

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

| | Individual Quarter (4th quarter) | | Changes % | Cumulative Quarter | | Changes % |
|--|-------------------------------------|-----------------------------------|--------------|-------------------------------------|--|--------------|
| | Current quarter ended | Corresponding quarter ended | | Current year-to-date ended | Corresponding year-to-date ended | |
| | 31.12.2020 RM'000 | 31.12.2019 RM'000 | | 31.12.2020 RM'000 (UNAUDITED) | 31.12.2019 RM'000 (AUDITED) | |
| 1 Revenue | 248,854 | 268,409 | -7.3% | 810,999 | 1,055,276 | -23.1% |
| 2 Cost of sales | (208,847) | (211,173) | -1.1% | (676,540) | (838,605) | -19.3% |
| 3 Gross profit | 40,007 | 57,236 | -30.1% | 134,459 | 216,671 | -37.9% |
| 4 Other income | 12,467 | 2,979 | 318.5% | 32,898 | 13,637 | 141.2% |
| 5 Administrative expenses | (10,624) | (9,551) | 11.2% | (32,163) | (33,879) | -5.1% |
| 5A Other operating expenses | (5,185) | (6,148) | -15.7% | (16,460) | (9,652) | 70.5% |
| 6 Profit from operations | 36,665 | 44,516 | -17.6% | 118,734 | 186,777 | -36.4% |
| 7 Finance cost | (225) | 2,203 | -110.2% | (979) | (886) | 10.5% |
| 8 Profit before tax | 36,440 | 46,719 | -22.0% | 117,755 | 185,891 | -36.7% |
| 9 Taxation | (8,603) | (10,459) | -17.7% | (27,142) | (45,641) | -40.5% |
| 10 Profit after tax ("PAT") for the period | 27,837 | 36,260 | -23.2% | 90,613 | 140,250 | -35.4% |
| Attributable to : | | | | | | |
| Owners of the Company | 27,824 | 36,268 | -23.3% | 90,594 | 140,180 | -35.4% |
| Non-controlling Interests ("NCI") | 13 | (8) | -262.5% | 19 | 70 | -72.9% |
| | 27,837 | 36,260 | -23.2% | 90,613 | 140,250 | -35.4% |
| 11 Profit per share attributable to owners of the Company: | | | | | | |
| (i) Basic earnings per ordinary share ("EPS")(sen)* | 2.26 | 2.95 | | 7.35 | 11.36 | |
| (ii) Diluted earnings per ordinary share (sen)* | 1.99 | 2.59 | | 6.46 | 9.99 | |

* Basic earnings per share for the quarter and cumulative financial period is calculated based on the profit for the period divided by the weighted average number of ordinary shares in issue for the quarter and financial period respectively. Diluted earnings per share for the current financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares. Please refer to Note B11 for further details.

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Individual Quarter | | Cumulative Quarter | |
|---|---|---|---|---|
| | Current quarter ended 31.12.2020 RM'000 | Corresponding quarter ended 31.12.2019 RM'000 | Current year-to-date ended 31.12.2020 RM'000 (UNAUDITED) | Corresponding year-to-date ended 31.12.2019 RM'000 (AUDITED) |
| 1 PAT for the period | 27,837 | 36,260 | 90,613 | 140,250 |
| 2 Other Comprehensive Expense: | | | | |
| - Foreign currency translation differences | (8) | 25 | (19) | 10 |
| 3 Total comprehensive income for the period | <u>27,829</u> | <u>36,285</u> | <u>90,594</u> | <u>140,260</u> |
| Attributable to : | | | | |
| Owners of the Company | 27,816 | 36,293 | 90,575 | 140,190 |
| Non-controlling Interests ("NCI") | 13 | (8) | 19 | 70 |
| | <u>27,829</u> | <u>36,285</u> | <u>90,594</u> | <u>140,260</u> |

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| As at 31.12.2020 RM'000 (UNAUDITED) | As at 31.12.2019 RM'000 (AUDITED) |
|--|--|
|--|--|

ASSETS

Non-Current Assets

| | | |
|-------------------------------|----------------|----------------|
| Property, Plant and Equipment | 121,483 | 140,052 |
| Right-Of-Use Assets | 2,253 | 2,046 |
| Investment Properties | 1,689 | 1,712 |
| Other Investments | 13,727 | 11,563 |
| Intangible Assets | 356,169 | 353,209 |
| Deferred Tax Assets | - | 516 |
| Trade Receivables | 200,492 | 191,204 |
| | 695,813 | 700,302 |

