



Property

KERJAYA PROSPEK PROPERTY BERHAD

Registration No. 199401001358 (287036-X)

(Incorporated in Malaysia)

**Interim Financial Report
31 March 2021**

KERJAYA PROSPEK PROPERTY 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 31 March 2021**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	(3-mth) Current Year Quarter 31/03/2021 RM'000	(3-mth) Preceding Year Quarter 31/03/2020 RM'000	(12-mth) Current Year to-Date 31/03/2021 RM'000	(12-mth) Preceding Year to-Date 31/03/2020 RM'000
Revenue	79,723	68,892	301,985	214,079
Cost of sales	(40,442)	(48,776)	(187,236)	(153,516)
Gross profit	39,281	20,116	114,749	60,563
Other income	1,005	286	1,615	898
Distribution expenses	(275)	(353)	(1,153)	(1,853)
Administrative expenses	(5,082)	(8,900)	(16,958)	(20,607)
Other expenses	(1,209)	(1,250)	(4,277)	(3,929)
Results from operating activities	33,720	9,899	93,976	35,072
Finance income	481	326	1,340	810
Finance costs	(3,104)	(3,168)	(8,627)	(7,727)
Profit before tax	31,097	7,057	86,689	28,155
Tax expense	(8,978)	(1,052)	(23,141)	(6,914)
Profit and total comprehensive income for the period	22,119	6,005	63,548	21,241
Profit and total comprehensive income attributable to:				
Owners of the Company	22,111	6,002	63,534	21,238
Non-controlling interests	8	3	14	3
Profit and total comprehensive income for the period	22,119	6,005	63,548	21,241
Basic earnings per ordinary share (sen)	10.39	4.60	29.84	16.27
Diluted earnings per ordinary share (sen)	2.81	4.60	8.08	16.26

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Unaudited Condensed Consolidated Statement of Financial Position As At 31 March 2021

	As at 31/03/2021 RM'000	As at 31/03/2020 RM'000
Assets		
Property, plant and equipment	269,664	260,680
Right-of-use assets	16,000	15,546
Land held for property development	95,996	67,867
Deferred tax assets	-	719
Total non-current assets	381,660	344,812
Inventories	334,171	346,702
Contract assets	-	14,512
Contract costs	31,796	36,274
Trade and other receivables	49,849	33,883
Current tax assets	6,891	12,482
Prepayments	1,178	1,209
Cash and cash equivalents	67,362	78,756
	491,247	523,818
Asset classified as held for sale	-	10,011
Total current assets	491,247	533,829
Total assets	872,907	878,641
Equity		
Share capital	260,557	132,835
Redeemable convertible preference shares ("RCPS")	216,825	239,505
Share option reserve	-	3
Reverse acquisition reserve	(323,920)	(323,920)
Retained earnings	332,708	269,171
Total equity attributable to owners of the Company	486,170	317,594
Non-controlling interests	264	250
Total equity	486,434	317,844
Liabilities		
Trade payables	14,654	11,665
Loans and borrowings	102,233	114,151
Deferred tax liabilities	25,084	26,625
Redeemable convertible preference shares ("RCPS")	22,679	32,500
Total non-current liabilities	164,650	184,941
Trade and other payables	145,334	161,705
Redeemable convertible preference shares ("RCPS")	9,155	10,112
Contract liabilities	29,835	30,726
Loans and borrowings	32,892	173,160
Current tax liabilities	4,607	153
Total current liabilities	221,823	375,856
Total liabilities	386,473	560,797
Total equity and liabilities	872,907	878,641
Net assets per share attributable to owners of the Company (RM)	1.39	1.59

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**Unaudited Condensed Consolidated Statement of Changes in Equity
For The Financial Year Ended 31 March 2021**

