



GAGASAN NADI CERGAS
BERHAD (201701024800)

(Incorporated in Malaysia)

**Interim Financial Statements
For The Financial Year Ended
31 December 2020**



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4TH) QUARTER FINANCIAL YEAR ENDED 31 DECEMBER 2020⁽¹⁾

	Note	Quarter Ended		Year-To-Date Ended	
		31.12.2020 RM'000	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2019 RM'000
Revenue	A9	55,673	74,263	206,902	289,631
Operating expenses		(56,424)	(72,040)	(208,814)	(271,717)
Other operating income		11,241	8,258	34,149	35,358
Finance costs		(4,037)	(4,406)	(16,033)	(18,392)
Profit before taxation	B12	<u>6,453</u>	<u>6,075</u>	<u>16,204</u>	<u>34,880</u>
Income tax expense	B6	(745)	(1,556)	(5,018)	(9,024)
Profit after taxation		<u>5,708</u>	<u>4,519</u>	<u>11,186</u>	<u>25,856</u>
Profit/(Loss) after taxation					
attributable to:-					
Owners of the Company		5,776	4,359	12,508	25,284
Non-controlling interests		(68)	160	(1,322)	572
		<u>5,708</u>	<u>4,519</u>	<u>11,186</u>	<u>25,856</u>
Total comprehensive					
income/(loss) attributable to:-					
Owners of the Company		5,776	4,359	12,508	25,284
Non-controlling interests		(68)	160	(1,322)	572
		<u>5,708</u>	<u>4,519</u>	<u>11,186</u>	<u>25,856</u>
Earnings per share					
attributable to owners of					
Basic EPS (sen)	B11	0.77	0.58	1.66	3.36
Diluted EPS (sen)	B11	0.77	0.58	1.66	3.36

Notes:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020⁽¹⁾

	Note	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		27,570	28,715
Inventories		49,468	64,976
Right-of-use assets		3,112	3,553
Trade receivables		531,144	561,944
		<u>611,294</u>	<u>659,188</u>
Current assets			
Inventories		65,445	28,479
Contract assets		25,749	26,133
Trade receivables		62,189	64,940
Other receivables, deposits and prepayments		28,567	21,678
Current tax assets		3,145	2,875
Fixed deposits with licensed banks		51,420	30,653
Cash and bank balances		58,050	92,920
		<u>294,565</u>	<u>267,678</u>
TOTAL ASSETS		<u>905,859</u>	<u>926,866</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		136,444	136,444
Reserves		313,558	304,815
Equity attributable to owners of the Company		<u>450,002</u>	<u>441,259</u>
Non-controlling interests		3,894	4,916
Total equity		<u>453,896</u>	<u>446,175</u>
Non-current liabilities			
Borrowings	B8	262,309	284,695
Deferred tax liabilities		77,482	79,597
		<u>339,791</u>	<u>364,292</u>
Current liabilities			
Trade payables		68,213	70,465
Other payables and accruals		5,392	7,016
Borrowings	B8	36,271	37,356
Provision for taxation		2,296	1,562
		<u>112,172</u>	<u>116,399</u>
Total liabilities		<u>451,963</u>	<u>480,691</u>
TOTAL EQUITY AND LIABILITIES		<u>905,859</u>	<u>926,866</u>
Number of issued shares ('000)		753,000	753,000
Net asset per share attributable to Owners of the Company (RM)		0.60	0.59

Note:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH (4TH) QUARTER FINANCIAL YEAR ENDED 31 DECEMBER 2020⁽¹⁾

