

**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Individual Quarter (2nd quarter)		Changes %	Cumulative Quarter		Changes %
	Current quarter ended	Corresponding quarter ended		Current period-to-date ended	Corresponding period-to-date ended	
	30.06.2020 RM'000	30.06.2019 RM'000		30.06.2020 RM'000 (UNAUDITED)	30.06.2019 RM'000 (AUDITED)	
1 Revenue	128,104	259,358	-50.6%	339,939	523,536	-35.1%
2 Cost of sales	(111,311)	(205,308)	-45.8%	(280,593)	(422,042)	-33.5%
3 Gross profit	16,793	54,050	-68.9%	59,346	101,494	-41.5%
4 Other income	2,451	2,715	-9.7%	5,892	11,540	-48.9%
5 Administrative expenses	(6,108)	(7,727)	-21.0%	(15,356)	(15,600)	-1.6%
5A Other operating expenses	(2,581)	(1,607)	60.6%	(5,697)	(3,948)	44.3%
6 Profit from operations	10,555	47,431	-77.7%	44,185	93,486	-52.7%
7 Finance cost	(240)	(165)	45.5%	(524)	(275)	90.5%
8 Profit before tax	10,315	47,266	-78.2%	43,661	93,211	-53.2%
9 Taxation	(257)	(11,499)	-97.8%	(11,268)	(22,256)	-49.4%
10 Profit after tax ("PAT") for the period	10,058	35,767	-71.9%	32,393	70,955	-54.3%
Attributable to :						
Owners of the Company	10,062	35,781	-71.9%	32,389	70,903	-54.3%
Non-controlling Interests ("NCI")	(4)	(14)	-71.4%	4	52	-92.3%
	10,058	35,767	-71.9%	32,393	70,955	-54.3%
11 Profit per share attributable to owners of the Company:						
(i) Basic earnings per ordinary share ("EPS")(sen)*	0.82	2.90		2.63	5.74	
(ii) Diluted earnings per ordinary share (sen)*	0.72	2.55		2.32	5.05	

* 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 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current quarter ended 30.06.2020 RM'000	Corresponding quarter ended 30.06.2019 RM'000	Current period-to-date ended 30.06.2020 RM'000 (UNAUDITED)	Corresponding period-to-date ended 30.06.2019 RM'000 (AUDITED)
1 PAT for the period	10,058	35,767	32,393	70,955
2 Other Comprehensive Expense:				
- Foreign currency translation differences	(58)	149	(99)	68
3 Total comprehensive income for the period	<u>10,000</u>	<u>35,916</u>	<u>32,294</u>	<u>71,023</u>
Attributable to :				
Owners of the Company	10,004	35,930	32,290	70,971
Non-controlling Interests ("NCI")	(4)	(14)	4	52
	<u>10,000</u>	<u>35,916</u>	<u>32,294</u>	<u>71,023</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 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30.06.2020 RM'000 (UNAUDITED)	As at 31.12.2019 RM'000 (AUDITED)
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	135,458	140,052
Right-Of-Use Assets	3,065	2,046
Investment Properties	1,701	1,712
Other Investments	7,660	11,563
Intangible Assets	353,192	353,209
Deferred Tax Assets	516	516
Trade Receivables	178,329	191,204
	679,921	700,302
Current Assets		
Inventories	171,689	171,863
Trade and Other Receivables	296,707	307,203
Contract Assets	33,734	11,643
Tax Recoverables	1,111	792
Cash and Bank Balances	207,900	232,950
	711,141	724,451
TOTAL ASSETS	1,391,062	1,424,753
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share Capital	642,658	642,658
Treasury Shares	(16,956)	(10,893)
Other Reserves	587	686
Retained Profits	470,891	438,502
	1,097,180	1,070,953
Non-controlling Interests	2,085	2,081
Total Equity	1,099,265	1,073,034

