to its operations and effective for annual financial periods beginning on or after 1 October 2019 as follows:

Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint-Ventures
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

The adoption of these MFRSs, amendments to MFRSs and IC Interpretation did not result in significant changes to the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.

Standards and Amendments and IC Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new MFRSs, amendments to MFRSs and IC Interpretations which were in issue but not yet effective and not early adopted by the Group are as listed below:

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards ¹
MFRS 17/Amendments to MFRS17	Insurance contracts ⁴
Amendments to MFRS 3	Definition of a Business ¹
Amendments to MFRS 3	Reference to the Conceptual Framework ³
Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9 ⁴
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform ¹

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A2. Changes in Accounting Policies (continued)

Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current ⁴
Amendments to MFRS 101 and MFRS 108	Definition of Material ¹
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2 ²
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use ³
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract ³
Annual Improvements to MFRS 2018 - 2020 Cycle ³	

- ¹ Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2021, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.
- ⁴ Effective for annual periods beginning on or after 1 January 2023, with earlier application permitted.
- ⁵ Effective date deferred to a date to be determined and announced.

The abovementioned new MFRSs, amendments to MFRSs and IC Interpretations will be adopted in the annual financial statements of the Group when they become effective and the Directors anticipate that the adoption of these new MFRSs, amendments to MFRS and IC Interpretations will have no material impact on the financial statements of the Group in the period of initial application.

A3. Auditors' Report for the Financial Year Ended 30 September 2020

The auditors' report on the financial statements for the financial year ended 30 September 2020 was not subject to any qualification.

A4. Seasonality or Cyclicity Factors

The Group's operations during the financial period under review were not materially affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

A6. Material Changes in Estimates of Amounts

There were no changes in estimates that have had any material effect on the results for the current quarter and current financial year under review.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134**

A7. Debts and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities during the current quarter under review, except the following:

On 2 December 2020, the Company made its inaugural issuance of Sukuk Wakalah amounting to an aggregate of RM115.0 million in nominal value under the Sukuk Wakalah Programme. The details of issuance of the Sukuk Wakalah are summarised as follows:

Tenure (Years)	Issuance Size (RM'million)
3	75.0
5	40.0

The Sukuk Wakalah Programme has been assigned a final credit rating of A+*IS* with a stable outlook by Malaysian Rating Corporation Berhad.

Proceeds from the issuance of Sukuk Wakalah shall be utilised by the Company to finance the capital expenditure, working capital requirements and/or investments as well as for general corporate purposes of the Company and its subsidiaries from time to time which shall be Shariah-compliant.

A8. Dividends

The Board of Directors is pleased to declare an interim single tier dividend of RM0.02 per ordinary share amounting to approximately RM17,918,346 in respect of the financial year ending 30 September 2021, payable on 31 March 2021.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A9. Segmental Information

Segmental information of the Group’s business segments are based on the internal reporting structure presented by the management of the Company. The Group’s business segments include property development, construction, investment holding and others.

The information by geographical location is not presented as the Group operates principally within Malaysia.

Business Segment Analysis (RM'000)	Quarter and Year-to-date ended 31 December 2020				Quarter and Year-to-date ended 31 December 2019			
	Property Development	Construction	Investment Holding and Others	Total	Property Development	Construction	Investment Holding and Others	Total
Revenue								
External revenue	46,178	1,235	524	47,937	46,762	21	715	47,498
Inter-segment revenue	1,477	33,440	52,125	87,042	-	30,198	7,415	37,613
Consolidation adjustments	47,655	34,675	52,649	134,979	46,762	30,219	8,130	85,111
Consolidated Revenue				(87,042)				(37,613)
				47,937				47,498
Results from Operation	16,238	(106)	(2,775)	13,357	18,182	5,972	(11,874)	12,280
- Depreciation	(1,077)	(54)	(485)	(1,616)	(1,110)	(49)	(690)	(1,849)
- Finance Cost	(2,660)	-	(656)	(3,316)	(1,486)	-	(79)	(1,565)
Share of results in associates	12,501	(160)	(3,916)	8,425	15,586	5,923	(12,643)	8,866
Consolidated Profit Before Taxation				-				-
				8,425				8,866

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD
("MFRS") 134**

A10. Material Events Subsequent to the End of the Period

There was no material event subsequent to the end of the current quarter and up to the date of this report that has not been reflected in the interim financial statements, except the following:

On 25 January 2021, the Company had announced that its 70%-owned subsidiary Sunsuria Genlin Development Sdn. Bhd., has entered into a Sale and Purchase Agreement with Kerjaya Property Sdn. Bhd., a wholly-owned subsidiary of Kerjaya Prospek Property Berhad to dispose the following vacant freehold agricultural lands:

- (i) Geran Mukim 2273, Lot No. 30259, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, measuring approximately 5,951 square metres (64,056.03 square feet) for a consideration of RM19,729,257.24; and
- (ii) Geran Mukim 2545, Lot No. 201562, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, measuring approximately 3,141 square meters (33,809.44 square feet) for a consideration of RM10,413,307.52.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review .