	← Distributable →		Attributable to Owners of the Company		
	Share Capital RM'000	Retained Profits RM'000	RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2019	95,444	283,296	378,740	4,319	383,059
Profit for the financial year, representing total comprehensive income for the financial year	-	25,284	25,284	572	25,856
Contributions by and distribution to owners of the Company:					
- Issuance of shares	42,000	-	42,000	-	42,000
- Share issuance expenses ⁽²⁾	(1,000)	-	(1,000)	-	(1,000)
- Issuance of shares to non-controlling interest	-	-	-	25	25
- Dividends paid	-	(3,765)	(3,765)	-	(3,765)
Total transaction with owners	41,000	(3,765)	37,235	25	37,260
Balance at 31.12.2019	<u>136,444</u>	<u>304,815</u>	<u>441,259</u>	<u>4,916</u>	<u>446,175</u>
Balance at 1.1.2020	136,444	304,815	441,259	4,916	446,175
Profit for the financial year, representing total comprehensive income/(loss) for the financial year	-	12,508	12,508	(1,322)	11,186
Contributions by and distribution to owners of the Company:					
- Issuance of shares to non-controlling interest	-	-	-	300	300
- Dividends paid	-	(3,765)	(3,765)	-	(3,765)
Balance at 31.12.2020 (Unaudited)	<u>136,444</u>	<u>313,558</u>	<u>450,002</u>	<u>3,894</u>	<u>453,896</u>

Notes:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) In relation to the Initial Public Offering in conjunction with the listing of the Company on the ACE Market of Bursa Securities.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH (4TH) QUARTER FINANCIAL YEAR ENDED 31 DECEMBER 2020⁽¹⁾

	Year-To-Date Ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	16,204	34,880
Adjustments for:-		
Depreciation of:		
- property, plant and equipment	1,495	1,599
- right-of-use assets	858	731
Impairment loss:		
- trade receivable	933	266
- other receivable	-	1,287
Finance cost	16,033	18,392
Accretion of fair value on non-current trade receivables	(28,358)	(29,740)
Gain on disposal of property, plant and equipment	(35)	(15)
Reversal of impairment losses under MFRS 9	(98)	(2,058)
Finance income	(1,954)	(2,907)
Operating profit before working capital changes	5,078	22,435
Increase in inventories	(21,212)	(5,624)
Decrease in contract assets	385	12,808
Decrease in trade and other receivables	54,183	60,231
Decrease in trade and other payables	(3,877)	(5,339)
Cash from operating activities	34,557	84,511
Tax paid	(6,668)	(10,636)
Net cash from operating activities	27,889	73,875
Cash flows (for)/from investing activities		
Acquisition of subsidiary, net of cash and cash equivalent acquired	-	(19)
Finance income received	1,954	2,907
Purchase of right-of-use assets	4,204	(85)
(Placement)/Withdrawal of pledged fixed deposits and with tenure more than 3 months	(11,717)	12,640
Proceeds from disposal of property, plant and equipment	35	15
Purchase of properties held for future development	(246)	(439)
Purchase of property, plant and equipment	(350)	(1,605)
Net cash (for)/from investing activities	(6,120)	13,414



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH (4TH) QUARTER FINANCIAL YEAR ENDED 31 DECEMBER 2020⁽¹⁾ (CONT'D)

	Year-To-Date Ended	
	31.12.2020	31.12.2019
	RM'000	RM'000
Cash flows (for)/from financing activities		
Dividends paid	(3,765)	(3,765)
Drawdown of borrowings	40,014	6,065
Finance cost paid	(16,033)	(18,392)
Proceeds from issuance of shares to non-controlling interest in a subsidiary	300	25
Repayment of borrowings	(65,969)	(47,894)
Proceeds from issuance of shares	-	41,000
Net cash for financing activities	<u>(45,453)</u>	<u>(22,961)</u>
Net (decrease)/increase in cash and cash equivalents	(23,684)	64,328
Cash and cash equivalents at beginning of financial period	<u>87,958</u>	<u>23,630</u>
Cash and cash equivalents at end of financial period	<u>64,274</u>	<u>87,958</u>
Cash and cash equivalents comprise:		
Fixed deposits placed with licensed banks	51,420	30,653
Cash and bank balances	58,050	92,920
Bank overdrafts	(2,826)	(4,962)
	<u>106,644</u>	<u>118,611</u>
Less: Fixed deposits pledged with licensed banks	<u>(42,370)</u>	<u>(30,653)</u>
	<u>64,274</u>	<u>87,958</u>

Notes:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Cash Flow are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of preparation

The interim financial report of Gagasan Nadi Cergas Berhad (“Gagasan Nadi” or “the Company”) and its subsidiaries (collectively known as “the Group”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This interim financial report should be read together with the audited Annual Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to this report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited Annual Financial Statements for the year ended 31 December 2019.

