



**Property**

**KERJAYA PROSPEK PROPERTY BERHAD**

(Formerly known as GSB Group Berhad)

Registration No. 199401001358 (287036-X)

(Incorporated in Malaysia)

**Interim Financial Report  
30 September 2020**

**KERJAYA PROSPEK PROPERTY BERHAD**  
(Formerly known as GSB Group Berhad)  
Registration No. 199401001358 (287036-X)  
(Incorporated in Malaysia)

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For The Financial Period Ended 30 September 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mth) Current Year Quarter 30/09/2020 RM'000	(3-mth) Preceding Year Quarter 30/09/2019 RM'000	(6-mth) Current Year to-Date 30/09/2020 RM'000	(6-mth) Preceding Year to-Date 30/09/2019 RM'000
Revenue	56,836	47,878	113,559	98,647
Cost of sales	(35,027)	(34,413)	(74,445)	(73,628)
<b>Gross profit</b>	<u>21,809</u>	<u>13,465</u>	<u>39,114</u>	<u>25,019</u>
Other income	88	285	426	428
Distribution expenses	(461)	(545)	(597)	(892)
Administrative expenses	(4,300)	(4,026)	(7,242)	(7,218)
Other expenses	(1,019)	(897)	(2,047)	(1,782)
<b>Results from operating activities</b>	<u>16,117</u>	<u>8,282</u>	<u>29,654</u>	<u>15,555</u>
Finance income	225	152	488	220
Finance costs	(1,819)	(1,482)	(3,863)	(2,841)
<b>Profit before tax</b>	<u>14,523</u>	<u>6,952</u>	<u>26,279</u>	<u>12,934</u>
Tax expense	(3,423)	(1,923)	(7,059)	(3,524)
<b>Profit and total comprehensive income for the period</b>	<u><u>11,100</u></u>	<u><u>5,029</u></u>	<u><u>19,220</u></u>	<u><u>9,410</u></u>
<b>Profit and total comprehensive income attributable to:</b>				
Owners of the Company	11,098	5,029	19,217	9,410
Non-controlling interests	2	-	3	-
<b>Profit and total comprehensive income for the period</b>	<u><u>11,100</u></u>	<u><u>5,029</u></u>	<u><u>19,220</u></u>	<u><u>9,410</u></u>
<b>Basic earnings per ordinary share (sen)</b>	<u>6.33</u>	<u>0.91</u>	<u>10.96</u>	<u>1.70</u>
<b>Diluted earnings per ordinary share (sen)</b>	<u>6.33</u>	<u>0.91</u>	<u>10.96</u>	<u>1.70</u>

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**Unaudited Condensed Consolidated Statement of Financial Position As At 30 September 2020**

	As at 30/09/2020 RM'000	As at 31/03/2020 RM'000
<b>Assets</b>		
Property, plant and equipment	265,958	260,680
Right-of-use assets	15,353	15,546
Land held for property development	68,349	67,867
Deferred tax assets	719	719
<b>Total non-current assets</b>	<u>350,379</u>	<u>344,812</u>
Inventories	331,063	346,702
Contract assets	-	14,512
Contract costs	33,320	36,274
Trade and other receivables	26,564	33,883
Current tax assets	6,756	12,482
Prepayments	984	1,209
Cash and bank balances	72,138	78,756
	<u>470,825</u>	<u>523,818</u>
Asset classified as held for sale	-	10,011
<b>Total current assets</b>	<u>470,825</u>	<u>533,829</u>
<b>Total assets</b>	<u><u>821,204</u></u>	<u><u>878,641</u></u>
<b>Equity</b>		
Share capital	132,835	132,835
Redeemable convertible preference shares ("RCPS")	239,505	239,505
Share option reserve	-	3
Reverse acquisition reserve	(323,920)	(323,920)
Retained earnings	288,391	269,171
<b>Total equity attributable to owners of the Company</b>	<u>336,811</u>	<u>317,594</u>
Non controlling interests	253	250
<b>Total equity</b>	<u>337,064</u>	<u>317,844</u>
<b>Liabilities</b>		
Trade payables	11,830	11,665
Loans and borrowings	103,680	114,151
Deferred tax liabilities	26,257	26,625
Redeemable convertible preference shares ("RCPS")	27,464	32,500
<b>Total non-current liabilities</b>	<u>169,231</u>	<u>184,941</u>
Trade and other payables	105,134	161,705
Redeemable convertible preference shares ("RCPS")	10,112	10,112
Contract liabilities	48,271	30,726
Loans and borrowings	150,993	173,160
Current tax liabilities	399	153
<b>Total current liabilities</b>	<u>314,909</u>	<u>375,856</u>
<b>Total liabilities</b>	<u>484,140</u>	<u>560,797</u>
<b>Total equity and liabilities</b>	<u><u>821,204</u></u>	<u><u>878,641</u></u>
Net assets per share attributable to owners of the Company (RM)	<u>1.68</u>	<u>1.59</u>