**UNAUDITED 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	As at 30.06.2020 RM'000 (UNAUDITED)	As at 31.12.2019 RM'000 (AUDITED)
Non-Current Liabilities		
Deferred Tax Liabilities	6,495	7,945
Trade and Other Payables	121,855	122,931
Lease Liabilities	779	1,998
	129,129	132,874
Current Liabilities		
Trade and Other Payables	122,030	153,885
Contract Liabilities	-	30,476
Income Tax Payable	16,900	11,518
Short Term Borrowings	23,009	22,863
Lease Liabilities	729	103
	162,668	218,845
Total Liabilities	291,797	351,719
	1,391,062	1,424,753
TOTAL EQUITY AND LIABILITIES	1,391,062	1,424,753
Net assets per share attributable to owners of the Company (RM)	0.89	0.87
No. of ordinary shares (in thousand)	1,227,423	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 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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		
6 MONTHS PERIOD ENDED 30 JUNE 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	-	(99)	-	32,389	4	32,294
Shares repurchased	-	-	(6,063)	-	-	(6,063)
Balance as at 30 June 2020	642,658	587	(16,956)	470,891	2,085	1,099,265
6 MONTHS PERIOD ENDED 30 JUNE 2019						
Balance as at 1 January 2019	642,658	676	(8,056)	341,475	2,002	978,755
Total Comprehensive Income for the period	-	68	-	70,903	52	71,023
Dividend declared	-	-	-	(24,660)	-	(24,660)
Acquisition of equity interest in a subsidiary	-	-	-	-	9	9
Shares repurchased	-	-	(2,837)	-	-	(2,837)
Balance as at 30 June 2019	642,658	744	(10,893)	387,718	2,063	1,022,290

(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 2ND QUARTER REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current period-to-date ended 30.06.2020 RM'000 (UNAUDITED)	Corresponding period-to-date ended 30.06.2019 RM'000 (AUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	43,661	93,211
Adjustment for :		
Amortisation and depreciation	18,685	18,777
Non-cash items	1,970	(4,869)
Operating Profit Before Working Capital Changes	64,316	107,119
Changes in working capital :		
Net change in operating assets	28	(62,445)
Net change in operating liabilities	(44,412)	5,698
Net Cash Generated from Operations	19,932	50,372
Interest received	3,656	2,791
Interest paid	(478)	(166)
Income tax paid	(7,654)	(19,724)
Net Cash Generated from Operating Activities	15,456	33,273
CASH FLOW USED IN INVESTING ACTIVITIES		
Acquisition of property, plant and equipments	(14,971)	(20,238)
Acquisition of quoted shares	(223)	(8,742)
Acquisition of subsidiaries, net of cash acquired	-	(1,344)
Dividend received	223	-
Proceeds from disposal of property, plant and equipments	-	5,277
Proceeds from disposal of quoted shares	-	454
Net Cash Used In Investing Activities	(14,971)	(24,593)
CASH FLOW USED IN FINANCING ACTIVITIES		
Lease payment	(748)	(650)
Purchase of treasury shares	(6,063)	(2,837)
Dividend paid during the period	(18,493)	(24,660)
Net Cash Used In Financing Activities	(25,304)	(28,147)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(24,819)	(19,467)
EFFECT OF EXCHANGE RATE CHANGES	(377)	(10)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	210,087	192,512
CASH AND CASH EQUIVALENTS AT END OF PERIOD	184,891	173,035
CASH AND CASH EQUIVALENTS AT END OF PERIOD CONSIST OF:		
Cash and Bank Balances	27,598	127,963
Fixed Deposits and investment funds	180,302	123,110
Less: Short term borrowing	(23,009)	(78,038)
	184,891	173,035

(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 period:

- 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

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 period and not early adopted by the Group/Company are as listed below:

- Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions (effective for accounting periods beginning on or after 1 June 2020)
- 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)

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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 period 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 except that the Group's operations and performance are affected by various stages of Movement Control Order ("MCO") implemented by Malaysia Government from 18 March 2020 to 31 August 2020 as a preventive measure against Covid-19 pandemic.

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 1,438,200 units of its issued ordinary shares from the open market at price ranging from RM0.86 to RM1.09 per share. Total consideration paid was RM1.4 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 30 June 2020, 14,546,100 units ordinary shares have been repurchased for RM17.6 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 period under review.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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 estimated cash of RM24.5 million will be paid and approximately 12.3 million treasury shares will be transferred to the entitled shareholders on 28 August 2020.