The financial statements of the Group have been prepared in accordance with Malaysia Financial Reporting Standard (“MFRS”) and the requirements of the Companies Act 2016.

The following are accounting standards, amendments and interpretations that has been issued by the Malaysian Accounting Standard Board (“MASB”) and effective during the financial year:-

	Effective Date
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139, MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101, MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 16 COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9	1 January 2020
Amendment to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of the above accounting standards, amendments and interpretations are not expected to have any material impact on the Group's financial statements.



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A3. Auditors' report on preceding annual financial statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2019.

A4. Seasonal or cyclical factors

The Group's performance have not been materially affected by any seasonal or cyclical factors during the current quarter and year-to-date.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and year-to-date.

A6. Changes in estimates

There were no material changes in estimates for the current quarter and year-to-date.

A7. Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date.

A8. Dividends paid

Second interim dividend comprising 0.5 sen per ordinary share, amounting to RM3,765,000 for financial year ended 31 December 2019 was paid on 30 March 2020.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental information

	Construction RM'000	Concession and Facility Management RM'000	Utility Services RM'000	Property Development RM'000	Others RM'000	Consolidation Adjustments RM'000	Total RM'000
31.12.2020							
Revenue							
External revenue	163,082	15,799	3,993	24,028	-	-	206,902
Inter-segment revenue	29,837	3,266	-	3,021	18,520	(54,644)	-
	<u>192,919</u>	<u>19,065</u>	<u>3,993</u>	<u>27,049</u>	<u>18,520</u>	<u>(54,644)</u>	<u>206,902</u>
Results							
Segment results	(3,691)	4,847	1,967	4,927	9,546	(12,518)	5,078
Accretion of fair value on non-current trade receivables	-	28,358	-	-	-	-	28,358
Impairment losses:							
- trade receivable	-	(279)	(396)	(258)	-	-	(933)
Depreciation:							
- property, plant and equipment	(1,097)	(353)	(350)	(6)	-	311	(1,495)
- right-of-use assets	(740)	-	-	(118)	-	-	(858)
Gain on disposal of property, plant and equipment	35	-	-	-	-	-	35
Finance income	772	738	85	35	324	-	1,954
Finance costs	(535)	(14,177)	-	(2,239)	(181)	1,099	(16,033)
Reversal of impairment losses							
- trade receivable	13	-	-	-	-	-	13
- other receivable	85	-	-	-	-	-	85
Profit/(Loss) before taxation	<u>(5,158)</u>	<u>19,134</u>	<u>1,306</u>	<u>2,341</u>	<u>9,689</u>	<u>(11,108)</u>	<u>16,204</u>
Income tax expense	787	(4,338)	(545)	(775)	(147)	-	(5,018)
Profit/(Loss) after taxation	<u>(4,371)</u>	<u>14,796</u>	<u>761</u>	<u>1,566</u>	<u>9,542</u>	<u>(11,108)</u>	<u>11,186</u>
Assets							
Segment assets	121,681	605,639	15,499	127,279	40,682	(8,066)	902,714
Unallocated asset: Tax refundable							3,145
Consolidated total assets							<u>905,859</u>
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	262	-	-	-	-	-	262
- properties held for future development	2,468	-	-	-	-	-	2,468
- right-of-use-assets	150	-	-	-	-	-	150
Liabilities							
Segment liabilities	75,982	254,894	245	37,497	4,442	(875)	372,185
Unallocated liabilities:							
- Deferred tax liabilities							77,482
- Provision for taxation							2,296
Consolidated total liabilities							<u>451,963</u>

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental information (Cont'd)