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**Unaudited Condensed Consolidated Statement of Changes in Equity  
For The Financial Period Ended 30 September 2020**

	<----- Attributable to owners of the Company ----->						Distributable	Non- controlling Interests	Total Equity
	<----- Non-distributable ----->			Share Option Reserve	Reverse Acquisition Reserve	Retained Earnings			
	Share Capital	RCPS	Fair Value Reserve	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 April 2020</b>	132,835	239,505	-	3	(323,920)	269,171	317,594	250	317,844
Profit and total comprehensive income for the period	-	-	-	-	-	19,217	19,217	3	19,220
Share options expired	-	-	-	(3)	-	3	-	-	-
<b>At 30 September 2020</b>	<b>132,835</b>	<b>239,505</b>	<b>-</b>	<b>-</b>	<b>(323,920)</b>	<b>288,391</b>	<b>336,811</b>	<b>253</b>	<b>337,064</b>
<b>As at 1 April 2019</b>	56,629	-	(40,925)	5	(52,384)	288,858	252,183	-	252,183
Profit and total comprehensive income for the period	-	-	-	-	-	9,410	9,410	-	9,410
Share options lapsed	-	-	-	(2)	2	-	-	-	-
<b>At 30 September 2019</b>	<b>56,629</b>	<b>-</b>	<b>(40,925)</b>	<b>3</b>	<b>(52,382)</b>	<b>298,268</b>	<b>261,593</b>	<b>-</b>	<b>261,593</b>

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**Unaudited Condensed Consolidated Statement of Cash Flows For The Financial Period Ended 30 September 2020**

	<b>6-month ended 30/09/2020 RM'000</b>	<b>6-month ended 30/09/2019 RM'000</b>
<b><u>Cash Flows From Operating Activities</u></b>		
Profit before taxation	26,279	12,934
<b><u>Adjustments for:-</u></b>		
Depreciation of		
- property, plant and equipment	1,854	1,782
- right-of-use assets	193	-
Finance income	(488)	(220)
Finance costs	3,863	2,841
Operating profit before changes in working capital	31,701	17,337
<b><u>Changes in working capital:-</u></b>		
Inventories	15,639	(40,274)
Land held for property development	(482)	-
Contract assets/liabilities	32,057	25,911
Contract cost	2,954	(6,286)
Trade and other receivables and prepayments	7,544	8,431
Trade and other payables	(61,792)	93,381
Cash generated from operations	27,621	98,500
Interest received	488	220
Interest paid	(3,513)	(2,841)
Income tax paid	(1,455)	(5,058)
<b>Net cash flow generated from operating activities</b>	<b>23,141</b>	<b>90,821</b>
<b><u>Cash Flows From Investing Activities</u></b>		
Acquisition of property, plant and equipment	(7,132)	(110,328)
Proceeds from disposal of asset classified as held for sale	10,011	-
Proceeds from disposal of investment	-	48,526
Deposits pledged with license bank	1,139	-
<b>Net cash generated from/(used in) investing activities</b>	<b>4,018</b>	<b>(61,802)</b>
<b><u>Cash Flows From Financing Activities</u></b>		
Drawdown of revolving credit	7,160	(1,560)
Net repayment of term loans	(25,823)	-
Repayment of finance lease liabilities	(13)	-
<b>Net cash used in financing activities</b>	<b>(18,676)</b>	<b>(1,560)</b>
Net change in cash and cash equivalents	8,483	27,459
Cash and cash equivalents at beginning of year	63,523	9,911
<b>Cash and cash equivalents at end of year</b>	<b>72,006</b>	<b>37,370</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	61,138	35,773
Highly liquid investments	11,000	1,597
	72,138	37,370
Less : Bank overdraft	(132)	-
	72,006	37,370

## KERJAYA PROSPEK PROPERTY BERHAD

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### **PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING FOR THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020**

Kerjaya Prospek Property Berhad (formerly known as GSB Group Berhad) (“KPPROP” or the “Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The registered office is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor. The principal place of business is located at No. 1, Jalan Wangsa Permai, First Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur.