	←----- Attributable to owners of the Company -----→						Total	Non- controlling Interests	Total Equity
	←----- Non-distributable -----→			Distributable					
	Share Capital	RCPS	Fair Value Reserve	Share Option Reserve	Reverse Acquisition Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 April 2019	56,629	-	(40,925)	5	(52,384)	288,858	252,183	-	252,183
Disposal of equity investments designated at at fair value through other comprehensive income	-	-	40,925	-	-	(40,925)	-	-	-
Shares issued pursuant to acquisition of subsidiaries	76,206	239,505	-	-	(271,538)	-	44,173	247	44,420
Share options lapsed	-	-	-	(2)	2	-	-	-	-
Profit and total comprehensive income for the period	-	-	-	-	-	21,238	21,238	3	21,241
As at 31 March 2020/1 April 2020	132,835	239,505	-	3	(323,920)	269,171	317,594	250	317,844
Shares issued pursuant to private placement	101,700	-	-	-	-	-	101,700	-	101,700
Conversion of RCPS	26,022	(22,680)	-	-	-	-	3,342	-	3,342
Share options expired	-	-	-	(3)	-	3	-	-	-
Profit and total comprehensive income for the period	-	-	-	-	-	63,534	63,534	14	63,548
At 31 March 2021	260,557	216,825	-	-	(323,920)	332,708	486,170	264	486,434

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Unaudited Condensed Consolidated Statement of Cash Flows For The Financial Year Ended 31 March 2021

	31/03/2021	31/03/2020
	RM'000	RM'000
<u>Cash Flows From Operating Activities</u>		
Profit before taxation	86,689	28,155
<u>Adjustments for:-</u>		
Depreciation of		
- property, plant and equipment	3,914	3,644
- right-of-use assets	171	94
Finance income	(1,340)	(810)
Finance costs	8,627	7,727
Net impairment loss on trade and other receivables	35	90
Write off of inventories	109	-
Write off of property, plant and equipment	34	-
Gain on disposal of highly liquid investments	(31)	-
Operating profit before changes in working capital	<u>98,208</u>	<u>38,900</u>
<u>Changes in working capital:-</u>		
Inventories	12,422	16,858
Land held for property development	(28,129)	(397)
Contract cost	4,478	(15,572)
Contract assets	14,512	(3,277)
Contract liabilities	(891)	30,726
Trade and other receivables and prepayments	(17,012)	32,952
Trade and other payables	<u>(15,970)</u>	<u>(54,282)</u>
Cash generated from operations	67,618	45,908
Interest received	1,340	810
Interest paid	(5,097)	(5,718)
Income tax refunded	3,158	-
Income tax paid	<u>(16,920)</u>	<u>(12,044)</u>
Net cash flow generated from operating activities	<u>50,099</u>	<u>28,956</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of property, plant and equipment	(10,278)	(1,957)
Acquisition of subsidiaries	-	(112,191)
Proceeds from disposal of asset classified as held for sale	10,011	-
Proceeds from disposal of other investment	31	48,526
Net cash used in investing activities	<u>(236)</u>	<u>(65,622)</u>
<u>Cash Flows From Financing Activities</u>		
(Repayment)/Drawdown of revolving credit	(111,490)	105,900
Repayment of term loans	(26,589)	(15,856)
Repayment of finance lease liabilities	(13)	(10)
Payment of RCPS Dividend	(10,771)	-
Deposits pledged with licensed bank	1,139	-
Proceeds from issue of share capital	101,700	244
Net cash (used in)/generated from financing activities	<u>(46,024)</u>	<u>90,278</u>
Net change in cash and cash equivalents	3,839	53,612
Cash and cash equivalents at beginning of year	63,523	9,911
Cash and cash equivalents at end of year	<u>67,362</u>	<u>63,523</u>
Cash and cash equivalents comprise:		
Cash and bank balances	48,578	75,895
Deposits placed with licensed banks	-	2,858
Highly liquid investments	18,784	3
	<u>67,362</u>	<u>78,756</u>
Less : Deposits pledged	-	(1,139)
Less : Bank overdrafts	-	(14,094)
	<u>67,362</u>	<u>63,523</u>

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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 YEAR ENDED 31 MARCH 2021

Kerjaya Prospek Property 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*.