	Construction RM'000	Concession and Facility Management RM'000	Utility Services RM'000	Property Development RM'000	Others RM'000	Consolidation Adjustments RM'000	Total RM'000
31.12.2019							
Revenue							
External revenue	251,529	15,776	4,508	17,818	-	-	289,631
Inter-segment revenue	-	-	-	-	23,520	(23,520)	-
	<u>251,529</u>	<u>15,776</u>	<u>4,508</u>	<u>17,818</u>	<u>23,520</u>	<u>(23,520)</u>	<u>289,631</u>
Results							
Segment results	17,782	4,584	2,160	2,133	(2,259)	(1,984)	22,416
Accretion of fair value on non-current trade receivables	-	29,740	-	-	-	-	29,740
Impairment losses other receivable	(1,259)	-	(275)	-	-	-	(1,534)
Depreciation of property, plant and equipment							
- property, plant and equipment	(660)	(337)	(364)	(4)	(234)	-	(1,599)
- right-of-use assets	(1,208)	-	-	(67)	-	544	(731)
Gain on disposal of property, plant and equipment	15	-	-	-	-	-	15
Finance income	943	1,187	150	49	578	-	2,907
Finance costs	(221)	(16,166)	(2)	(2,261)	(267)	525	(18,392)
Reversal of impairment losses	848	1,210	-	-	-	-	2,058
Profit/(Loss) before taxation	<u>16,240</u>	<u>20,218</u>	<u>1,669</u>	<u>(150)</u>	<u>(2,182)</u>	<u>(915)</u>	<u>34,880</u>
Income tax expense	<u>(4,257)</u>	<u>(3,368)</u>	<u>(668)</u>	<u>(560)</u>	<u>(171)</u>	<u>-</u>	<u>(9,024)</u>
Profit/(Loss) after taxation	<u>11,983</u>	<u>16,850</u>	<u>1,001</u>	<u>(710)</u>	<u>(2,353)</u>	<u>(915)</u>	<u>25,856</u>
31.12.2019							
Assets							
Segment assets	141,327	642,280	17,559	90,320	38,302	(5,797)	923,991
Unallocated asset: Tax refundable							<u>2,875</u>
Consolidated total assets							<u>926,866</u>
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	375	349	875	6	-	-	1,605
- properties held for future development	439	-	-	-	-	-	439
- right-of-use assets	<u>2,145</u>	<u>-</u>	<u>-</u>	<u>229</u>	<u>-</u>	<u>-</u>	<u>2,374</u>
Liabilities							
Segment liabilities	81,309	284,160	287	28,839	6,360	(1,423)	399,532
Unallocated liabilities:							
- Deferred tax liabilities							79,597
- Provision for taxation							<u>1,562</u>
Consolidated total liabilities							<u>480,691</u>

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment during the current quarter and year-to-date.

A11. Significant Events Subsequent to the End of the Interim Financial Period

Save as disclosed in Note B5 "Status of corporate proposals" below, there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

A12. Changes in the composition of the Group

On 11 March 2020, a subsidiary of Company, Nadi Cergas Development Sdn Bhd, has incorporated two subsidiary companies namely Nadi Embun Sdn Bhd and Nadi Emery Sdn Bhd with Nadi Cergas Development Sdn Bhd holding 70% and 75% equity interest respectively.

Save for the above, there were no material changes in the composition of the Group for the period ended 31 December 2020.

A13. Contingent assets and contingent liabilities

Save as disclosed below, there were no other contingent assets and contingent liabilities as at the date of this interim report.

Unaudited
As at 31.12.2020
RM'000

Financial guarantee contract in relation to corporate guarantee given to third parties in the ordinary course of business.	<u>66,178</u>
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A14. Capital commitments

There were no capital commitments as at the end of the current and previous corresponding financial periods.

A15. Related party transactions

Save as disclosed below, there were no other significant related party transactions as at the date of this interim report.

	Quarter Ended 31.12.2020 RM'000	Year-To-Date 31.12.2020 RM'000
<u>Related Party</u>		
- Progress billing income	<u>1,323</u>	<u>5,928</u>



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

(a) Results for current quarter

The Group recorded revenue of RM55.67 million as compared to RM74.26 million recorded in the corresponding quarter last year. The lower revenue recorded for the current financial quarter was mainly attributable to slower progress from construction projects on the stringent standard operating procedures imposed after the declaration of Movement Control Order ("MCO") by the Government of Malaysia.