#### **A1. Basis of Preparation**

This unaudited interim financial report has been prepared in accordance with the applicable disclosure provisions of Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Securities and in compliance with MFRS 134, *Interim Financial Reporting*.

##### Reverse Accounting

Pursuant to the corporate exercise (“Corporate Exercise”) undertaken by the Company of which the details were disclosed in the Circular to Shareholders of the Company dated 29 November 2019 (“Circular”), and approved by the Company’s shareholders on 23 December 2019, inter alia, the Company had on 10 January 2020 completed its acquisitions of the entire equity interest in Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.) (“KPSB”) and Kerjaya Hotel Sdn. Bhd. (“KHSB”) (collectively referred to as the “Combined Entities”) as disclosed in Note A11. These acquisitions have been accounted for using reverse accounting in accordance with MFRS 3, *Business Combinations*. Accordingly, the Combined Entities (being the legal subsidiaries in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) is regarded as the accounting acquiree. In this regard, the interim financial report represents a continuation of the financial position, financial performance and cash flows of the Combined Entities.

This interim financial report does not include all the information required for the full annual financial statements and should be read in conjunction with the annual audited financial statements of the Group for the financial year ended 31 March 2020.

The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the change in the financial position and performance of KPPROP and its subsidiaries (the “Group”) since the financial year ended 31 March 2020.

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**A2. Significant Accounting Policies**

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the year ended 31 March 2020 except for the adoption of the following new accounting standards and/or interpretations (including the consequential amendments, if any) during the current financial year:-

***MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2020***

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7: *Financial Instruments: Disclosure - Interest Rate Benchmark Reform*

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:-

***MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 June 2020***

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

***MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2022***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

***MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2023***

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*

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### **A2. Significant Accounting Policies (Cont'd)**

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group (Cont'd):-

#### ***MFRSs, Interpretations and Amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group do not plan to apply Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions* that is effective for annual periods beginning on or after 1 June 2020 as it is not applicable to the Group.

The Group plan to apply the accounting standards, amendments and interpretations from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for Amendments to MFRS 141 which are not applicable to the Group.

The Group plan to apply the accounting standards, amendments and interpretations from the annual period beginning on 1 April 2023 for those amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17, *Insurance Contract* which are not applicable to the Group.

The initial application of the applicable accounting standards, amendments or interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

### **A3. Auditors' Report on Preceding Annual Financial Statements**

The most recent annual audited financial statements for the financial year ended 31 March 2020 of the Group were not subject to any qualification.

### **A4. Seasonal and Cyclical Factors**

There were no material seasonal or cyclical factors affecting the performance of the Group during the interim period under review.

### **A5. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no items of an unusual nature, size or incidence which materially affect the assets, liabilities, equity, net income or cash flows of the Group during the interim period under review except that the hospitality segment's operations and performance were affected by unprecedented challenging operating environment due to the Covid-19 pandemic.



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### A6. Material Changes in Estimates

There were no material changes in the estimates of the amounts reported in previous interim periods and financial year that have a material effect on the results of the current interim period under review.

### A7. Debt and Equity Securities

There were no issuances, repurchases or repayments of debt and equity securities during the interim period under review.

### A8. Dividends Paid

No dividend has been paid during the interim period under review.

### A9. Segment Reporting

The Group's primary format for reporting segment information is business segments.

The Group is organised into two main business segments:

- Property development - development of residential and commercial properties
- Hospitality – hotel operation

Other non-reportable segments comprise operations related to investment holding, distribution of electricity, leasing of properties and manufacturing and replication of optical discs.

