



**Interim Financial Results  
For the 3<sup>rd</sup> Quarter ended  
30 September 2021**

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30 NOVEMBER 2021



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

	<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 September 2021</b>	<b>30 September 2020</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Revenue	79,389	84,405	264,620	107,991
Cost of sales	(66,768)	(72,711)	(229,968)	(154,104)
Gross profit / (loss)	12,621	11,694	34,652	(46,113)
Other income	619	2,124	3,121	4,646
Operating costs	(7,548)	(7,786)	(21,245)	(19,568)
Finance cost	(2,117)	(912)	(3,833)	(2,821)
Share of profit of a joint venture	256	136	674	332
Share of profit of an associate	75	36	171	175
Profit / (loss) before tax	3,906	5,292	13,540	(63,349)
Tax expense	(846)	(27)	(2,007)	(1,309)
Profit / (loss) for the financial period	3,060	5,265	11,533	(64,658)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income / (loss) for the financial period	3,060	5,265	11,533	(64,658)
Attributable to:				
Owners of the parent	3,022	4,970	11,202	(65,271)
Non-controlling interests	38	295	331	613
	3,060	5,265	11,533	(64,658)
Earnings per ordinary share attributable to equity holders of the Company (sen) :				
- Basic	0.56	1.01	2.13	(13.23)
- Diluted	0.46	0.81	1.74	(10.65)

*The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021

	(UNAUDITED) AS AT 30 September 2021 RM'000	(AUDITED) AS AT 31 Dec 2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,382	20,023
Right-of-use assets	4,077	5,875
Investment properties	31,688	32,209
Investment in a joint venture	2,381	1,706
Investment in an associate	3,755	3,584
Deferred tax assets	7,905	9,935
Intangible assets	27,355	27,355
	<u>101,543</u>	<u>100,687</u>
<b>Current assets</b>		
Inventories	350,693	363,314
Trade and other receivables	209,860	211,695
Contract assets	630,576	541,885
Other investment	744	1,074
Current tax assets	2,448	2,534
Short term funds	153	316
Cash and bank balances	149,027	118,390
	<u>1,343,501</u>	<u>1,239,208</u>
<b>TOTAL ASSETS</b>	<u>1,445,044</u>	<u>1,339,895</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	355,613	325,546
Treasury shares	(1,427)	(1,427)
Retained earnings	136,739	125,537
	<u>490,925</u>	<u>449,656</u>
<b>Non-controlling interests</b>	<u>2,241</u>	<u>6,614</u>
<b>TOTAL EQUITY</b>	<u>493,166</u>	<u>456,270</u>
<b>Non-current liabilities</b>		
Borrowings	21,860	16,273
Lease liabilities	2,153	3,159
Deferred tax liabilities	310	310
	<u>24,323</u>	<u>19,742</u>
<b>Current liabilities</b>		
Trade and other payables	663,825	596,684
Contract liabilities	13,406	22,602
Borrowings	248,141	241,769
Lease liabilities	2,103	2,689
Current tax liabilities	80	139
	<u>927,555</u>	<u>863,883</u>
<b>TOTAL LIABILITIES</b>	<u>951,878</u>	<u>883,625</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,445,044</u>	<u>1,339,895</u>
Net assets per share attributable to owners of the parent (RM)	0.90	0.91

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021**

	I-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----I					
	I-----Non-distributable-----I		Distributable		Non-	
	Share	Treasury	Retained	Total	controlling-	Total
	capital	shares	earnings		interests	equity
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 1 January 2020	325,546	(1,427)	184,924	509,043	6,215	515,258
Loss for the financial period /						
Total comprehensive income for the period	-	-	(65,271)	(65,271)	613	(64,658)
Dividend payable	-	-	-	-	(144)	(144)
	-	-	(65,271)	(65,271)	469	(64,802)
Balance as at 30 September 2020	325,546	(1,427)	119,653	443,772	6,684	450,456