The Group recorded a profit before tax of RM6.45 million as compared to a profit of RM6.07 million recorded in the corresponding quarter last year. The higher profit before tax for the current quarter was mainly attributable to higher profit recorded from property development projects.

(b) Results for financial year

For the current financial year, the Group recorded a lower revenue of RM206.90 million as compared to RM289.63 million recorded in previous financial year. The lower revenue was recorded for the current financial year mainly attributable to lower revenue from construction segment during the period of MCO as well as due to certain projects are near completion.

The Group recorded a lower profit before tax of RM16.20 million for the current financial year as compared to RM34.88 million recorded in previous financial year. The lower Group profit before tax for the current financial year was mainly attributed to lower revenue recorded from construction projects.

B2. Comparison with immediate preceding quarter's results

The Group registered a slightly lower revenue of RM55.67 million for the current financial quarter as compared to RM55.99 million in the preceding quarter. The Group recorded a higher profit before tax of RM6.45 million as compared to a profit before tax of RM2.57 million in the preceding quarter. The higher profit before tax registered in the current quarter was mainly due to the commencement of Selindung Project at Ulu Yam, Selangor.

B3. Commentary on prospects

The COVID-19 pandemic and the declaration of MCO by the Government of Malaysia continue to have negative impact on the Group's performance.

Construction activities at the Group's construction projects have progressively resumed since June 2020. Despite the Group's construction order book which stood at approximately RM462 million and with the continuous tendering for new jobs, the Board expects the performance of the construction segment will continue to be affected by unprecedented challenging operating environment due to Covid-19 Pandemic.

The performance of the Group's facility management for the concession projects and the utility services segment is expected to remain stable and sustainable.

Property development segment is expected to improve in the financial year 2021 with the progress of Antara Residence Project and the commencement of Selindung Project at Ulu Yam, a project under Rumah Selangorku and PPAM affordable housing programme. This segment has a total unbilled sale of RM157million which is expected to be booked in as revenue over the next 2 years.

In spite of the on-going Covid-19 pandemic and barring unforeseen circumstances, the Group is cautiously optimistic on its performance in financial year 2021.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the quarter under review.

B5. Status of corporate proposals

On 29 October 2019, the Company entered into a Conditional Share Sale agreement ("SSA") with P.A.E Builders Sdn Bhd and Seri Delima Anggun Sdn Bhd (collectively, the "**Vendors**") for the proposed acquisition of 4,500,000 ordinary shares, representing the entire ordinary shares in Konsortium PAE Sepakat Sdn Bhd ("Proposed Acquisition") for a cash consideration of RM158,000,000.

The funding for the Proposed Acquisition will partially be met through the establishment of a proposed issuance of Islamic medium term notes pursuant to an Islamic medium term note programme of RM200.0 million in nominal value ("Proposed IMTN Programme") and a proposed issuance of convertible Sukuk pursuant to a convertible Sukuk programme of RM60.0 million in nominal value ("Proposed CS Programme").

The Company also proposed to establish an employees' share option scheme ("ESOS") of up to 15% of the total number of issued GNCB Shares at any point in time over the duration of the ESOS for the eligible employees and directors of GNCB and its subsidiaries ("Proposed ESOS").

On 1 March 2021, the Vendors have issued a written notification that they do not intend to seek further extension of the Conditional Period in respect of the SSA dated 29 October 2019. The SSA therefore has ceased and terminated on 28 February 2021 being the lapse of the extended Conditional Period ("SSA Cessation").

Pursuant to the SSA Cessation, the Company will not proceed to lodge the necessary documents in relation to the Proposed Sukuk Programmes with the SC. The Company will also not proceed with the Proposed ESOS.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B6. Income tax expenses

	Current Quarter 31.12.2020 RM'000	Year-To- Date 31.12.2020 RM'000
Malaysia income tax		
- current year	2,746	7,745
- under provision in prior years	(384)	(612)
Deferred tax expense	<u>(1,617)</u>	<u>(2,115)</u>
	<u>745</u>	<u>5,018</u>
Effective tax rates ⁽¹⁾⁽²⁾	11.55%	30.97%

Note:

- (1) The lower effective tax rate for the current quarter than the statutory tax rate of 24% was mainly due to the recognition of deferred tax during the quarter.
- (2) The Group's effective tax rate for the financial year-to-date is higher than the statutory tax rate of 24%. It is mainly attributed to the higher taxable income from collection of Availability Charges from Concession Projects. The qualifying expenditure for concession projects is only restricted to 91% of total construction costs, hence the remaining 9% of the Availability Charges collected during the current quarter and year-to-date was deemed as taxable income resulting in the increase in tax expense.