#### Segment reporting for the 6-month financial period ended 30 September 2020

	Property Development RM'000	Hospitality RM'000	Others RM'000	Elimination RM'000	Group RM'000
<b>Revenue</b>					
External revenue	105,780	5,066	2,713	-	113,559
Inter-segment revenue	-	-	598	(598)	-
Total revenue	<u>105,780</u>	<u>5,066</u>	<u>3,311</u>	<u>(598)</u>	<u>113,559</u>
<b>Results</b>					
Segment results	30,329	(1,391)	716	-	29,654
Finance income					488
Finance costs					<u>(3,863)</u>
Profit before tax					26,279
Taxation					<u>(7,059)</u>
Profit after tax					<u>19,220</u>

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**A9. Segment Reporting (Cont'd)****Segment reporting for the 6-month financial period ended 30 September 2019**

	<b>Property Development RM'000</b>	<b>Hospitality RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>					
External revenue	79,638	15,600	3,409	-	98,647
Inter-segment revenue	-	164	1,640	(1,804)	-
Total revenue	<u>79,638</u>	<u>15,764</u>	<u>5,049</u>	<u>(1,804)</u>	<u>98,647</u>
<b>Results</b>					
Segment results	10,844	2,895	1,816	-	15,555
Finance income					220
Finance costs					<u>(2,841)</u>
Profit before tax					12,934
Taxation					<u>(3,524)</u>
Profit after tax					<u>9,410</u>

**A10. Material Events Subsequent to the End of Interim Period**

The outbreak of Coronavirus Disease 2019 (“Covid-19”) in early 2020 and various phases of Movement Control Order (“MCO”) implemented by the Government as a measure to contain the Covid-19 have affected the business and economic environments of the hospitality segment and hence, may impact its performance and financial position in the future. Nevertheless, the Group have implemented various cost management and marketing strategy, together with various stimulus measures announced by the Government of Malaysia will help to mitigate the hospitality segment’s financial and operational disruption.

On 7 October 2020, Kerjaya Property Sdn Bhd (“KPSB”), a wholly-owned subsidiary of the Company, has entered into the Sale and Purchase Agreement to purchase all that parcel of land held under Geran Mukim 216, Lot 3252, Mukim Petaling, Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur for a purchase consideration of RM10,096,400.00.

On 30 October 2020, Summit CD (M) Sdn Bhd (formerly known as GSB Summit CD (M) Sdn Bhd (“SCDM”), a wholly-owned subsidiary of KPPROP, has decided to cease its business operations in manufacturing and replication of optical discs. Pursuant to Paragraph 1.01 of the Main Market Listing Requirements of Bursa Securities, SCDM is not a major subsidiary of KPPROP.

On 2 November 2020, KPSB has entered into the Sale and Purchase Agreement to purchase all that parcel of land held under Geran Mukim 215, Lot 3253, Mukim Petaling, Daerah Kuala Lumpur for a purchase consideration of RM15,133,800.00.

Save as disclosed above, there were no material events subsequent to the end of the interim period.

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**A11. Changes in the Composition of the Group**

There were no changes in the composition of the Group including business combination, acquisition and/or disposal of subsidiary companies and long-term investments, restructuring and discontinued operations during the interim period under review.

**A12. Contingent Liabilities**

The contingent liabilities are as follows:

	<b>Company</b>	
	<b>As At</b>	<b>As At</b>
	<b>30/09/2020</b>	<b>31/03/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees issued to licensed banks for credit facilities granted to subsidiaries	48,782	67,623

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020****B1. Review of Performance**

	Individual Period		Changes RM'000	Cumulative Period		Changes RM'000
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To-date	Preceding Year Corresponding Period	
	30/09/2020	30/09/2019		30/09/2020	30/09/2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	56,836	47,878	8,958	113,559	98,647	14,912
Results from operating activities	16,117	8,282	7,835	29,654	15,555	14,099
Profit before tax	14,523	6,952	7,571	26,279	12,934	13,345
Profit and total comprehensive income for the period	11,100	5,029	6,071	19,220	9,410	9,810

The Group recorded revenue of RM56.84 million for the interim period under review, an increase of RM8.96 million over the corresponding quarter of the preceding year. Profit before tax was recorded at RM14.52 million against a profit before tax of RM6.95 million in the corresponding quarter of the preceding year, representing an increase of RM7.57 million.

The increase in revenue and profit before tax was mainly due to higher sales and development progress being registered in the property development segment during the interim period under review.