Current Assets

| | | |
|-----------------------------|----------------|----------------|
| Inventories | 169,886 | 171,863 |
| Trade and Other Receivables | 349,630 | 307,203 |
| Contract Assets | 9,364 | 11,643 |
| Tax Recoverables | 554 | 792 |
| Cash and Bank Balances | 266,731 | 232,950 |
| | 796,165 | 724,451 |

| | | |
|---------------------|------------------|------------------|
| TOTAL ASSETS | 1,491,978 | 1,424,753 |
|---------------------|------------------|------------------|

EQUITY AND LIABILITIES

Equity Attributable to Equity Holders of the Company

| | | |
|------------------|------------------|------------------|
| Share Capital | 642,658 | 642,658 |
| Treasury Shares | (4,996) | (10,893) |
| Other Reserves | 667 | 686 |
| Retained Profits | 471,710 | 438,502 |
| | 1,110,039 | 1,070,953 |

Non-controlling Interests

| | | |
|---------------------|------------------|------------------|
| | 111 | 2,081 |
| Total Equity | 1,110,150 | 1,073,034 |

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

| | As at 31.12.2020 RM'000 (UNAUDITED) | As at 31.12.2019 RM'000 (AUDITED) |
|---|--|--|
| Non-Current Liabilities | | |
| Deferred Tax Liabilities | 6,785 | 7,945 |
| Trade and Other Payables | 128,972 | 122,931 |
| Lease Liabilities | 993 | 1,998 |
| | 136,750 | 132,874 |
| Current Liabilities | | |
| Trade and Other Payables | 121,343 | 153,885 |
| Contract Liabilities | 39,403 | 30,476 |
| Income Tax Payable | 3,665 | 11,518 |
| Short Term Borrowings | 80,612 | 22,863 |
| Lease Liabilities | 55 | 103 |
| | 245,078 | 218,845 |
| Total Liabilities | 381,828 | 351,719 |
| TOTAL EQUITY AND LIABILITIES | 1,491,978 | 1,424,753 |
| Net assets per share attributable to owners of the Company (RM) | 0.90 | 0.87 |
| No. of ordinary shares (in thousand) | 1,237,402 | 1,232,878 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to Equity Holders of the Company | | | | Non Controlling Interests RM'000 | Total Equity RM'000 |
|--|---|-----------------------------|------------------------------|-------------------------------|---|------------------------|
| | <----- Non-Distributable -----> | | | Distributable | | |
| | Share Capital RM'000 | Other Reserves RM'000 | Treasury Shares RM'000 | Retained Profits RM'000 | | |
| 12 MONTHS YEAR ENDED 31 DECEMBER 2020 | | | | | | |
| Balance as at 1 January 2020 | 642,658 | 686 | (10,893) | 438,502 | 2,081 | 1,073,034 |
| Total Comprehensive Income for the period | - | (19) | - | 90,595 | 19 | 90,595 |
| Dividend declared | - | - | - | (43,105) | - | (43,105) |
| Share dividends distributed to shareholders | - | - | 14,282 | (14,282) | - | - |
| Acquisition of equity interest in a subsidiary | - | - | - | - | (1,989) | (1,989) |
| Shares repurchased | - | - | (8,385) | - | - | (8,385) |
| Balance as at 31 December 2020 | 642,658 | 667 | (4,996) | 471,710 | 111 | 1,110,150 |
| 12 MONTHS YEAR ENDED 31 DECEMBER 2019 | | | | | | |
| Balance as at 1 January 2019 | 642,658 | 676 | (8,056) | 341,475 | 2,002 | 978,755 |
| Total Comprehensive Income for the period | - | 10 | - | 140,180 | 70 | 140,260 |
| Dividend declared | - | - | - | (43,153) | - | (43,153) |
| Acquisition of equity interest in a subsidiary | - | - | - | - | 9 | 9 |
| Shares repurchased | - | - | (2,837) | - | - | (2,837) |
| Balance as at 31 December 2019 | 642,658 | 686 | (10,893) | 438,502 | 2,081 | 1,073,034 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Report)