A9. Segmental Information

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

	Construction	Manufacturing	Property Development	Investment	Others	Elimination	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
External Revenue	339,000	198	741	-	-	-	339,939
Inter Group Revenue	9,365	1,548	-	-	-	(10,913)	-
	348,365	1,746	741	-	-	(10,913)	339,939

RESULTS

Segmental Results	30,413	1	101	709	140	1,025	32,389
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OTHER INFORMATION

Segmental Assets	832,099	72,890	134,429	718,673	13,999	(381,028)	1,391,062
Segmental Liabilities	388,632	44,102	120,074	32,217	39,298	(332,526)	291,797

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Construction	Manufacturing	Property Development	Investment	Others	Elimination	Total
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
External Revenue	489,813	115	33,608	-	-	-	523,536
Inter Group Revenue	62,247	5,413	-	-	-	(67,660)	-
	552,060	5,528	33,608	-	-	(67,660)	523,536

RESULTS

Segmental Results	57,436	1,688	5,487	2,225	(3)	4,070	70,903
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OTHER INFORMATION

Segmental Assets	926,094	116,276	114,890	734,964	43	(476,023)	1,416,244
Segmental Liabilities	577,983	110,392	63,719	61,550	4,639	(424,329)	393,954

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

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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 period ended 30 June 2020 as compared to corresponding preceding period ended 30 June 2019

(i) Construction

The construction segment has achieved a total revenue of RM348.37 million in the current financial period representing a decrease of approximately 36.9% as compared to its corresponding preceding financial period of RM552.06 million. Segmental profit was recorded at RM30.41 million on current financial period compare to corresponding preceding financial period of RM57.44 million. The decrease in revenue was 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 resumed work in early May 2020 gradually after all the standard operating procedures ("SOPs") as required by MITI were implemented. Hence, the segmental profit was also affected. The Group operates in nearly full capacity in early July 2020. The construction segment is expected to continue to be the main contributor to the Group's overall turnover and profitability moving forward.

(ii) Manufacturing

The revenue on manufacturing segment has decreased to RM0.20 million in the current financial period as compared to its corresponding preceding financial period of RM5.53 million. This segment has reported a marginal profit of RM1,190 as compared to a profit of RM1.69 million reported in the corresponding preceding period. 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 RM0.74 million in the current financial period as compared to its corresponding financial period of RM33.61 million. This segment has reported a segmental profit of RM0.10 million as compared to a profit of RM5.49 million reported in the corresponding preceding period. This was mainly from the Group's maiden property project which was completed in year 2019, and new projects have yet to be launched.

(iv) Investment

The Investment division shows a segmental profit of RM0.71 million in the current financial period which the main income sources are interest income and dividend income. However, it shows a decrease of RM1.52 million in profit as compared to corresponding preceding financial period due to fair value gain on investment in foreign quored shares of RM1.17 million was recognised in corresponding preceding financial period.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

A10. Profit Before Taxation

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

	Individual Quarter 30.06.2020 RM'000	Cumulative Quarter 30.06.2020 RM'000
Interest income	(1,849)	(3,656)
Allowance for ECL (MFRS 9)	120	909
Amortisation and depreciation of property, plant and equipment	9,326	18,685
Interest expenses	219	478
Net fair value loss	1,380	4,417

A11. Subsequent Events

In the third phase of the MCO, the Group received approval from MITI and resumed work in early May 2020 gradually after all the SOPs as required by MITI were implemented. The Group had taken steps to return to normalcy and its operations managed to return to almost full capacity in early July 2020.

A12. Changes in Composition of the Group

There was no change in the composition of the Group for the current quarter and financial period under review.

A13. Changes in Contingent Liabilities or Contingent Assets

(a) Contingent Liabilities	Cumulative Quarter 30.06.2020 RM'000
Corporate guarantee given to banks for facilities granted to subsidiaries	257,089
Corporate guarantee given to third parties for the benefit of the Group's subsidiaries	165,714
	<u>422,803</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 RM128.10 million as compared to its corresponding preceding year financial quarter of RM259.36 million. The Profit After Tax ("PAT") in the current quarter of RM10.06 million, representing an decrease of RM25.71 million from its corresponding preceding year financial quarter of RM35.77 million.

