



Property

KERJAYA PROSPEK PROPERTY BERHAD

(Formerly known as GSB Group Berhad)

Registration No. 199401001358 (287036-X)

(Incorporated in Malaysia)

Interim Financial Report 30 June 2020

KERJAYA PROSPEK PROPERTY BERHAD
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**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Financial Period Ended 30 June 2020**

	INDIVIDUAL QUARTER (3-mth)		CUMULATIVE QUARTER (12-mth)	
	Current Year Quarter 30/06/2020 RM'000	Preceding Year Quarter 30/06/2019 RM'000	Current Year to-Date 30/06/2020 RM'000	Preceding Year to-Date 30/06/2019 RM'000
Revenue	56,723	50,769	56,723	50,769
Cost of sales	(39,418)	(39,215)	(39,418)	(39,215)
Gross profit	<u>17,305</u>	<u>11,554</u>	<u>17,305</u>	<u>11,554</u>
Other income	338	143	338	143
Distribution expenses	(136)	(347)	(136)	(347)
Administrative expenses	(2,942)	(3,192)	(2,942)	(3,192)
Other expenses	(1,028)	(885)	(1,028)	(885)
Results from operating activities	<u>13,537</u>	<u>7,273</u>	<u>13,537</u>	<u>7,273</u>
Finance income	263	68	263	68
Finance costs	(2,044)	(1,359)	(2,044)	(1,359)
Profit before tax	<u>11,756</u>	<u>5,982</u>	<u>11,756</u>	<u>5,982</u>
Tax expense	(3,636)	(1,601)	(3,636)	(1,601)
Profit and total comprehensive income for the period	<u><u>8,120</u></u>	<u><u>4,381</u></u>	<u><u>8,120</u></u>	<u><u>4,381</u></u>
Profit and total comprehensive income attributable to:				
Owners of the Company	8,119	4,381	8,119	4,381
Non-controlling interests	1	-	1	-
Profit and total comprehensive income for the period	<u><u>8,120</u></u>	<u><u>4,381</u></u>	<u><u>8,120</u></u>	<u><u>4,381</u></u>
Basic earnings per ordinary share (sen)	<u>5.31</u>	<u>0.80</u>	<u>5.31</u>	<u>0.80</u>
Diluted earnings per ordinary share (sen)	<u>5.31</u>	<u>0.79</u>	<u>5.31</u>	<u>0.79</u>

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Unaudited Condensed Consolidated Statement of Financial Position As At 30 June 2020

	As at 30/06/2020 RM'000	As at 31/03/2020 RM'000
Assets		
Property, plant and equipment	263,234	260,680
Right-of-use assets	15,449	15,546
Land held for property development	68,157	67,867
Deferred tax assets	719	719
Total non-current assets	<u>347,559</u>	<u>344,812</u>
Inventories	331,581	346,702
Contract assets	-	14,512
Contract costs	42,691	36,274
Trade and other receivables	43,740	33,883
Current tax assets	11,040	12,482
Prepayments	622	1,209
Cash and bank balances	102,850	78,756
	<u>532,524</u>	<u>523,818</u>
Asset classified as held for sale	-	10,011
Total current assets	<u>532,524</u>	<u>533,829</u>
Total assets	<u><u>880,083</u></u>	<u><u>878,641</u></u>
Equity		
Share capital	132,835	132,835
Redeemable convertible preference shares ("RCPS")	239,505	239,505
Share option reserve	-	3
Reverse acquisition reserve	(323,917)	(323,920)
Retained earnings	277,290	269,171
Total equity attributable to owners of the Company	<u>325,713</u>	<u>317,594</u>
Non controlling interests	251	250
Total equity	<u>325,964</u>	<u>317,844</u>
Liabilities		
Trade payables	12,778	11,665
Loans and borrowings	111,825	114,151
Deferred tax liabilities	26,442	26,625
Redeemable convertible preference shares ("RCPS")	30,036	32,500
Total non-current liabilities	<u>181,081</u>	<u>184,941</u>
Trade and other payables	150,645	161,705
Redeemable convertible preference shares ("RCPS")	10,112	10,112
Contract liabilities	28,065	30,726
Loans and borrowings	184,021	173,160
Current tax liabilities	195	153
Total current liabilities	<u>373,038</u>	<u>375,856</u>
Total liabilities	<u>554,119</u>	<u>560,797</u>
Total equity and liabilities	<u><u>880,083</u></u>	<u><u>878,641</u></u>
Net assets per share attributable to owners of the Company (RM)	<u>1.63</u>	<u>1.59</u>

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

	<----- Attributable to owners of the Company ----->							Non- controlling Interests	Total Equity
	<----- Non-distributable ----->			Distributable					
	Share Capital	RCPS	Fair Value Reserve	Share Option Reserve	Reverse Acquisition Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 April 2020	132,835	239,505	-	3	(323,920)	269,171	317,594	250	317,844
Profit and total comprehensive income for the period	-	-	-	-	-	8,119	8,119	1	8,120
Share options expired	-	-	-	(3)	3	-	-	-	-
At 30 June 2020	132,835	239,505	-	-	(323,917)	277,290	325,713	251	325,964
As at 1 April 2019	56,629	-	(40,925)	5	(52,384)	288,858	252,183	-	252,183
Share options lapsed	-	-	-	(2)	2	-	-	-	-
Profit and total comprehensive income for the period	-	-	-	-	-	4,381	4,381	-	4,381
At 30 June 2019	56,629	-	(40,925)	3	(52,382)	293,239	256,564	-	256,564