**UNAUDITED 4TH QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | Current year-to-date ended 31.12.2020 RM'000 (UNAUDITED) | Corresponding year-to-date ended 31.12.2019 RM'000 (AUDITED) |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 117,755 | 185,891 |
| Adjustment for : | | |
| Amortisation and depreciation | 37,575 | 37,697 |
| Non-cash items | (11,128) | 4,816 |
| Operating Profit Before Working Capital Changes | 144,202 | 228,404 |
| Changes in working capital : | | |
| Net change in operating assets | (39,927) | (105,227) |
| Net change in operating liabilities | 4,240 | 2,700 |
| Net Cash Generated from Operations | 108,515 | 125,877 |
| Interest received | 5,879 | 6,002 |
| Interest paid | (864) | (716) |
| Income tax refund | 711 | 1,610 |
| Income tax paid | (35,967) | (44,399) |
| Net Cash Generated from Operating Activities | 78,274 | 88,374 |
| CASH FLOW USED IN INVESTING ACTIVITIES | | |
| Acquisition of property, plant and equipments | (34,413) | (35,705) |
| Acquisition of quoted shares | (9,920) | (11,642) |
| Acquisition of subsidiaries, net of cash acquired | (4,981) | (1,344) |
| Proceeds from disposal of property, plant and equipments | 2 | 5,876 |
| Proceeds from disposal of quoted shares | 18,420 | 897 |
| Net Cash Used In Investing Activities | (30,892) | (41,918) |
| CASH FLOW USED IN FINANCING ACTIVITIES | | |
| Lease payment | (1,367) | (1,368) |
| Purchase of treasury shares | (8,385) | (2,837) |
| Dividend paid during the period | (61,598) | (24,660) |
| Net Cash Used In Financing Activities | (71,350) | (28,865) |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (23,968) | 17,591 |
| EFFECT OF EXCHANGE RATE CHANGES | - | (16) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 210,087 | 192,512 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 186,119 | 210,087 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR CONSIST OF: | | |
| Cash and Bank Balances | 133,604 | 218,957 |
| Fixed Deposits and investment funds | 133,127 | 13,993 |
| Less: Short term borrowing | (80,612) | (22,863) |
| | 186,119 | 210,087 |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019 and the accompanying explanatory notes attached to the Interim Financial Report)

NOTES TO THE REPORTS

EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. Corporate Information

Kerjaya Prospek Group Berhad is a public limited company incorporated and domiciled in Malaysia, and is listed on the Bursa Malaysia Securities Berhad. The registered office is located at No. 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor. The principal place of business is located at No.1, 2nd Floor, Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

A2. Malaysian Financial Reporting Standards ("MFRS")

A2.1 Basis of Preparations

The interim financial reports of the Group are unaudited and have been prepared in accordance with the requirements of Malaysia Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting issued by the Malaysia Accounting Standard Board ("MASB") and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial reports should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

A2.2 Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this quarterly financial report are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2019, except for the adoption of the following new standards, amendments to the standards and interpretations effective during the current financial year:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3: Business Combinations – Definition of Business
- Amendments to MFRS 7: Financial Instruments: Disclosures, MFRS 9: Financial Instruments and MFRS 139: Financial Instruments: Recognition and Measurement - Interest Rate Benchmark Reform
- Amendments to MFRS 101: Presentation of Financial Statements and MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material
- Amendments to IC Interpretation 22: Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions (effective for accounting periods beginning on or after 1 June 2020)

The adoption of the above standards and interpretation did not have any material effect on the financial performance or position of the Group.

The new and revised standards and amendments issued but not yet effective during the current financial year and not early adopted by the Group/Company are as listed below:

- MFRS 17 Insurance Contracts (effective for accounting periods beginning on or after 1 January 2021)
- Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020) (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020) (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020) (effective for accounting periods beginning on or after 1 January 2022)

A2. Malaysian Financial Reporting Standards ("MFRS") (Cont'd)

A2.2 Significant Accounting Policies (Cont'd)

The new and revised standards and amendments issued but not yet effective during the current financial year and not early adopted by the Group/Company are as listed below: (cont'd)

- Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts-Cost of Fulfilling a Contract (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020) (effective for accounting periods beginning on or after 1 January 2022)
- Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (deferred)

The Group/Company is expected to apply the abovementioned pronouncements beginning from the perspective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impact to financial statements of the Group/Company.

A3. Audit Report

The audited financial statements for the preceding financial year ended 31 December 2019 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The principal business operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items in the current quarter under review that affecting the assets, liabilities, equity, net income or cashflows of the Group.