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

30 NOVEMBER 2021



	Current Period Ended 30 September 2021 RM'000	Preceding Period Ended 30 September 2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before tax	13,540	(63,349)
Adjustments for :		
Bad debts written-off	2	-
Depreciation of property, plant and equipment	5,071	4,718
Reversal of impairment losses of trade and other receivables	(424)	(2,321)
Reversal of impairment losses of property, plant and equipment	(1,151)	-
Gain on disposal of property, plant and equipment	3	(80)
Gain on lease modification	-	(6)
Impairment of trade and other receivables	700	123
Impairment of fair value on investment	330	-
Interest expense	3,833	2,821
Interest income	(978)	(1,829)
Property, plant and equipment written off	-	4
Share of gain of a joint venture	(674)	(332)
Share of gain of an associate	(171)	(175)
Operating profit / (loss) before changes in working capital	20,081	(60,426)
Changes in working capital:		
Inventories	12,621	40,637
Trade and other receivables	(87,136)	51,933
Trade and other payables	57,944	(34,620)
Cash (used in) / generated from operating activities	3,510	(2,476)
Interest paid	(2,816)	(2,424)
Interest received	978	1,829
Tax paid	(1,268)	(8,617)
Tax refunded	1,319	3,059
Net cash used in operating activities	1,723	(8,629)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,514)	(1,687)
Purchase of land held for property development	-	(440)
Purchase of investment property	(4)	-
Proceeds from disposals of property, plant and equipment	14	-
(Placements) / Withdrawals of fixed deposits pledged	(38,256)	7,262
Net cash (used in) / generated from investing activities	(43,760)	5,135
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,016)	(398)
Proceeds from issuance of share from private placement	30,153	-
Share issue expenses	(86)	-
Repayment of lease liabilities	(1,842)	(2,408)
Repayments to hire purchase creditors	(209)	-
Dividend paid	-	(144)
Dividend paid to non-controlling interest of a subsidiary	(4,704)	-
Drawdowns of term loans	72,075	-
Repayments of term loans	(8,583)	(7,312)
Net cash generated from / (used in) financing activities	85,788	(10,262)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	43,751	(13,756)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	(200,815)	(179,240)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	(157,064)	(192,996)

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 30 September 2021 RM'000	As at 30 September 2020 RM'000
Cash and bank balances	6,782	26,796
Fixed deposits with licensed banks	142,244	99,916
Short term funds	153	4,489
	149,180	131,201
Less : Bank overdrafts included in borrowings	(164,000)	(224,281)
Fixed deposits pledged	(142,244)	(99,916)
Total cash and cash equivalents	(157,064)	(192,996)

**A Explanatory Notes in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting**

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

**A2. Changes in Accounting Policies**

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in the consolidated financial statements for the financial year ended 31 December 2020.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) effective on 1 January 2021.

<b>Title</b>	<b>Effective Date</b>
<i>Interest Rate Benchmark Reform – Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.

**A3. Qualification of Financial Statements**

The auditors’ report for the preceding audited financial statements was not subject to any qualification.

**A4. Seasonal or Cyclical Factors**

The Group’s operations were not materially affected by any seasonal or cyclical factors.

**A5. Nature and Amount of Unusual Items**

There were no unusual items for the current quarter and financial year-to-date.

**A6. Nature and Amount of Changes in Estimates**

There were no changes in estimates of amounts in the prior financial years that have a material effect in the current quarter and financial year-to-date.

**A7. Issuance and Repayment of Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations and shares held as treasury shares for the current quarter.

As at the end of the current quarter, a total of 1,165,744 shares were held as treasury shares.

**A8. Dividend Paid**

No dividend has been paid during the current quarter.

**A9. Segmental Information**

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.