**Property development**

The property development segment continued to be the major contributor. The segment recorded a revenue of RM105.78 million as compared to RM79.64 million in the 6-month financial period ended 30 September 2020. The increase in revenue was mainly due to higher sales and development progress being registered for the development projects in Setiawangsa, Kuala Lumpur and Seri Tanjung Pinang, Penang during the interim period under review.

The property development segment recorded an operating profit of RM30.33 million for the 6-month financial period ended 30 September 2020 as compared to RM10.84 million for the 6-month financial period ended 30 September 2019.

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### B1. Review of Performance (Cont'd)

#### Hospitality

With the various phases of MCO and the global and inter-state travel restriction imposed by the Malaysian Government, the performance of the hospitality segment was affected. Hence, the hospitality segment recorded a lower revenue for the 6-month financial period ended 30 September 2020 of RM5.07 million which was 67.86% lower when compared to the 6-month financial period ended 30 September 2019.

With this decrease in revenue the segment recorded an operating loss of RM1.40 million for the 6-month financial period ended 30 September 2020 as compared to an operating profit of RM2.90 million in the 6-month financial period ended 30 September 2019.

#### Others

Revenue from others segment comprises mainly the distribution of electricity, leasing of properties and the replication of optical discs.

Other segments recorded operating profit of RM0.72 million for the 6-months financial period ended 30 September 2020 as compared to operating profit of RM1.82 million for the 6-months financial period ended 30 September 2019. The reduction in operating profit was mainly due to the various phases of MCO implemented by the Malaysian Government.

### B2. Comparison with the Immediate Preceding Quarter's Results

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	
	<b>30/09/2020</b>	<b>30/06/2020</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	56,836	56,723	113
Results from operating activities	16,117	13,537	2,580
Profit before tax	14,523	11,756	2,767
Profit and total comprehensive income for the period	11,100	8,120	2,980

The Group recorded revenue of RM56.84 million for the current quarter ended 30 September 2020 as compared to a revenue of RM56.72 million for the immediate preceding quarter ended 30 June 2020. The increase in revenue was mainly contributed by resumption of business in the hospitality segment following the gradual easing of certain MCO and travel restrictions during the interim period under review.

The Group recorded a higher profit before tax of RM14.52 million for the current quarter, representing an increase of RM2.77 million compared to the immediate preceding quarter.

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### B3. Prospects

The Covid-19 pandemic and the MCO restrictions imposed by the Malaysian government have varying degrees effected the property development and hospitality operating condition for the financial year 2021.

The Group has completed the development of Kaleidescope, Setiawangsa Kuala Lumpur project, which is fully sold, in October 2020, and is currently handing over the vacant possession to the unit owners. Although the property segment remains challenging in the short term, the Group is optimistic over the demand for the Bloomsvale and Straits Residences projects. The Group will continue to identify viable landbanks and/or projects to expand and strengthen its landbank size and projects portfolio.

The global travel restriction due to the Covid-19 pandemic and the unprecedented uncertainties and challenges will continue to put significant pressure on the hotel's revenue and occupancy in the near term. The Group have put in place comprehensive cost savings measures and contingency plans, and contain costs as well as to conserve cash and manage cashflow effectively.

### B4. Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the interim period under review.

### B5. Taxation

The taxation figures are as follows:-

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30/09/2020 RM'000	Preceding Year Quarter 30/09/2019 RM'000	Current Year to-Date 30/09/2020 RM'000	Preceding Year to-Date 30/09/2019 RM'000
Current tax expense	3,606	2,024	7,426	3,994
Deferred tax income	(183)	(101)	(367)	(470)
	<u>3,423</u>	<u>1,923</u>	<u>7,059</u>	<u>3,524</u>

### B6. Status of Corporate Proposal

Pursuant to the Corporate Exercise disclosed in Note A1, the Company proposed to undertake the private placement of up to 125 million new ordinary shares at an issue price to be determined and to placee(s) to be identified at a later stage ("Proposed Private Placement").

Bursa Securities had, vide its letter dated 9 November 2020, approved the application for a further extension of time of six (6) months from 15 November 2020 to 15 May 2021 to complete the Proposed Private Placement.

Save as disclosed above, there is no other corporate proposal announced by the Company but not completed as at 20 November 2020 (being the latest practicable date which must not be earlier than 7 days from the date of issuance of this Interim Financial Report).