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

	3-month ended 30/06/2020 RM'000	3-month ended 30/06/2019 RM'000
<u>Cash Flows From Operating Activities</u>		
Profit before taxation	11,756	5,982
<u>Adjustments for:-</u>		
Depreciation of		
- property, plant and equipment	931	885
- right-of-use assets	97	-
Finance income	(263)	(68)
Finance costs	2,044	1,359
Operating profit before changes in working capital	<u>14,565</u>	<u>8,158</u>
<u>Changes in working capital:-</u>		
Inventories	15,121	8,776
Land held for property development	(290)	-
Contract assets/liabilities	11,851	(12,800)
Contract cost	(6,417)	(3,821)
Trade and other receivables	(9,270)	(9,306)
Trade and other payables	<u>(12,626)</u>	<u>17,138</u>
Cash generated from operations	12,934	8,145
Interest received	263	68
Interest paid	(1,829)	(1,359)
Income tax paid	<u>(2,335)</u>	<u>(3,492)</u>
Net cash flow generated from operating activities	<u>9,033</u>	<u>3,362</u>
<u>Cash Flows From Investing Activities</u>		
Acquisition of property, plant and equipment	(3,485)	(66)
Proceeds from disposal of asset classified as held for sale	10,011	-
Net cash generated from/(used in) investing activities	6,526	(66)
<u>Cash Flows From Financing Activities</u>		
Net repayment of term loans	(21,046)	(1,009)
Drawdown from revolving credits	30,000	-
Repayment of hire purchase liabilities	(13)	-
Net cash generated from/(used in) financing activities	8,941	(1,009)
Net change in cash and cash equivalents	24,500	2,287
Cash and cash equivalents at beginning of year	<u>63,523</u>	<u>9,911</u>
Cash and cash equivalents at end of year	<u>88,023</u>	<u>12,198</u>
Cash and cash equivalents comprise:		
Cash and bank balances	84,710	11,111
Deposits placed with lincsend bank	1,139	-
Highly liquid investments	17,001	1,087
	<u>102,850</u>	<u>12,198</u>
Less : Deposits pledged	(1,139)	-
Bank overdraft	<u>(13,688)</u>	<u>-</u>
	<u>88,023</u>	<u>12,198</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 PERIOD ENDED 30 JUNE 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 2021

- MFRS 17, *Insurance Contracts*

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 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- 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)*

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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 do not plan to apply MFRS 17, *Insurance Contract* that is effective for annual periods beginning on 1 April 2021 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 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 3-month financial period ended 30 June 2020

	Property Development RM'000	Hospitality RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	55,557	182	984	-	56,723
Inter-segment revenue	-	-	145	(145)	-
Total revenue	<u>55,557</u>	<u>182</u>	<u>1,129</u>	<u>(145)</u>	<u>56,723</u>
Results					
Segment results	15,113	(1,727)	151	-	13,537
Finance income					263
Finance costs					(2,044)
Profit before tax					<u>11,756</u>
Taxation					(3,636)
Profit after tax					<u>8,120</u>

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A9. Segment Reporting (Cont'd)

Segment reporting for the 3-month financial period ended 30 June 2019

	Property Development RM'000	Hospitality RM'000	Others RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	41,739	7,433	1,597	-	50,769
Inter-segment revenue	-	-	883	(883)	-
Total revenue	<u>41,739</u>	<u>7,433</u>	<u>2,480</u>	<u>(883)</u>	<u>50,769</u>
Results					
Segment results	5,333	1,041	899	-	7,273
Finance income					68
Finance costs					<u>(1,359)</u>
Profit before tax					5,982
Taxation					<u>(1,601)</u>
Profit after tax					<u><u>4,381</u></u>

A10. Material Events Subsequent to the End of Interim Period

The outbreak of Coronavirus Disease 2019 (“Covid-19”) in early 2020 and the Movement Control Order (“MCO”), Conditional MCO (“CMCO”) and Recovery MCO (“RMCO”) 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.

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

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:

	Company	
	As At 30/06/2020 RM'000	As At 31/03/2020 RM'000
Corporate guarantees issued to licensed banks for credit facilities granted to subsidiaries	<u>89,927</u>	<u>67,623</u>

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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 JUNE 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	
	30/06/2020	30/06/2019		30/06/2020	30/06/2019	
	RM'000	RM'000		RM'000	RM'000	
Revenue	56,723	50,769	5,954	56,723	50,769	5,954
Results from operating activities	13,537	7,273	6,264	13,537	7,273	6,264
Profit before tax	11,756	5,982	5,774	11,756	5,982	5,774
Profit and total comprehensive income for the period	8,120	4,381	3,739	8,120	4,381	3,739

The Group recorded revenue of RM56.72 million for the interim period under review, an increase of RM5.95 million over the corresponding quarter of the preceding year. Profit before tax was recorded at RM11.75 million against a profit before tax of RM5.98 million in the corresponding quarter of the preceding year, representing an increase of RM5.77 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 RM55.56 million as compared to RM41.74 million in the 3-month financial period ended 30 June 2020. The increase in revenue was mainly due to higher sales and development progress being registered for the development project in Setiawangsa, Kuala Lumpur during the interim period under review.