## A9. Segmental Information (Cont'd)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

9 months ended 30 September 2021	Construction RM'000	Property Development RM'000	Other RM'000	Inter-segment Elimination RM'000	Total RM'000
<b>Segment Revenue</b>					
External	200,985	60,296	3,339	-	264,620
Inter-segment	51,976	-	18,110	(70,086)	-
Total revenue	252,961	60,296	21,449	(70,086)	264,620
Interest income	2,855	98	1,178	(3,154)	977
Finance cost	(3,167)	(2,125)	(1,844)	3,303	(3,833)
Net finance expense	(312)	(2,027)	(666)	149	(2,856)
Share of profit of an associate	171	-	-	-	171
Share of profit of a joint venture	-	-	674	-	674
<b>Segment profit before taxation</b>	<b>10,510</b>	<b>4,728</b>	<b>4,693</b>	<b>(6,391)</b>	<b>13,540</b>
Taxation	(2,607)	-	74	526	(2,007)
<b>Segment profit after taxation</b>	<b>7,903</b>	<b>4,728</b>	<b>4,767</b>	<b>(5,865)</b>	<b>11,533</b>
Other material non-cash item: - Depreciation	(4,332)	(344)	(1,497)	1,102	(5,071)
Additions to non-current assets other than financial instruments and deferred tax assets	5,698	5	26	-	5,729
<b>Segment assets</b>	<b>948,987</b>	<b>595,090</b>	<b>525,996</b>	<b>(625,029)</b>	<b>1,445,044</b>
<b>Segment liabilities</b>	<b>721,896</b>	<b>501,036</b>	<b>86,199</b>	<b>(357,253)</b>	<b>951,878</b>
<b>9 months ended 30 September 2020</b>	<b>Construction RM'000</b>	<b>Property Development RM'000</b>	<b>Other RM'000</b>	<b>Inter-segment Elimination RM'000</b>	<b>Total RM'000</b>
<b>Segment Revenue</b>					
External	86,166	13,310	8,515	-	107,991
Inter-segment	26,261	1,601	4,799	(32,661)	-
Total revenue	112,427	14,911	13,314	(32,661)	107,991
Interest income	3,171	87	676	(2,105)	1,829
Finance cost	(2,134)	(1,578)	(1,420)	2,311	(2,821)
Net finance expense	1,037	(1,491)	(744)	206	(992)
Share of loss of an associate	175	-	-	-	175
Share of profit of a joint venture	-	-	332	-	332
<b>Segment profit/(loss) before taxation</b>	<b>(28,962)</b>	<b>(35,130)</b>	<b>4,419</b>	<b>(3,676)</b>	<b>(63,349)</b>
Taxation	(25)	183	(1,545)	78	(1,309)
<b>Segment profit/(loss) after taxation</b>	<b>(29,987)</b>	<b>(34,947)</b>	<b>2,873</b>	<b>(3,597)</b>	<b>(65,658)</b>
Other material non-cash item: - Depreciation	(3,922)	(399)	(1,499)	1,102	(4,718)
Additions to non-current assets other than financial instruments and deferred tax assets	2,163	41	2	-	2,206
<b>Segment assets</b>	<b>959,267</b>	<b>563,762</b>	<b>422,422</b>	<b>(565,170)</b>	<b>1,380,281</b>
<b>Segment liabilities</b>	<b>722,024</b>	<b>465,680</b>	<b>29,336</b>	<b>(287,215)</b>	<b>929,825</b>

**A10. Valuation of Property, Plant and Equipment**

There is no valuation of property, plant and equipment performed in the current quarter and financial year-to-date.

**A11. Acquisition/Disposal of Property, Plant and Equipment**

There was no material acquisition or disposal of property, plant and equipment during the current quarter and financial year-to-date.

**A12. Material Subsequent Event**

There were no material events subsequent to the end of the current quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

**A13. Changes in the Composition of the Group**

There were no changes to the composition of the Group for the current quarter.