A6. Changes in Estimates

There were no significant changes in estimates that have a material effect to the current quarter under review.

A7. Debt and Equity Securities

During the current quarter, the Company repurchased 756,000 units of its issued ordinary shares from the open market at price ranging from RM0.92 to RM1.00 per share. Total consideration paid was RM0.7 million including transaction costs and this was financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with the requirement of section 127 of the Companies Act 2016. As at 31 December 2020, the total treasury shares held were 4,566,766 units with a total consideration of RM5.0 million including transaction costs.

Other than the above, there were no issuance, cancellations, resale and repayment of debt and equity securities for the Group during the current quarter and financial year under review.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

A8. Dividends Paid

On 25 November 2019, the Board of Directors has approved an interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2019. The approved interim dividend represents approximately 13.2% of profit after tax for financial year ended 31 December 2019. The total amount of RM18.49 million was paid on 6 January 2020.

On 11 June 2020, the Board of Directors, pursuant to the Company's Constitution, recommended a final cash dividend of 2.0 sen per ordinary share and distribution of share dividend on the basis of one (1) treasury share for every hundred (100) ordinary shares in the Company in respect of the financial year ended 31 December 2019 for approval of the shareholders at the Annual General Meeting on 3 August 2020, which thereon approval granted. The total cash dividend amounted to RM24.54 million was paid and approximately 12.27 million treasury shares was transferred to the entitled shareholders on 28 August 2020.

Subsequently, the Board of Directors has approved an interim dividend of 1.5 sen per ordinary share on 26 November 2020 in respect of the financial year ending 31 December 2020. The total amount of RM18.56 million was paid on 6 January 2021.

A9. Segmental Information

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

| | Construction | Manufacturing | Property | Investment | Others | Elimination | Total |
|---------------------|---------------------|----------------------|--------------------|-------------------|-----------------|--------------------|-----------------|
| | (RM'000) | (RM'000) | Development | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| | | | (RM'000) | | | | |
| External Revenue | 807,814 | 472 | 2,713 | - | - | - | 810,999 |
| Inter Group Revenue | 49,676 | 4,259 | - | 23,500 | - | (77,435) | - |
| | 857,490 | 4,731 | 2,713 | 23,500 | - | (77,435) | 810,999 |

RESULTS

| | | | | | | | |
|-------------------|--------|-------|-----|--------|-------|----------|--------|
| Segmental Results | 80,019 | 1,512 | 574 | 39,391 | (996) | (29,906) | 90,594 |
|-------------------|--------|-------|-----|--------|-------|----------|--------|

OTHER INFORMATION

| | | | | | | | |
|-----------------------|---------|--------|---------|---------|--------|-----------|-----------|
| Segmental Assets | 878,344 | 55,031 | 137,711 | 716,349 | 8,809 | (304,266) | 1,491,978 |
| Segmental Liabilities | 405,258 | 24,732 | 122,879 | 36,469 | 38,535 | (246,045) | 381,828 |

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

| | Construction | Manufacturing | Property | Investment | Others | Elimination | Total |
|---------------------|---------------------|----------------------|--------------------|-------------------|-----------------|--------------------|-----------------|
| | (RM'000) | (RM'000) | Development | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| | | | (RM'000) | | | | |
| External Revenue | 1,006,300 | 354 | 48,622 | - | - | - | 1,055,276 |
| Inter Group Revenue | 92,461 | 11,149 | - | 40,000 | - | (143,610) | - |
| | 1,098,761 | 11,503 | 48,622 | 40,000 | - | (143,610) | 1,055,276 |

RESULTS

| | | | | | | | |
|-------------------|---------|-------|-------|--------|------|----------|---------|
| Segmental Results | 122,324 | 3,930 | 8,602 | 39,246 | (31) | (33,891) | 140,180 |
|-------------------|---------|-------|-------|--------|------|----------|---------|

OTHER INFORMATION

| | | | | | | | |
|-----------------------|---------|--------|---------|---------|-------|-----------|-----------|
| Segmental Assets | 859,948 | 90,013 | 138,043 | 740,539 | 46 | (403,836) | 1,424,753 |
| Segmental Liabilities | 446,903 | 81,888 | 123,785 | 48,568 | 4,616 | (354,041) | 351,719 |

As the business of the Group is engaged entirely in Malaysia, no reporting by geographical location of operation is presented.