This interim financial report does not include all the information required for the complete set of financial statements and should be read in conjunction with the 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 understanding the change in the financial position and performance of KPPROP and its subsidiaries (the “Group”) since the financial year ended 31 March 2020.

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.

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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:-

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 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

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 and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*

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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 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 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.

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.

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A7. Debt and Equity Securities

Save for the following, there were no issuances, repurchases or repayments of debt and equity securities during the interim period under review:

- (a) Issuance of 90,000,000 new ordinary shares pursuant to the Private Placement at RM1.13 per Placement Share on the Main Market of Bursa Securities; and
- (b) Conversion of 300,000,000 RCPS to 60,000,000 new ordinary shares with the conversion ratio of five (5) RCPS to one (1) new ordinary share.

A8. Dividends Paid

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

A9. Segment Reporting

The Group's has two reportable segments, as described below, which are the Group's strategic business units:

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

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

Segment reporting for the financial year ended 31 March 2021

	Property Development RM'000	Hospitality RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	282,811	14,004	5,170	-	301,985
Inter-segment revenue	-		1,630	(1,630)	-
Total revenue	<u>282,811</u>	<u>14,004</u>	<u>6,800</u>	<u>(1,630)</u>	<u>301,985</u>
Results					
Segment results	95,886	(1,500)	(410)	-	93,976
Finance income					1,340
Finance costs					<u>(8,627)</u>
Profit before tax					86,689
Taxation					<u>(23,141)</u>
Profit after tax					<u>63,548</u>

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A9. Segment Reporting (Cont'd)**Segment reporting for the financial year ended 31 March 2020**

	Property Development RM'000	Hospitality RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	176,308	30,761	7,010	-	214,079
Inter-segment revenue	-	-	3,205	(3,205)	-
Total revenue	<u>176,308</u>	<u>30,761</u>	<u>10,215</u>	<u>(3,205)</u>	<u>214,079</u>
Results					
Segment results	30,202	5,482	(612)	-	35,072
Finance income					810
Finance costs					<u>(7,727)</u>
Profit before tax					28,155
Taxation					<u>(6,914)</u>
Profit after tax					<u>21,241</u>

A10. Material Events Subsequent to the End of Interim Period

The COVID-19 pandemic outbreak in early 2020 and the various phases of Movement Control Order ("MCO") implemented by the Malaysian Government as a measure to curb the COVID-19 pandemic have affected the business and economic environments of the hospitality segment and may impact its performance and financial position in the future. Nevertheless, the Group have implemented various cost management measure and marketing strategy to lessen the impact. Besides that, various stimulus measures announced by the Malaysian Government will help to mitigate the hospitality segment's financial and operational disruption.

KPP Development Sdn Bhd ("KPPDSB"), a wholly-owned subsidiary of the Company, has on 1 April 2021 held its Extraordinary General Meeting on which it was resolved that KPPDSB would be wound up voluntarily.

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

A11. Changes in the Composition of the Group

The Company has on 12 March 2021, acquired 100% of the issued and paid-up share capital of a shelf company, Pixel Valley Sdn Bhd for a total consideration of RM1.00.

Save as disclosed above, 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.

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A12. Contingent Liabilities

Serta Usaha Sdn. Bhd., a wholly-owned subsidiary, is defending an action brought by a third party which claimed for recovery of Goods & Services Tax from the subsidiary amounting to RM1,107,000. Based on legal advice, the Directors are of the opinion that a provision is not required in respect of this matter.

	Company	
	As At	As At
	31/03/2021	31/03/2020
	RM'000	RM'000
Corporate guarantees issued to licensed banks for credit facilities granted to subsidiaries	<u>135,125</u>	<u>67,623</u>

The Directors are of the opinion that a provision is not required in respect of the matters above as it is not probable that future sacrifice of economic benefits will be required.