**A14. Capital Commitment**

	As at 30 Sep 21 RM'000	As at 31 Dec 20 RM'000
Contracted but not provided for:		
- Freehold land held under development	-	58

**A15. Contingent Liabilities**

	As at 30 Sep 21 RM'000	As at 31 Dec 20 RM'000
Bank guarantees given by financial institutions in respect of construction and property projects	131,781	128,965

**B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia**

**B1. Review of Performance**

**Performance of current quarter against the preceding year corresponding quarter**

**Group**

	Individual Period (3 <sup>rd</sup> Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30/9/2021	30/9/2020		30/9/2021	30/9/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	79,389	84,405	(5.94)	264,620	107,991	145.04
Core Operational Revenue	79,389	84,405	(5.94)	264,620	169,490*	56.13
Profit Before Tax	3,906	5,292	(26.19)	13,540	(63,349)	121.37
Profit After Taxation	3,060	5,265	(41.88)	11,533	(64,658)	117.84

*\*after adjusting for one-off impairments that impacted revenue*

The Group achieved a revenue and PBT of RM79.4 million and RM3.9 million in 3Q21. The lower revenue and PBT in the current quarter as compared to the preceding year corresponding quarter is due to the recognition of a bulk property sale for The Peak that was recognised in 3Q20.

In 3Q21, the Group incurred operating costs of RM7.5 million, which includes compensation for release of bumi quota payable to authorities amounting to RM2.0 million. Excluding the compensation, 3Q21 operating costs registered a 28.7% decline compared to 3Q20.

**Construction segment**

	Individual Period (3 <sup>rd</sup> Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30/9/2021	30/9/2020		30/9/2021	30/9/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	84,870	50,920	66.67	252,961	112,427	125.00
Profit Before Tax	3,720	2,404	54.74	10,510	(28,962)	136.29
Profit After Taxation	2,666	1,420	87.75	7,903	(29,987)	126.35

The construction division reported a revenue of RM84.9 million in 3Q21, representing a 66.7% increase compared to 3Q20. This quarter, revenue was mainly contributed by the LRT3 project.

The construction division reported a PBT of RM3.7 million in 3Q21, representing a 54.7% increase compared to 3Q20. The increase in PBT is due to higher work progress achieved during the quarter as the Group's operating capacity begins to normalise post the lockdowns.

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

**Performance of current quarter against the preceding year corresponding quarter (Cont'd)**

**Property Development segment**

	Individual Period (3 <sup>rd</sup> Quarter)		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter	Preceding Year Corresponding Quarter		Current Year To- date	Preceding Year Corresponding Period	
	30/9/2021	30/9/2020		30/9/2021	30/9/2020	
	RM'000	RM'000		RM'000	RM'000	
Revenue	10,128	35,142	(71.17)	60,296	14,911	304.37
Profit Before Tax	1,094	3,751	(70.83)	4,728	(35,130)	113.46
Profit After Taxation	1,094	3,934	(72.19)	4,728	(34,947)	113.53

The property development division reported revenue of RM10.1 million in 3Q21, compared to RM35.1 million in 3Q20. The lower revenue in 3Q21 is due to the recognition of a bulk property sale for The Peak that was recognised in 3Q20.

Profit before tax for the division stood at RM1.1 million in 3Q21, a 70.8% lower compared to 3Q20. Revenue and PBT were primarily contributed by the recognition of progress billings for E'Island Lake Haven and The Peak. Additionally, in 3Q21, we recognised a RM1.3 million write-off of costs as a result of the mutual termination of the One Jesselton Waterfront development.

**B2. Material Changes in the Result for the Current Quarter Compared with the Results for the Preceding Quarter**

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/9/2021	30/6/2021	
	RM'000	RM'000	
Revenue	79,389	98,736	(19.59)
Profit Before Tax	3,906	3,571	9.38
Profit After Tax	3,060	3,626	(15.61)

Overall, the Group's revenue and profit before tax for the current quarter of RM79.4 million and RM3.9 million respectively, as compared to the immediate preceding quarter revenue and profit before tax of RM98.7 million and RM3.6 million respectively. The higher profit before tax is as a result of increased construction activities post lockdowns and higher property sales achieved.

**B3. Prospects**

GBG currently has RM1.86 billion in future gross revenue to be recognised up to FYE 2024, comprising of RM1.14 billion from the construction division and RM0.72 billion from the property development division.