A9. Segmental Information (Cont'd)

For management purposes, the Group is organised into business units based on their products and services, and has four (4) reportable operating segments as follow:

- (i) Construction - Main building construction works, provision of contract workmanship and other related services.
- (ii) Manufacturing - Manufacture, assemble, installation and sale of light fittings, furniture, kitchen cabinetry and related products.
- (iii) Property Development - Development of residential and/or commercial properties.
- (iv) Investment - Investment holding companies.
- (v) Others - Other dormant companies.

Segment performance for the financial year ended 31 December 2020 as compared to corresponding preceding year ended 31 December 2019

(i) Construction

The construction segment has achieved a total revenue of RM857.49 million in the current financial year representing a decrease of approximately 22.0% as compared to its corresponding preceding financial year of RM1,098.76 million. Segmental profit was recorded at RM80.02 million on current financial year compare to corresponding preceding financial year of RM122.32 million. The decrease in revenue and profit were mainly due to all construction projects were halted as a result of MCO implemented by Malaysia Government on 18 March 2020 in response to the Covid-19 pandemic. The Group received approval from Ministry of International Trade and Industry ("MITI") and gradually resumed work in early May 2020 after all the standard operating procedures ("SOPs") as required by MITI were implemented. In current financial quarter, two projects site was halted for 2 weeks due to the infection amongst the workers and the impact was kept to a minimal. The construction segment is expected to be the main contributor to the Group's overall turnover and profitability.

(ii) Manufacturing

The revenue on manufacturing segment has decreased to RM4.73 million in the current financial year as compared to its corresponding preceding financial year of RM11.50 million. This segment has reported a marginal profit of RM1.51 million as compared to a profit of RM3.93 million reported in the corresponding preceding year. The manufacturing segment primarily complements the Group's construction business, therefore the revenue stream is mainly from inter-group. Manufacturing plant was shut down during the MCO and resume operation gradually in June 2020.

(iii) Property Development

The property development division contribute a total revenue of RM2.71 million in the current financial year as compared to its corresponding financial year of RM48.62 million. This segment has reported a segmental profit of RM0.57 million as compared to a profit of RM8.60 million reported in the corresponding preceding year. This was mainly from the Group's maiden property project which was completed in year 2019, and the Group has targeted to launch a new development projects in the second half of 2021.

(iv) Investment

The Investment division shows a segmental profit of RM39.39 million in the current financial year as compare to its corresponding financial year of RM39.25 million. The increased of RM0.14 million in profit as compared to corresponding preceding financial year mainly due to gain on disposal of investment in foreign quoted shares of RM8.69 million and reversal of allowance for impairment of RM9.21 million. This was off-set with the decreased in dividend income by RM16.5 million.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

A10. Profit Before Taxation

The following items have been included in arriving at profit before taxation:

| | Individual Quarter 31.12.2020 RM'000 | Cumulative Quarter 31.12.2020 RM'000 |
|--|---|---|
| Interest income | (1,022) | (5,879) |
| Allowance for ECL (MFRS 9) | (1,704) | (2,662) |
| Amortisation and depreciation of property, plant and equipment | 9,487 | 37,575 |
| Interest expenses | 189 | 864 |
| Net fair value gain | (9,413) | (261) |
| Loss/(Gain) on disposal quoted share | 4,320 | (4,477) |

A11. Subsequent Events

There were no material events subsequent to the balance sheet date up to the date of this report to be disclosed in the financial statements for the current financial year.

A12. Changes in Composition of the Group

There was no change in the composition of the Group for the current quarter and financial year under review except as follows:

- (a) On 23 October 2020, the Company had acquired the remaining 10% equity interest in Yakin Land Sdn. Bhd. ("YLSB") for a total purchase consideration of RM150,000 and upon the acquisition, YLSB become a wholly-owned subsidiary company.
- (b) On 2 November 2020, Kerjaya Prospek (M) Sdn. Bhd. ("KPSB"), a wholly-owned subsidiary of the Company had acquired the remaining 30% equity interest in Future Rock Sdn. Bhd. ("FRSB") for a total purchase consideration of RM5,000,000 and upon the acquisition, FRSB become a wholly-owned subsidiary company of KPSB.
- (c) On 31 December 2020, the Company had incorporated a 51% owned subsidiary company, namely Virent Energy Solutions Sdn. Bhd., a company incorporated in Malaysia under the Companies Act, 2016 with an issue and paid up share capital of 100 ordinary shares of RM1.00 each.