Overall, the decrease in revenue and hence, the bottom line was mainly attributed to the halt of the Group's operations due to MCO as well as the resumption of operations in stages between May and June 2020 after compliance with the required SOPs were implemented. The affected segments are construction and manufacturing. 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.

For the financial quarter under review, the main sources of income for investment segment were interest income and dividend income.

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

	Current Quarter ended 30.06.2020 RM'000	Immediate Preceding Quarter ended 31.03.2020 RM'000	Changes %
Revenue	128,104	211,836	-39.5%
Operating Profit	10,555	33,631	-68.6%
Profit Before Tax	10,315	33,347	-69.1%
Profit After Tax	10,058	22,335	-55.0%
Profit Attributable to Owners of the Company	10,062	22,327	-54.9%

For the current quarter, the Group recorded a revenue and profit before tax of RM128.10 million and RM10.32 million respectively as compared to RM211.84 million and RM33.35 million respectively in its immediate preceding quarter. The MCO that took effect on 18 March 2020 and the gradual resumption of operations between May and June 2020 have negative impact on the Group's performance and hence the Group's results.

B3. Current Year Prospects

In 2020, the growth of the global and domestic economy continues to be subject to a high degree of uncertainty, particularly with respect to developments surrounding the Covid-19 pandemic and sharp declines and volatile shifts in crude oil prices.

With various adversities and challenging landscape, the Group's operations and financial performance are adversely impacted for the financial year ending 31 December 2020 as compared to financial year ended 31 December 2019. The Group will continue to monitor and implement appropriate measures in a timely manner to address the adverse risk Covid-19 may have on the Group's operations and financial performance. Nevertheless, the Group is supported by an outstanding order book of RM3.52 billion as at 30 June 2020 which included the building construction contracts worth RM990.40 million secured during the current financial period ended 30 June 2020.

Moving forward, the Group aims to focus on the construction segment to be the main revenue driver of the Group.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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

B3. Current Year Prospects

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

On the property development segment, the outlook for the local property sector is expected to remain challenging in 2020. As a result, the Group has decided to delay the launch of new development projects to second half of 2021.

B4. Profit Forecast

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

B5. Taxation

	Individual Quarter 30.06.2020 RM'000	Cumulative Quarter 30.06.2020 RM'000
Malaysia income tax		
- current year	3,185	12,480
- under provided in prior year	204	204
	3,389	12,684
Real property gain tax	7	7
Deferred tax		
- current year	(3,139)	(1,423)
	257	11,268

Effective tax rates for the financial period ended 30 June 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 30 June 2020 were as follows:

	Cumulative Quarter 30.06.2020 RM'000
<u>Short term borrowings - Unsecured</u>	
(i) Cashline facilities (denominated in RM)	23,009

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

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 were no material litigations for the Group 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 *
<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 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.

** 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 entitlement date was on 14 August 2020 and the payment date will be 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 will be 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 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 loss for the financial quarter and financial period amounted to approximately RM1.38 million and RM4.42 million respectively.

NOTES TO THE FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

B11. Earnings Per Share

	Individual Quarter Ended		Cumulative Quarter Ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Earnings				
Profit attributable to owners of the Company (RM'000)	10,062	35,781	32,389	70,903
a) Basic				
Weighted average number of ordinary shares ('000)	1,226,368	1,233,401	1,229,623	1,234,263
Basic earnings per share attributable to equity holders of the Company (Sen)	<u>0.82</u>	<u>2.90</u>	<u>2.63</u>	<u>5.74</u>

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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Earnings				
Profit attributable to owners of the Company (RM'000)	10,062	35,781	32,389	70,903
Weighted average number of ordinary shares ('000)	1,226,368	1,233,401	1,229,623	1,234,263
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)	<u>1,395,727</u>	<u>1,402,760</u>	<u>1,398,982</u>	<u>1,403,622</u>
Diluted earnings per share attributable to equity holders of the Company (Sen)	<u>0.72</u>	<u>2.55</u>	<u>2.32</u>	<u>5.05</u>