As at 3Q21, our total cash and cash equivalents has increased to RM149.2 million, representing a 9.4% or RM12.8 million increase compared to 2Q21. The Group's total borrowings stood at RM272.6 million, comprising RM23.2 million in long-term borrowings and RM249.4 million in short-term borrowings (64.8% are project financing related). As a result of higher cash and cash equivalents, our net gearing has improved by 19.4% to 0.25x as at 3Q21, compared to 0.31x in 2Q21.

### B3. Prospects (Cont'd)

In 3Q21, after the Government's announcement of gradual reopening of economic sectors post the Enhanced Movement Control Order (EMCO) in Selangor and certain locations of Kuala Lumpur, the Group focused its effort to ramp up its operating capacity, which gradually increased in tandem with the employee vaccination rates. In October 2021, we achieved an operating capacity of 100% for all our construction sites.

In September 2021, we agreed to enter into a mutual termination agreement with Suria Capital Holdings Berhad for the One Jesselton Waterfront development. We successfully negotiated for related advances that we have paid to be refunded, totaling RM7.94 million. To-date, we have received RM2.0 million and the remaining balance is expected to be received in 1Q22.

Against the backdrop of a challenging operating environment, the Group's business fundamentals remain strong and is anticipated, barring any unforeseen circumstances, to stage a meaningful recovery in FYE 2022.

#### (a) Construction Division

The Group's construction division is armed with a healthy outstanding orderbook of RM1.14 billion, that will sustain earnings and cashflow contribution up to FYE 2023.

Operations at our project sites, including the workforce our subcontractors and suppliers are currently operating at full-capacity, with strict adherence to the standard operating procedures issued by the authorities. Barring any unforeseen circumstances, going forward, we expect to register a sequential growth in activities.

Based on our experience, capabilities and resources, we see opportunities from potential government and private construction projects. However, prospective projects will undergo an extensive internal assessment to ensure that the risk-reward parameters are of an optimal level, including margins and cashflow.

#### (b) Property Development Division

##### Property Sales Units Increased by 45.5% in 9M21

Property Sales	9M21		9M20	
	No of Units	Sales Value	No of Units	Sales Value
	291	RM149.6 million	200	RM149.4 million

In 3Q21, the Group achieved RM46.7 million in property sales that comprise of 106 units of E'Island Lake Haven, as compared to RM131.7 million in property sales in 3Q20 that included a bulk purchase of 93 units of The Peak. For the 9M21, we have sold 291 units of properties, compared to 200 units of properties within the same period last year.

Year to date, as at 23 November 2021, we have secured 351 units of sales worth RM176.0 million, with additional bookings worth RM84.3 million that are undergoing loan applications stage. Whilst operating in a challenging environment, we have surpassed our 300-unit sales target for the year.

**B3. Prospects (Cont'd)**

(b) Property Development Division (Cont'd)

**Property Sales Summary up to 23 November 2021**

	No of Units				Take Up	Cumulative Sales since 2Q19
	Unsold as at (Jan 21)	Sold (9M21)	Sold (Oct to 23 Nov 2021)	Sold (Jan 21 to 23 Nov 2021)		
<b><u>Developments Under Construction</u></b>						
E'Island Lake Haven	739 of 1,140	284	60	344	945 units or 65%	RM316.9m
The Peak	395 of 668	1	-	1	273 units or 41%	RM103.0m
<b><u>Completed Developments</u></b>						
Contours	7 of 40	5	-	5	38 units or 95%	RM32.2m
Permas Centro	1 of 99	1	-	1	100%	RM15.5m
Kinrara Uptown	2 of 177		-	-	175 or 99%	-
<b>Total</b>	<b>1,144</b>	<b>291</b>	<b>60</b>	<b>351</b>		<b>RM467.6m</b>
						<b><u>Bookings</u></b>
						RM84.3m

Based on the table above, since the relaunch of our property development division in 2Q19, we have achieved RM467.6 million in total property sales. Additionally, we have RM84.3 million in property bookings pending loan conversions.