A13. Changes in Contingent Liabilities or Contingent Assets

| (a) Contingent Liabilities | Cumulative Quarter 31.12.2020 RM'000 |
|--|---|
| Corporate guarantee given to banks for facilities granted to subsidiaries | 342,989 |
| Corporate guarantee given to third parties for the benefit of the Group's subsidiaries | 168,364 |
| | <u>511,353</u> |
| (b) Contingent Assets | |

As at the date of this report, there were no contingent assets.

A14. Capital Commitments

As at the date of this report, the Group has no material capital commitments.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

For the current financial quarter under review, the Group posted a revenue of RM248.85 million as compared to its corresponding preceding year financial quarter of RM268.41 million. The Profit After Tax ("PAT") in the current quarter of RM27.84 million, representing an decrease of RM8.42 million from its corresponding preceding year financial quarter of RM36.26 million.

Overall, the decrease in revenue and profit after tax was mainly attributed to the progress of construction works-on-site. For current financial quarter, the company has almost fully resume of operations and only two projects site was halted for 2 weeks due to the infection amongst the workers and the impact was kept to a minimal. On property development segment, the Vista Residence project at Genting Permai was completed in year 2019 and there is no project under development for financial quarter under review. Therefore, the property development segment has minimum contribution to the Group's results.

B2. Change in Results of Current Quarter Compared to Preceding Quarter

| | Current Quarter ended 31.12.2020 RM'000 | Immediate Preceding Quarter ended 30.09.2020 RM'000 | Changes % |
|--|--|--|----------------------|
| Revenue | 248,854 | 222,206 | 12.0% |
| Operating Profit | 36,665 | 37,886 | -3.2% |
| Profit Before Tax | 36,440 | 37,656 | -3.2% |
| Profit After Tax | 27,837 | 30,385 | -8.4% |
| Profit Attributable to Owners of the Company | 27,824 | 30,383 | -8.4% |

For the current quarter, the Group recorded a revenue and profit before tax of RM248.85 million and RM36.44 million respectively as compared to RM222.21 million and RM37.66 million respectively in its immediate preceding quarter. The increased in revenue for current quarter were mainly due to the Group has almost fully resumed its construction projects as compared to immediate preceding quarter which was affected by the MCO that took effect on 18 March 2020.

B3. Current Year Prospects

In 2021, the economy growth of both global and domestic will continues to be uncertainty. The Group will continue to monitor and implement appropriate business strategies in a timely manner to address the adverse risk of this pandemic may have on the Group's operations and financial performance. Nevertheless, the Group is supported by an outstanding order book of RM3.51 billion as at 31 December 2020 which including the building construction contracts worth RM1.5 billion secured during the financial year ended 31 December 2020.

Moving forward, the Group will focus on the construction segment as main revenue driver of the Group.

Notwithstanding the Group's objective to expand its core business in construction, it will still maintain the manufacturing segment as part of its integrated business objective and strategy.

On the property development segment, the Group is planning to launch two new development projects in the second half of 2021.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B4. Profit Forecast

There were no profit forecast prepared or profit guarantee made by the Group.

B5. Taxation

| | Individual Quarter 31.12.2020 RM'000 | Cumulative Quarter 31.12.2020 RM'000 |
|--------------------------------|---|---|
| Malaysia income tax | | |
| - current year | 7,103 | 27,124 |
| - under provided in prior year | - | 216 |
| | <u>7,103</u> | <u>27,340</u> |
| Real property gain tax | - | 7 |
| Deferred tax | | |
| - current year | 1,500 | (205) |
| | <u>8,603</u> | <u>27,142</u> |

Effective tax rates for the financial year ended 31 December 2020 was lower than the statutory tax rate of 24% which mainly due to inclusion of certain non-taxable items in the Statement of Profit or Loss.

