



Interim Financial Results  
For the 3<sup>rd</sup> Quarter ended  
30 Sept 2022

# CONTENT



Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income	_____	1
Unaudited Condensed Consolidated Statements of Financial Position	_____	2
Unaudited Condensed Consolidated Statements of Changes in Equity	_____	3
Unaudited Condensed Consolidated Statements of Cash Flows	_____	4
Explanatory notes in compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting	_____	5 - 17

30 NOVEMBER 2022



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	<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 2022</b>	<b>30 September 2021</b>	<b>30 September 2022</b>	<b>30 September 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	81,669	79,389	232,476	264,620
Cost of sales	(66,610)	(66,768)	(188,993)	(229,968)
Gross profit	15,059	12,621	43,483	34,652
Other income	867	619	3,234	3,121
Operating costs	(8,182)	(7,548)	(22,652)	(21,245)
Finance cost	(2,078)	(2,117)	(5,699)	(3,833)
Share of profit of a joint venture	176	256	411	674
Share of profit of an associate	183	75	320	171
Profit before tax	6,025	3,906	19,097	13,540
Tax expense	(1,840)	(846)	(3,880)	(2,007)
Profit for the financial period	4,185	3,060	15,217	11,533
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income for the financial period	4,185	3,060	15,217	11,533
Attributable to:				
Owners of the parent	4,189	3,022	15,173	11,202
Non-controlling interests	(4)	38	44	331
	4,185	3,060	15,217	11,533
Earnings per ordinary share attributable to equity holders of the Company (sen) :				
- Basic	0.77	0.56	2.80	2.17
- Diluted	0.63	0.46	2.29	1.76

*The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying notes.*

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022

	(UNAUDITED) AS AT 30 September 2022 RM'000	(AUDITED) AS AT 31 December 2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	27,151	27,760
Investment properties	30,984	31,815
Investment in a joint venture	1,452	1,040
Investment in an associate	3,931	3,660
Deferred tax assets	3,227	3,220
Intangible assets	27,355	27,355
	<u>94,100</u>	<u>94,850</u>
<b>Current assets</b>		
Inventories	348,159	339,026
Trade and other receivables	143,770	187,035
Contract assets	671,813	619,001
Other investment	306	306
Current tax assets	236	1,300
Short term funds	256	253
Cash and bank balances	145,690	155,939
	<u>1,310,230</u>	<u>1,302,860</u>
<b>TOTAL ASSETS</b>	<u>1,404,330</u>	<u>1,397,710</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	355,613	355,613
Treasury shares	(1,427)	(1,427)
Retained earnings	142,036	126,863
	<u>496,222</u>	<u>481,049</u>
<b>Non-controlling interests</b>	<u>1,917</u>	<u>2,108</u>
<b>TOTAL EQUITY</b>	<u>498,139</u>	<u>483,157</u>
<b>Non-current liabilities</b>		
Borrowings	379	582
Lease liabilities	1,349	2,240
Deferred tax liabilities	1,642	1,642
	<u>3,370</u>	<u>4,464</u>
<b>Current liabilities</b>		
Trade and other payables	585,467	628,357
Contract liabilities	34,003	5,668
Borrowings	279,396	273,297
Lease liabilities	1,438	2,284
Current tax liabilities	2,517	483
	<u>902,821</u>	<u>910,089</u>
<b>TOTAL LIABILITIES</b>	<u>906,191</u>	<u>914,553</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,404,330</u>	<u>1,397,710</u>
Net assets per share attributable to owners of the parent (RM)	0.91	0.89

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying notes.

30 NOVEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

	I-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----I					
	I-----Non-distributable-----I		Distributable		Non-	Total
	Share	Treasury	Retained	Total	controlling-	equity
	capital	shares	earnings		interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	355,613	(1,427)	126,863	481,049	2,108	483,157
Profit for the financial period /						
Total comprehensive income for the period	-	-	15,173	15,173	44	15,217
Share capital reduction	-	-	-	-	(235)	(235)
Balance as at 30 September 2022	355,613	(1,427)	142,036	496,222	1,917	498,139
	I-----ATTRIBUTABLE TO OWNERS OF THE PARENT-----I					
	I-----Non-distributable-----I		Distributable		Non-	Total
	Share	Treasury	Retained	Total	controlling-	equity
	capital	shares	earnings		interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	325,546	(1,427)	125,537	449,656	6,614	456,270
Profit for the financial period /						
Total comprehensive income for the period	-	-	11,202	11,202	331	11,533
Dividend payable	-	-	-	-	(4,704)	(4,704)
Private placement	30,153	-	-	30,153	-	30,153
Share issue expenses	(86)	-	-	(86)	-	(86)
	30,067	-	11,202	41,269	(4,373)	36,896
Balance as at 30 September 2021	355,613	(1,427)	136,739	490,925	2,241	493,166