A12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last audited financial position as at 30 September 2020.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B1. Review of Performance

	3 months ended			3 months ended		
	31/12/2020 RM'000	31/12/2019 RM'000	Changes (RM'000 / %)	31/12/2020 RM'000	31/12/2019 RM'000	Changes (RM'000 / %)
Revenue	47,937	47,498	439 / 1%	47,937	47,498	439 / 1%
Cost of sales	(31,275)	(28,494)	(2,781) / (10%)	(31,275)	(28,494)	(2,781) / (10%)
Gross profit	16,662	19,004	(2,342) / (12%)	16,662	19,004	(2,342) / (12%)
Profit before taxation	8,425	8,866	(441) / (5%)	8,425	8,866	(441) / (5%)
Profit after taxation	6,493	6,225	268 / 4%	6,493	6,225	268 / 4%
Profit attributable to owners of the Company	5,324	9,135	(3,811) / (42%)	5,324	9,135	(3,811) / (42%)

The Group's revenue and profit before taxation for the current year's first reporting quarter are RM47.9m and RM8.4m respectively as compared to the revenue of RM47.5m and profit before taxation of RM8.9m in the previous year's corresponding quarter. The Group's current ongoing projects are Monet Springtime, Monet Garden Townhouses and Villa, Giverny Walk dual frontage shop offices and Tangerine Suites at Sunsuria City and the Forum 2 at Setia Alam. Meanwhile, the Bell Suites SOHO & Retails @ Sunsuria City which contributed substantially to the Group's revenue in the previous year's corresponding quarter was completed in April 2020.

Amid the COVID-19 pandemic, the Group reported marginal changes in revenue and profit before taxation in the current reporting quarter as compared to the previous year's corresponding quarter. While construction activities are allowed to continue, the lingering impact of the pandemic has nevertheless, affected buyers' confidence and job security which can be seen from the slower sales rate even though the Group continues to generate new sales from its ongoing projects at both Sunsuria City and the Forum 2 at Setia Alam.

B2. Variation of Results against the Preceding Quarter

	Current Quarter 31/12/2020 RM'000	Immediate Preceding Quarter 30/09/2020 RM'000	Changes (RM'000 / %)
Revenue	47,937	61,302	(13,365) / (22%)
Cost of sales	(31,275)	(34,841)	3,566 / 10%
Gross profit	16,662	26,461	(9,799) / (37%)
Profit before taxation	8,425	22,120	(13,695) / (62%)
Profit after taxation	6,493	7,236	(743) / (10%)
Profit after taxation attributable to owners of the Company	5,324	9,206	(3,882) / (42%)

Quarter to quarter, the Group's current quarter revenue decreased by 22% to RM47.9m from RM61.3m in the preceding quarter. Profit before taxation also decreased by 62% to RM8.4m in the current reporting quarter as compared to RM22.1m in the preceding quarter. The decrease in both revenue and profit before taxation was attributed mainly to lower revenue contribution from the Forum 2 Service Apartments and Monet Springtime at Sunsuria City in the reporting quarter.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B3. Prospects

The Group will continue to exercise prudence in spending and in growing its land bank whilst undertaking more innovation and creativity in terms of product offerings and also in diversifying into new businesses. Meanwhile, a successful vaccination rolled-out programme and COVID-19 containment will continue to have an impact on the economic recoveries. Nevertheless, with the completion of the share subscription and shareholders agreement on the Bangsar Hillpark projects located at Lorong Maarof @ Bangsar, the Board is cautiously optimistic of its prospect in the coming years.

B4. Variance from Profit Forecast and Profit Guarantee

Not applicable as there were no profit forecast and profit guarantee published.

B5. Income tax expense

The breakdown of the Malaysian income tax charge is as follows:

	Individual quarter		Year To Date	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Current Taxation	3,899	4,745	3,899	4,745
Deferred Taxation	(1,967)	(2,104)	(1,967)	(2,104)
	<u>1,932</u>	<u>2,641</u>	<u>1,932</u>	<u>2,641</u>

The effective tax rate of the Group for the current quarter and current financial year were lower than the statutory tax rate of 24% mainly due to non-taxable income.

B6. Corporate Proposals

There were no other corporate proposals announced by the Company that have not been completed as at 20 February 2021 (being the latest practicable date), which is not earlier than 7 days from the date of issuance of these Interim Financial Statements except for the following proposals pursuant to the circular to shareholders dated 21 January 2021, i.e:

Proposal I)	Proposed subscription of Bangsar Hillpark Park Development Sdn Bhd (“BHP Development”);
Proposal II)	Proposed provision of financial assistance to BHP Development;
Proposal III)	Proposed acquisition of Bumiflex Construction Sdn Bhd; and
Proposal IV)	Proposed provision of financial assistance to Monflex Sdn Bhd

The Company has on 8 February 2021, announced the completion of Proposal I.

On 22 February 2021, the Company and the Vendor had mutually agreed to the termination of Proposal III and hence the Proposal IV is cancelled.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B7. Group Borrowings

	As at 31/12/2020	As at 30/09/2020
	RM'000	RM'000
Secured short term borrowings	22,459	24,069
Secured long term borrowings	220,301	227,207
Unsecured Sukuk Wakalah	112,666	-
Total	355,426	251,276

The Group's borrowings as at 30 September 2020 were denominated in Ringgit Malaysia. There were no borrowings in foreign currency during the financial period under review.

B8. Material Litigation

There was no material litigation against the Group as at the reporting date.

B9. Earnings per share (EPS)

The basic EPS has been calculated by dividing the Group's net profit attributable to the ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual quarter		Year to date	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net profit attributable to owners of the Company (RM'000)	5,324	9,135	5,324	9,135
Weighted average number of ordinary shares in issues ('000)	895,917	895,917	895,917	895,917
Basic EPS (sen)	0.59	1.02	0.59	1.02

The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any material potential dilutive ordinary shares in issue.

INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2020

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B10. Notes to the Statement of Comprehensive Income

Description	Current quarter and year-to-date 31/12/2020 RM'000
Profit for the period is arrived at after crediting/(charging) :	
- Interest income	1,530
- Gain on disposal of:	
- property, plant and equipment	23
- right-of-use assets	1,222
- Interest expense	(3,316)
- Depreciation and amortisation	(1,616)
- Impairment loss on club membership	(25)

BY ORDER OF THE BOARD

Company Secretary
26 February 2021