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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 YEAR ENDED 31 MARCH 2021**B1. Review of Performance**

	Individual Period			Cumulative Period		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year-To-date	Preceding Year Corresponding Period	Changes
	31/03/2021	31/03/2020		31/03/2021	31/03/2020	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	79,723	68,892	10,831	301,985	214,079	87,906
Results from operating activities	33,720	9,899	23,821	93,976	35,072	58,904
Profit before tax	31,097	7,057	24,040	86,689	28,155	58,534
Profit and total comprehensive income for the period	22,119	6,005	16,114	63,548	21,241	42,307

The Group recorded revenue of RM79.72 million for the interim period under review, an increase of RM10.83 million over the corresponding quarter of the preceding year. Profit before tax was recorded at RM31.10 million against a profit before tax of RM7.06 million in the corresponding quarter of the preceding year, representing an increase of RM24.04 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 revenue contributor. The segment recorded a revenue of RM282.81 million for the financial year ended 31 March 2021 as compared to RM176.31 million for the financial year ended 31 March 2020. The increase in revenue was mainly due to higher sales and development progress being registered in our development projects, namely *Bloomsvale* at Old Klang Road (Kuala Lumpur), *Kaleidoscope* at Setiawangsa (Kuala Lumpur) and *Straits Residences* at Seri Tanjung Pinang (Penang) during the financial year. In October 2020, the Group has completed the development of *Kaleidoscope* in Setiawangsa, which was fully sold.

The property development segment recorded an operating profit of RM95.89 million for the financial year ended 31 March 2021 as compared to RM30.20 million for the financial year ended 31 March 2020.

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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. As a result, the hospitality segment recorded a lower revenue of RM14.00 million for the financial year ended 31 March 2021 which was RM16.76 million lower compared to the financial year ended 31 March 2020.

With the decrease in revenue the segment recorded an operating loss of RM1.50 million for the financial year ended 31 March 2021 as compared to an operating profit of RM5.48 million in the financial year ended 31 March 2020.

Others

Revenue from the other segments comprise mainly of the distribution of electricity, leasing of properties and the replication of optical discs.

Other segments recorded operating loss of RM0.41 million for the financial year ended 31 March 2021 as compared to operating loss of RM0.61 million for the financial year ended 31 March 2020.

B2. Comparison with the Immediate Preceding Quarter's Results

	Current Quarter	Immediate Preceding Quarter	
	31/03/2021	31/12/2020	Changes
	RM'000	RM'000	RM'000
Revenue	79,723	108,703	(28,980)
Results from operating activities	33,720	30,602	3,118
Profit before tax	31,097	29,313	1,784
Profit and total comprehensive income for the period	22,119	22,209	(90)

The Group recorded revenue of RM79.72 million for the current quarter ended 31 March 2021 as compared to a revenue of RM108.70 million for the immediate preceding quarter ended 31 December 2020. The decrease in revenue was mainly due to contributions from our fully sold and completed project, *Kaleidoscope* at Setiawangsa (Kuala Lumpur) to the Group's revenue during the immediate preceding quarter,

The Group recorded a higher profit before tax of RM31.10 million for the current quarter, representing an increase of RM1.78 million as compared to the immediate preceding quarter.

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B3. Prospects

With the significant spike in COVID-19 cases in Malaysia, the Malaysian Government has implemented MCO 3.0 from 12 May to 7 June 2021 for the whole Malaysia. Various standard operating procedures have been put in place to help curb the pandemic. The nationwide vaccination programme is hoped to reduce the number of COVID-19 infections and improve the economic outlook. Nevertheless, the COVID-19 pandemic and the MCO have varying degrees effected the market condition.

Despite property segment remains challenging, the demand for *Bloomsvale* at Old Klang Road and *Straits Residences* at Seri Tanjung Pinang, Penang are encouraging. The Group successfully completed two development projects, i.e. *Kaleidoscope* at Setiawangsa Kuala Lumpur and *Straits Residence* at Seri Tanjung Pinang, Penang. Planned new launches for year 2021 and 2022 will be located at Shah Alam, Klang and Sentul. In order to sustain as well as to enhance the Group's property development operations and financial performance, the Group remain focus to identify potential landbank and launch new development projects.