As our property sales momentum continue to be robust, plans have been initiated on new property development projects to provide visibility of future earnings and cashflow beyond FYE 2023. Currently, we are in the process of finalising several property development joint-ventures that is expected to be concluded by 4Q21 and 1Q22 respectively.

### B3. Prospects (Cont'd)

#### (b) Property Development Division (Cont'd)

As at 30 September 2021, our total sold and unbilled sales stand at RM356.4 million, which will mostly be recognised in FYE 2022 and FYE 2023. As a comparison, our total sold and unbilled sales stood at RM324.5 million in 2Q21.

### B4. Profit Forecast and Profit Estimate

The Group did not issue any profit forecast or profit estimate in any public document.

### B5. Items included in the Statements of Comprehensive Income include:

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sep 21 RM'000	30 Sep 20 RM'000	30 Sep 21 RM'000	30 Sep 20 RM'000
Interest income	174	492	978	1,829
Reversal of impairment losses of receivables	251	-	424	-
Reversal of impairment losses of investment properties	-	-	1,151	-
Other income	193	1,632	568	2,736
Interest expense (excluding interest capitalised)	(2,117)	(912)	(3,833)	(2,821)
Depreciation and amortisation	(1,735)	(1,566)	(5,071)	(4,718)
Impairment losses of receivables	(2)	-	(699)	(123)
Impairment losses of fair value on investment	-	-	(330)	-
Property, plant and equipment written off	-	-	-	(4)
Gain/(loss) on disposal of property, plant and equipment	-	-	(3)	80
Gain on disposal of quoted investments	-	*	-	*
Bad debts written off	-	-	(2)	-
Foreign exchange gain or loss	*	*	*	*
Gain or loss on derivatives	*	*	*	*
Exceptional items	*	*	*	*

\* There were no such reportable items as required by Bursa Securities in the current quarter and cumulative quarter to date.

### B6. Taxation

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sep 21 RM'000	30 Sep 20 RM'000	30 Sep 21 RM'000	30 Sep 20 RM'000
Current taxation				
- Current year	54	388	96	1,570
- Previous year	(119)	(183)	(119)	(183)
	(65)	205	(23)	1,387
Deferred taxation				
- Current year	911	(178)	2,030	(78)
- Prior years	-	-	-	-
	911	(178)	2,030	(78)
	846	27	2,007	1,309

The Group effective tax rate for the cumulative quarter is lower than the statutory rate mainly due to utilisation of unabsorbed business loss.

## B7. Status of Corporate Proposals Announced

There are no corporate proposals announced by the Company but not completed as at 23 November 2021, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

### Status of Utilisation of Private Placement Proceeds

Pursuant to the Private Placement Exercise which was duly completed upon the subscription and listing of 49,342,852 Placement shares at RM0.6111 each on the Main Market of Bursa Malaysia Securities Berhad with effect from 5 April 2021, the gross proceeds raised from the Private Placement Exercise was RM30,153,417 and current utilisation status as at 23 November 2021 is as set out below:-

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation	Deviation		Explanations
				Amount RM'000	%	
Funding for existing and future property development and construction projects	29,491	22,556	Within 24 months	-	-	
Defrayment of expenses related to the Proposed Private Placement	662	684	Upon completion	(22)	(3.3)	<i>Under-estimation of professional cost</i>
<b>Total</b>	<b>30,153</b>	<b>23,240</b>		<b>(22)</b>		

## B8. Group Borrowings and Debt Securities

### As at 30 September 2021

	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
- Term loan	21,860	82,141	104,001
- Revolving credit	-	2,000	2,000
- Bank overdrafts	-	164,000	164,000
	<u>21,860</u>	<u>248,141</u>	<u>270,001</u>

### As at 30 September 2020

	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
- Term loan	16,458	16,925	33,383
- Revolving credit	-	2,000	2,000
- Bank overdrafts	-	224,281	224,281
	<u>16,458</u>	<u>243,206</u>	<u>259,664</u>

## B9. Dividend

No dividend has been proposed by the Board of Directors for the current quarter ended 30 September 2021.