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 2021 and the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

30 NOVEMBER 2022



	Current Period Ended 30 September 2022 RM'000	Preceding Period Ended 30 September 2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	19,097	13,540
Adjustments for :		
Bad debts written-off	-	2
Depreciation of property, plant and equipment	5,328	5,071
Reversal of impairment losses of trade and other receivables	(656)	(424)
Reversal of impairment losses of property, plant and equipment	-	(1,151)
Gain on disposal of property, plant and equipment	-	3
Impairment losses on:		
- Trade and other receivable	1,721	700
- Fair value on investment	-	330
Interest expense	5,699	3,833
Interest income	(1,094)	(978)
Share of gain of a joint venture	(320)	(674)
Share of gain of an associate	(411)	(171)
Operating profit before changes in working capital	29,364	20,081
Changes in working capital:		
Inventories	(9,133)	12,621
Trade and other receivables	(10,612)	(87,136)
Trade and other payables	(14,562)	57,944
Cash used in operating activities	(4,943)	3,510
Interest paid	(3,772)	(2,816)
Interest received	1,094	978
Tax paid	(796)	(1,268)
Tax refunded	7	1,319
Net cash used in operating activities	(8,410)	1,723
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received from associate	49	-
Purchase of property, plant and equipment	(3,894)	(5,514)
Purchase of investment property	-	(4)
Proceeds from disposals of property, plant and equipment	-	14
Withdrawals/(Placements) of fixed deposits pledged	11,401	(38,256)
Net cash generated from / (used in) investing activities	7,556	(43,760)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-	(1,016)
Proceeds from issuance of share from private placement	-	30,153
Share issue expenses	-	(86)
Repayments to hire purchase payables	-	(209)
Repayment of lease liabilities	(1,731)	(1,842)
Dividend paid to non-controlling interest of a subsidiary	-	(4,704)
Drawdowns of term loans	44,223	72,075
Drawdowns of revolving credits	10,000	-
Repayment of revolving credits	(227)	-
Repayments of term loans	(64,421)	(8,583)
Reduction in share capital of non-controlling interest of a subsidiary	(235)	-
Net cash (used in) / generated from financing activities	(12,391)	85,788
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	(13,245)	43,751
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	(161,861)	(200,815)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	(175,106)	(157,064)

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

	As at 30 September 2022 RM'000	As at 30 September 2021 RM'000
Cash and bank balances	11,474	6,782
Fixed deposits with licensed banks	134,216	142,244
Short term funds	256	153
	145,946	149,180
Less : Bank overdrafts included in borrowings	(97,132)	(89,664)
Trade line with facilities included in borrowings	(89,704)	(74,336)
Fixed deposits pledged	(134,216)	(142,244)
Total cash and cash equivalents	(175,106)	(157,064)

**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 2021. 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 2021.

**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 2021 except as described below.

a. Accounting pronouncements that have been newly adopted for this interim financial period:

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) effective on 1 January 2022.

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 (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)

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

b. Accounting pronouncements that are not yet effective are set out below:

Description	Effective for annual periods beginning or after
MFRS 17 Insurance Contracts and Amendments to MFRS 17	1 January 2023
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