B7. Utilisation of proceeds from the Initial Public Offer ("IPO")

The utilisation of proceeds as disclosed below should be read in conjunction with the Prospectus of the Company dated 13 December 2018. The gross proceeds raised from the Public Issue of RM42 million and status of utilisation as at 31 December 2020 is disclosed in the following table:

No.	Purpose	Time frame for utilisation from the date of listing	%	Proposed utilisation	Actual utilisation RM'000
(a)	Funding for the AFF Mixed Development ⁽¹⁾	Within 30 months	33.3	14,000	8,991
(b)	Capital expenditures for the district cooling system for the supply of chilled water to a shopping mall under the Datum Jelatek development	Within 30 months	15.5	6,500	5,252
(c)	Working capital for a construction project	Within 24 months	39.3	16,500	16,500
(d)	Estimated listing expenses	Within 3 months	11.9	5,000	5,000
Gross proceeds			<u>100.00</u>	<u>42,000</u>	<u>35,743</u>

Note:

- (1) Antara Residence Project



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B8. Bank borrowings

The Group's bank borrowings as at 31 December 2020 are as follows:

	Unaudited As at 31.12.2020 RM'000
Current:	
Lease liabilities	670
Islamic financing / Term loan	12,775
Bonds	20,000
Bank overdraft	2,826
	<hr/>
	36,271
Non-current:	
Lease liabilities	1,770
Islamic financing / Term loan	140,539
Bonds	120,000
	<hr/>
	262,309
	<hr/>
Total	298,580
	<hr/>

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material litigation

There were no material litigation involving the Group as at the date of this report.

B10. Dividend

The Board of Directors has declared a single tier-interim dividend of 0.5 sen per ordinary shares in respect of financial year ended 31 December 2020. The entitlement to the single tier-interim dividend will be determined based on the shareholders registered in the record of depositors as at 14 April 2021 and payment will be made on 30 April 2021.

The approved dividend represents approximately 30.1% of net profit attributable to owners of the Company for the financial year ended 31 December 2020.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B11. Earnings per share

The basic and diluted earnings per share (“EPS”) are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial periods are as follows:

	Quarter Ended		Year-To-Date	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit attribute to owners of the Company (RM'000)	5,776	4,359	12,508	25,284
Weighted average number of ordinary shares ('000):				
- Ordinary shares at the beginning	753,000	613,000	753,000	613,000
- Issuance of shares	-	140,000	-	138,849
Weighted average number of ordinary shares in issue ('000)	<u>753,000</u>	<u>753,000</u>	<u>753,000</u>	<u>751,849</u>
Basic EPS (sen) ⁽¹⁾	0.77	0.58	1.66	3.36
Diluted EPS (sen) ^{(1) & (2)}	0.77	0.58	1.66	3.36

Notes:

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 December 2020.
- (2) Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.



B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)

B12. Disclosure on selected expense/income items as required by the Listing Requirements

	Current Quarter 31.12.2020 RM'000	Year-To-Date 31.12.2020 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Depreciation :		
- property, plant and equipment	240	1,495
- right-of-use asset	374	858
Impairment losses:		
- trade receivable	(247)	933
Finance cost	4,037	16,033
Accretion of fair value on non-current trade receivables	(6,956)	(28,358)
Finance income	(724)	(1,954)
Reversal of impairment losses		
- trade receivable	(13)	(13)
- other receivable	(85)	(85)

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements of Bursa Securities are not applicable.

B13. Derivative

The Group did not enter into any derivative during the current quarter under review.