## **B10. Material litigation**

- (a) On 15 September 2020, Gabungan AQRS Berhad ("GAB") and Trusvest Sdn Bhd ("TVSB"), commenced legal proceedings against the former Executive Director and Group Chief Financial Officer for the Gabungan AQRS Group of Companies, Bernard Lim Soon Chiang ("Bernard"), in the High Court at Shah Alam.

GAB and TVSB's case is that Bernard had acted negligently and / or in breach of his service contract with GAB as its Chief Financial Officer, by, amongst others, failing, refusing and / or neglecting to give proper tax advice and / or properly consult a tax consultant on the tax implications of a project to construct, own and subsequently sublease base-camp accommodation to Petronas Chemicals Fertiliser Sabah Sdn Bhd at Sipitang, Sabah ("Sipitang Project"). The Sipitang Project was awarded to TVSB by a consortium comprising Seri Wilayah Engineering Sdn Bhd and REMT Utama Sdn Bhd. TVSB in turn awarded the construction works to a subsidiary of GAB, Gabungan Strategik Sdn Bhd. GAB and TVSB also allege that :-

- (i) Bernard had fraudulently and / or negligently misrepresented the tax implications of the Sipitang Project to the Audit Committee and Board of Directors of GAB; and
- (ii) Bernard had breached his fiduciary duties owed to GAB and Trusvest.

In consequence, GAB and TVSB suffer loss and damage amounting to RM13,245,173.

GAB and TVSB filed its Reply to the Defence on 21 December 2020. Both parties attended to the e-review case management on 13 January 2021, 5 February 2021 and 2 March 2021 before the Deputy Registrar. GAB and TVSB have filed an application for further and better particulars of Bernard's Defence ("Application"). The hearing of the Application was adjourned from 10 June 2021 to 2 August 2021. The decision for GAB and TVSB's application for further and better particulars, which is initially fixed on 17 August 2021 was adjourned to 25 August 2021.

The Company's application for further and better particulars of the Defendant's Defence was dismissed by the High Court. Trial of the Suit has been fixed in July 2023 which are the earliest dates available to the Court. The Court fixed the next case management date on 27 September 2021.

Further to that, the Company attended the case management which was initially fixed on 27 September 2021 to rescheduled date on 29 September 2021. The Court has now fixed the next further case management date on 8 December 2021.

- (b) On 1 October 2020, Gabungan Strategik Sdn Bhd ("GSSB"), the subsidiary of the company, filed a Writ of Summons against: -
- (i) Geonamics (M) Sdn Bhd ("1st Defendant")
  - (ii) Jurutera Perunding Primareka Sdn Bhd ("2nd Defendant")
  - (iii) Yee Yong Yip ("3rd Defendant")
  - (iv) Tiong Ping Siing ("4th Defendant")
  - (v) Tang Pui San ("5th Defendant")
  - (vi) Mohd Noor Nazrul Bin Mohd Yusof ("6th Defendant")
  - (vii) Azmi Bin Md Aziz ("7th Defendant")
  - (viii) Wong Kee Choo ("8th Defendant")
  - (ix) Choon Suan Fatt ("9th Defendant")
  - (x) Ahmad Bashti Bin Azmi ("10th Defendant")
  - (xi) Foo Mun Pong ("11th Defendant")

For negligence and/or breach of employment contracts with GSSB, in connection with a contract awarded to GSSB for the earthworks, piling works, and substructure works for a project known as the Paloma Project. In the said suit, GSSB claims losses of RM14,392,347.10.

**B10. Material litigation (Cont'd)**

(b) In March 2021, the following defendants applied to strike out GSSB's Suit against them: -

1. 2nd Defendant;
  2. 3rd Defendant;
  3. 4th to 6th Defendants and 11 Defendant; and
  4. 9th and 10th Defendants,
- (collectively the "Striking Out Applications")

The 1st Defendant applied for a Determination of Question of Law under Order 14A of the Rules of Court, 2021 on 19 March 2021 ("Order 14A Application").