B6 Group Borrowings and Debt Securities

Details of the group borrowings as at 31 December 2020 were as follows:

| | Cumulative Quarter 31.12.2020 RM'000 |
|---|---|
| <u>Short term borrowings - Unsecured</u> | |
| (i) Cashline facilities (denominated in RM) | <u>80,612</u> |

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B8. Changes in Material Litigation

There was no material litigation against the Group as at the reporting date save and except for the Group has made announcements on 11 September 2020 and most recent on 21 September 2020 as follows:

- (a) On 11 September 2020, the Group announced that its wholly owned subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("KPM"), had received a letter dated 10 September 2020 from Messrs. Wong & Partners, the solicitors acting for Pembinaan Yeng Tong Sdn. Bhd. ("Plaintiff"), accompanied by Writ of Summons dated 7 September 2020 and Statement of Claim dated 7 September 2020 issued by the Kuala Lumpur High Court demanding inter-alia, payment of works done, expenses and loss and damages totalling RM35,861,133.95.
- (b) On 21 September 2020, the court has directed the Company to enter appearance on or before 24 September and further Case Management is fixed on 29 September 2020.

This matter is still on going as at the date of this report.

B9. Dividend

Total dividend for the financial year ending 31 December 2020 and financial year ended 31 December 2019 are summarised as follow:

| | Net Per Share | Net Per Share |
|----------------------------|----------------------|----------------------|
| | FY2020 | FY2019 |
| | sen | sen |
| <u>Interim Dividend</u> | | |
| Single-tier dividend (Sen) | 1.5 * | 1.5 ** |
| <u>Final Dividend</u> | | |
| Single-tier dividend (Sen) | ***** | 2.0 *** |
| Share Dividend | ***** | **** |

* The Board of Directors has approved an interim dividend of 1.5 sen per ordinary share on 26 November 2020 in respect of the financial year ending 31 December 2020.

The total amount of RM18.56 million was paid on 06 January 2021.

** The Board of Directors has approved an interim dividend of 1.5 sen per ordinary share in respect of the financial year ended 31 December 2019. The approved interim dividend payable represents approximately 13.2% of profit after tax for financial year ended 31 December 2019.

The total amount of RM18.49 million was paid on 06 January 2020.

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B9. Dividend

*** On 11 June 2020, the Board of Directors proposed a single-tier final dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2019 was tabled at the AGM on 3 August 2020 which approval was granted.

The total amount of RM24.54 million was paid on 28 August 2020.

**** On 11 June 2020 also, the Board of Directors proposed a distribution of share dividend on the basis of one (1) treasury share for every hundred (100) ordinary shares in the Company ("Share Dividend") for the financial year ended 31 December 2019 and was tabled at the AGM on 3 August 2020 which approval was granted.

The Share Dividend was transferred on 28 August 2020 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 14 August 2020.

***** Not applicable for the current quarter under review.

B10. Derivatives and Fair Value Changes of Financial Liabilities

(a) There were no derivatives as at the current quarter under review.

(b) The fair value changes arising from discounting future retention sum receivables and retention sum payables to present value and fair value adjustment on completed properties as well as the fair value changes arising from quoted investments for the current quarter and current period under review have been accounted accordingly. The net fair value gain for the financial quarter amounted to approximately RM9.41 million and net fair value gain for the financial period amounted to approximately RM0.26 million.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES (CONT'D)

B11. Earnings Per Share

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|---------------------------------|-------------------|---------------------------------|-------------------|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Earnings | | | | |
| Profit attributable to owners of the Company (RM'000) | 27,824 | 36,268 | 90,594 | 140,180 |
| a) Basic | | | | |
| Weighted average number of ordinary shares ('000) | 1,229,532 | 1,231,164 | 1,232,037 | 1,234,133 |
| Basic earnings per share attributable to equity holders of the Company (Sen) | 2.26 | 2.95 | 7.35 | 11.36 |

b) Diluted

For the purpose of calculating diluted earnings per share, the profit attributable to the equity holders of the Company and the weighted average number of ordinary shares issued during the year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. exercise of warrants.

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|---------------------------------|-------------------|---------------------------------|-------------------|
| | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| Earnings | | | | |
| Profit attributable to owners of the Company (RM'000) | 27,824 | 36,268 | 90,594 | 140,180 |
| Weighted average number of ordinary shares ('000) | 1,229,532 | 1,231,164 | 1,232,037 | 1,234,133 |
| Effect of dilution of warrants ('000) | 169,359 | 169,359 | 169,359 | 169,359 |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 1,398,891 | 1,400,523 | 1,401,396 | 1,403,492 |
| Diluted earnings per share attributable to equity holders of the Company (Sen) | 1.99 | 2.59 | 6.46 | 9.99 |