The property development segment recorded an operating profit of RM15.11 million for the 3-month financial period ended 30 June 2020 as compared to RM5.33 million for the 3-month financial period ended 30 June 2019.

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B1. Review of Performance (Cont'd)

Hospitality

With the various phases of MCO restriction imposed by the Malaysian Government, the hospitality segment was not in operation till the RMCO. Hence, the hospitality segment recorded a revenue for the 3-month financial period ended 30 June 2020 of RM0.18 million which was 97.55% lower when compared to the 3-month financial period ended 30 June 2019.

With this decrease in revenue the segment recorded an operating loss of RM1.73 million for this financial period as compared to an operating profit of RM1.04 million in the 3-month financial period ended 30 June 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 RM0.15 million for the 3-months financial period ended 30 June 2020 as compared to operating profit of RM0.90 million for the 3-months financial period ended 30 June 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

	Current Quarter	Immediate Preceding Quarter	
	30/06/2020	31/03/2020	Changes
	RM'000	RM'000	RM'000
Revenue	56,723	68,892	(12,169)
Results from operating activities	13,537	9,899	3,638
Profit before tax	11,756	7,057	4,699
Profit and total comprehensive income for the period	8,120	6,005	2,115

The Group recorded revenue of RM56.72 million for the current quarter ended 30 June 2020 as compared to a revenue of RM68.89 million for the immediate preceding quarter ended 31 March 2020. The decrease in revenue was mainly due to our development project in Plentong, Johor which have been completed in the immediate preceding quarter.

The Group recorded a higher profit before tax of RM11.76 million for the current quarter, representing an increase of RM4.70 million compared to the immediate preceding quarter. The lower profit in immediate preceding quarter was mainly due to expenses incurred in relation to the Corporate Exercise as disclosed in Note A1.

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B3. Prospects

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

Although the property segment remains challenging in the short term, the Group believes that there is still demand for the Bloomsvale and Straits Residences projects. The Group will continually endeavours 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. With the gradual easing of the MCO and travel restriction, the Group are stepping up their marketing efforts focusing on local and domestic market.

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
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
Current tax (income)/expense	3,820	1,970	3,820	1,970
Deferred tax expense/(income)	(184)	(369)	(184)	(369)
	<u>3,636</u>	<u>1,601</u>	<u>3,636</u>	<u>1,601</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 29 April 2020, approved the application for an extension of time of six (6) months from 15 May 2020 to 15 November 2020 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 21 August 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 June 2020 are as follows:-

	Contractual interest rate per annum %	As at 30/06/2020		Total borrowings RM'000
		Non-current RM'000	Current RM'000	
Secured term loans	3.83 – 4.85	111,825	2,843	114,668
Secured revolving credit	3.75	-	167,490	167,490
Secured bank overdrafts	3.75	-	13,688	13,688
Total		111,825	184,021	295,846

	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 30/06/2020 RM'000	As At 31/3/2020 RM'000
Fixed rates borrowings	-	13
Floating rates borrowings	295,846	287,298
	295,846	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.

KERJAYA PROSPEK PROPERTY BERHAD

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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:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year to-Date	Preceding Year to-Date
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Profit attributable to ordinary shareholders (RM'000)	8,119	4,381	8,119	4,381
Weighted average number of ordinary shares ('000)	152,866	550,981	152,866	550,981
Basic earnings per ordinary share (sen)	5.31	0.80	5.31	0.80

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
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Profit attributable to ordinary shareholders (diluted) (RM'000)	8,119	4,381	8,119	4,381
Weighted average number of ordinary shares (basic) ('000)	152,866	550,981	152,866	550,981
Effect of share options on issue ('000)	-	150	-	150
Weighted average number of ordinary shares (diluted) ('000)	152,866	551,131	152,866	551,131
Diluted earnings per ordinary share (sen)	5.31	0.79	5.31	0.79

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	Preceding	Current	Preceding
	Year	Year	Year	Year
	Quarter	Quarter	To Date	To Date
	30/06/2020	30/06/2019	30/06/2020	30/06/2019
	RM'000	RM'000	RM'000	RM'000
Interest income	263	68	263	68
Other income including investment income	338	143	338	143
Interest expense	(2,044)	(1,359)	(2,044)	(1,359)
Depreciation and amortisation	(1,028)	(885)	(1,028)	(885)
Provision for and write off of receivables	-	-	-	-
Provision for and write off of inventories	-	-	-	-
Gain on disposal of property, plant and equipment	-	-	-	-
Gain on disposal of subsidiaries	-	-	-	-
(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 June 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 June 2020 was authorised for issuance by the Board of Directors of the Company in accordance with a resolution dated 28 August 2020.