The Striking Out Applications and Order 14A Application were heard before the Kuala Lumpur High Court Judge on 17th August 2021. The Judge reserved his decision to be delivered on 18 October 2021.

On 18 October 2021, the Judicial Commissioner allowed the 1st Defendant's Order 14A Application and proceeded to dismiss GSSB's claim against the 1st Defendant with costs of RM7,000-00 awarded against GSSB.

The Judge also allowed in part the Striking Out Applications, struck out GSSB's claims against the Defendants founded in negligence and ordered GSSB's claims against the Defendants founded in contract to be tried. In summary, the decision resulted in:

- i) GSSB's claims against the 2nd Defendant (Jurutera Perunding Primareka) to be wholly struck out with costs of RM7,000-00 awarded against GSSB; and
- ii) GSSB's claim against the employee defendants (3rd to 6th and 9th 11th Defendants) to be struck out in part, with costs in the cause. GSSB's claims against the employee defendants that are founded in contract were ordered to be tried.

The Judicial Commissioner fixed on 12th November 2021 for case management of the Suit and GSSB's General Discovery Application.

On 12th November 2021, the Court fixed GSSB's General Discovery Application against the Defendants for hearing before the High Court Judge on 20th January 2022.

**B11. Status of Memorandum of Understanding announced**

Reference is made to the announcements dated 20 July 2017, 19 October 2017, 16 January 2018, 13 April 2018, 28 May 2018, 28 August 2018, 28 November 2018, 31 December 2018, 29 March 2019, 28 June 2019, 1 July 2019, 30 September 2019, 31 December 2019, 31 March 2020, 30 June 2020, 30 September 2020, 31 December 2020, 31 March 2021 and 1 July 2021 made by the Company pertaining to the MOU between the Company and Tera Capital.

In view of the current pandemic which has been ongoing since early 2020, both the Company and Tera Capital will be monitoring the situation closely and will continue with their commitment on the project as well as speed up its progress once the pandemic is over and business can resume. Consequently, the Company and Tera Capital have mutually agreed to extend the MOU until 30 June 2022.

On 30 September 2021, both the Company and Tera Capital have mutually agreed to terminate the extension of the MOU as there is no further material development and also pursuant to the Mutual Termination of Joint Venture Agreement entered into by both the Company and Suria Capital Holdings Berhad.

**B11. Status of Memorandum of Understanding announced (Cont'd)**

The Termination will not have any material effect on the issued and paid-up share capital, substantial shareholders' shareholdings, earnings, net assets and gearing of the Company for the financial year 31 December 2021.

**B12. Earnings Per Share**

(a) Basic

The basic earnings per share are calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sep 21 RM'000	30 Sep 20 RM'000	30 Sep 21 RM'000	30 Sep 20 RM'000
Profit attributable to equity holders of the Company (RM'000)	3,022	4,970	11,202	(65,271)
Weighted average number of ordinary shares ('000)	542,771	493,429	516,873	493,429
<b>Basic earnings per share (sen)</b>	<b>0.56</b>	<b>1.01</b>	<b>2.17</b>	<b>(13.23)</b>

(b) Diluted

Diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment for the effects of dilutive potential ordinary shares, calculated as follows:

	Current Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30 Sep 21 RM'000	30 Sep 20 RM'000	30 Sep 21 RM'000	30 Sep 20 RM'000
Profit attributable to equity holders of the Company (RM'000)	3,022	4,970	11,202	(65,271)
No of ordinary shares for basic earnings per share computation	542,771	493,429	516,873	493,429
Effect of dilution - on assumption that remaining warrants are exercised	119,395	119,395	119,395	119,395
Weighted average number of ordinary shares ('000)	662,166	612,824	636,268	612,824
<b>Diluted earnings per share (sen)</b>	<b>0.46</b>	<b>0.81</b>	<b>1.76</b>	<b>(10.65)</b>

**B13. Authorisation for Issue**

This interim financial report was authorised for issue by the Board of Directors.