The hotel industry's outlook remains uncertain and challenging due to the COVID-19 pandemic. With the ongoing global and local travel restriction, the performance of hotel businesses continue to be under pressure in the near term. The Group continues to implement its cost control measures, improve operational efficiencies and manage cashflow effectively throughout this challenging period.

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	Preceding Year Quarter	Current Year-to-Date	Preceding Year-to-Date
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense	8,741	746	23,456	7,181
Deferred tax expense/(income)	237	306	(315)	(267)
	<u>8,978</u>	<u>1,052</u>	<u>23,141</u>	<u>6,914</u>

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B6. Status of Corporate Proposal

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, and approved by the Company’s shareholders on 23 December 2019, 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 (“Private Placement”).

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

The Board has on 19 February 2021 fixed the issue price for 90,000,000 Placement Shares at RM1.13 per Placement Share, being the first tranche of the Private Placement (“First Tranche”). The listing and quotation of 90,000,000 Placement Shares on the Main Market of Bursa Securities has been completed on 2 March 2021.

Subsequent to the First Tranche, the Company, after taking into consideration, amongst others, the prevailing market condition, has decided not to place the remaining Placement Shares. Thus, the Private Placement is deemed completed upon the expiry of EOT.

Save as disclosed above, there is no corporate proposal announced by the Company but not completed as at 21 May 2021 (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 31 March 2021 are as follows:-

	Contractual interest rate per annum %	As at 31/03/2021		Total borrowings RM'000
		Non-current RM'000	Current RM'000	
Secured term loans	3.39	102,233	2,892	105,125
Secured revolving credit	3.35	-	30,000	30,000
Total		102,233	32,892	135,125

	Contractual interest rate per annum %	As at 31/03/2020		Total borrowings RM'000
		Non-current RM'000	Current RM'000	
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
Total		114,151	173,160	287,311

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

	Group	
	As At 31/03/2021 RM'000	As At 31/3/2020 RM'000
Fixed rates borrowings	-	13
Floating rates borrowings	135,125	287,298
	135,125	287,311

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

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:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year-to-Date	Preceding Year-to-Date
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Profit attributable to ordinary shareholders (RM'000)	22,111	6,002	63,534	21,238
Weighted average number of ordinary shares ('000)	212,882	130,574	212,882	130,574
Basic earnings per ordinary share (sen)	10.39	4.60	29.84	16.27

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:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year-to-Date	Preceding Year-to-Date
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Profit attributable to ordinary shareholders (RM'000)	22,111	6,002	63,534	21,238
Weighted average number of ordinary shares (basic) ('000)	212,882	130,574	212,882	130,574
Effect of share options on issuance ('000)	-	30	-	30
Effect of conversion of RCPS ('000)	573,611	-	573,611	-
Weighted average number of ordinary shares (diluted) ('000)	786,493	130,604	786,493	130,604
Diluted earnings per ordinary share (sen)	2.81	4.60	8.08	16.26

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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	Preceding	Current	Preceding
	Year	Year	Year-	Year-
	Quarter	Quarter	To-Date	To-Date
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(481)	(326)	(1,340)	(810)
Other income including investment income	(974)	(286)	(1,584)	(898)
Interest expense	3,104	3,168	8,627	7,727
Depreciation and amortisation	1,017	3,437	4,085	3,738
Provision for and write off of receivables	35	90	35	90
Provision for and write off of inventories	109	-	109	-
(Gain) or loss on disposal of quoted or unquoted investments or properties	(31)	-	(31)	-
Impairment of assets	34	-	34	-
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 31 March 2021, 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 31 March 2021 was authorised for issuance by the Board of Directors of the Company in accordance with a resolution dated 28 May 2021.