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**B7. Borrowings and Debt Securities**

Total Group borrowings as at 30 September 2020 are as follows:-

	<b>Contractual interest rate per annum %</b>	<b>As at 30/09/2020</b>		<b>Total borrowings RM'000</b>
		<b>Non-current RM'000</b>	<b>Current RM'000</b>	
Secured term loans	3.51	103,680	2,211	105,891
Secured revolving credit	3.16 – 3.50	-	148,650	148,650
Secured bank overdrafts	3.50	-	132	132
<b>Total</b>		<b>103,680</b>	<b>150,993</b>	<b>254,673</b>

	<b>Contractual interest rate per annum %</b>	<b>As at 31/03/2020</b>		<b>Total borrowings RM'000</b>
		<b>Non-current RM'000</b>	<b>Current RM'000</b>	
Secured term loans	4.47 – 5.55	114,151	17,563	131,714
Secured revolving credit	4.25	-	141,490	141,490
Secured bank overdrafts	4.25	-	14,094	14,094
Hire purchase liabilities	2.64	-	13	13
<b>Total</b>		<b>114,151</b>	<b>173,160</b>	<b>287,311</b>

The proportion of debt that is based on the fixed interest rate and floating interest rate is as follows:

	<b>Group</b>	
	<b>As At 30/09/2020 RM'000</b>	<b>As At 31/3/2020 RM'000</b>
Fixed rates borrowings	-	13
Floating rates borrowings	254,673	287,298
	<b>254,673</b>	<b>287,311</b>

The Group borrowings were denominated in Ringgit Malaysia and secured by way of legal charges over the assets of certain subsidiaries, and are supported by the corporate guarantee from the Company.

**B8. Material Litigations**

The Group does not have any material litigation as at the date of this interim financial report.

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**B9. Earnings Per Share**

Pursuant to the Corporate Exercise as disclosed in Note A1, the earnings per ordinary share has been restated and reflects the results of the Combined Entities, including the acquisitions, to arrive at the results of the Group.

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year to-Date</b>	<b>Preceding Year to-Date</b>
	<b>30/09/2020</b>	<b>30/09/2019</b>	<b>30/09/2020</b>	<b>30/09/2019</b>
Profit attributable to ordinary shareholders (RM'000)	11,098	5,029	19,217	9,410
Weighted average number of ordinary shares ('000)	175,402	552,440	175,402	552,440
Basic earnings per ordinary share (sen)	6.33	0.91	10.96	1.70

The calculation of diluted earnings per ordinary share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year to-Date</b>	<b>Preceding Year to-Date</b>
	<b>30/09/2020</b>	<b>30/09/2019</b>	<b>30/09/2020</b>	<b>30/09/2019</b>
Profit attributable to ordinary shareholders (RM'000)	11,098	5,029	19,217	9,410
Weighted average number of ordinary shares (basic) ('000)	175,402	552,440	175,402	552,440
Effect of share options on issuance ('000)	-	150	-	150
Weighted average number of ordinary shares (diluted) ('000)	175,402	552,590	175,402	552,590
Diluted earnings per ordinary share (sen)	6.33	0.91	10.96	1.70

The effects of potential ordinary shares arising from the conversion of RCPS are anti-dilutive and accordingly, it has been ignored in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share is the same as basic earnings per share.



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**B10. Notes to the Statement of Profit or Loss and Other Comprehensive Income**

Profit before tax is arrived after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/09/2020 RM'000	Preceding Year Quarter 30/09/2019 RM'000	Current Year To Date 30/09/2020 RM'000	Preceding Year To Date 30/09/2019 RM'000
Interest income	225	152	488	220
Other income including investment income	88	285	426	428
Interest expense	(1,819)	(1,482)	(3,863)	(2,841)
Depreciation and amortisation	(1,019)	(897)	(2,047)	(1,782)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
(Gain) or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
Impairment of assets	-	-	-	-
Foreign exchange (gain) or loss (Gain) or loss on derivatives	-	-	-	-

**B11. Derivative Financial Instruments**

There were no derivative financial instruments at the date of this report.

**B12. Fair Value Changes of Financial Liabilities**

As at 30 September 2020, there are no financial liabilities measured at fair value through profit or loss.

**B13. Authorisation for Issue**

This Interim Financial Report of KPPROP for the financial quarter ended 30 September 2020 was authorised for issuance by the Board of Directors of the Company in accordance with a resolution dated 27 November 2020.