**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 2022	Construction RM'000	Property Development RM'000	Other RM'000	Inter-segment Elimination RM'000	Total RM'000
<b>Segment Revenue</b>					
External	142,739	76,002	13,735	-	232,476
Inter-segment	57,811	-	4,965	(62,776)	-
<b>Total revenue</b>	<b>200,550</b>	<b>76,002</b>	<b>18,700</b>	<b>(62,776)</b>	<b>232,476</b>
Interest income	2,964	377	1,430	(3,677)	1,094
Finance cost	(2,929)	(4,045)	(2,606)	3,881	(5,699)
<b>Net finance expense</b>	<b>35</b>	<b>(3,668)</b>	<b>(1,176)</b>	<b>204</b>	<b>(4,605)</b>
Share of profit of an associate	320	-	-	-	320
Share of profit of a joint venture	-	-	411	-	411
<b>Segment profit/(loss) before taxation</b>	<b>12,718</b>	<b>8,540</b>	<b>(2,266)</b>	<b>105</b>	<b>19,097</b>
Taxation	(3,134)	(486)	(267)	7	(3,880)
<b>Segment profit/(loss) after taxation</b>	<b>9,584</b>	<b>8,054</b>	<b>(2,534)</b>	<b>113</b>	<b>15,217</b>
Other material non-cash item:					
- Depreciation	(4,570)	(331)	(1,495)	1,068	(5,328)
Additions to non-current assets other than financial instruments and deferred tax assets	3,724	33	125	-	3,882
<b>Segment assets</b>	<b>973,830</b>	<b>598,367</b>	<b>533,780</b>	<b>(701,647)</b>	<b>1,404,330</b>
<b>Segment liabilities</b>	<b>713,563</b>	<b>536,156</b>	<b>98,610</b>	<b>(442,138)</b>	<b>906,191</b>
<b>9 months ended 30 September 2021</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	200,985	60,296	3,339	-	264,620
Inter-segment	51,976	-	18,110	(70,086)	-
<b>Total revenue</b>	<b>252,961</b>	<b>60,296</b>	<b>21,449</b>	<b>(70,086)</b>	<b>264,620</b>
Interest income	2,855	98	1,178	(3,154)	977
Finance cost	(3,167)	(2,125)	(1,844)	3,303	(3,833)
<b>Net finance expense</b>	<b>(312)</b>	<b>(2,027)</b>	<b>(666)</b>	<b>149</b>	<b>(2,856)</b>
Share of loss of an associate	171	-	-	-	171
Share of profit of a joint venture	-	-	674	-	674
<b>Segment profit/(loss) 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/(loss) 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>

**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**

There are no material capital commitments for the current quarter and financial year-to-date.

**A15. Contingent Liabilities**

	As at 30 Sep 22 RM'000	As at 31 Dec 21 RM'000
Bank guarantees given by financial institutions in respect of construction and property projects	122,284	123,812

**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	
	30/9/2022	30/9/2021		30/9/2022	30/9/2021	
	RM'000	RM'000		RM'000	RM'000	
Revenue	81,669	79,389	2.9	232,476	264,620	(12.2)
Profit Before Tax	6,025	3,906	54.3	19,097	13,540	41.0
Profit After Taxation	4,185	3,060	36.8	15,217	11,533	31.9

The Group reported revenue of RM81.7 million in 3Q22, representing a 2.9% increase compared to 3Q21. Our reported PAT for the current quarter stood at RM4.2 million, representing a 36.8% increase compared to 3Q21. Included in the PAT is the recognition of LADs of RM2.7 million. The increase in PAT is attributable to higher contributions from both its construction division and property development divisions.

Cumulatively for 9M22, the Group reported revenue of RM232.5 million with a corresponding PAT of RM15.2 million, representing a year-on-year increase of 31.9% compared to 9M21.

**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	
	30/9/2022	30/9/2021		30/9/2022	30/9/2021	
	RM'000	RM'000		RM'000	RM'000	
Revenue	75,265	84,870	(11.3)	200,550	252,961	(20.7)
Profit Before Tax	7,359	3,720	97.8	12,718	10,510	21.0
Profit After Taxation	5,569	2,666	108.9	9,584	7,903	21.3

The construction division reported a revenue of RM75.3 million in 3Q22, compared to RM84.9 million in 3Q21. Revenue in the current quarter was mainly contributed by the Sungai Besi Ulu Kelang (SUKE), Light Rail Transit 3 (LRT3), E'Island Lake Haven and Teringin Sentral construction projects. The division's PAT stood at RM5.6 million in 3Q22, compared to RM2.7 in 3Q21.

Cumulatively for 9M22, the construction division reported revenue of RM200.6 million with a corresponding PAT of RM9.6 million, representing a year-on-year increase of 21.3% compared to 9M21.

**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	
	30/9/2022	30/9/2021		30/9/2022	30/9/2021	
	RM'000	RM'000		RM'000	RM'000	
Revenue	22,140	10,128	118.6	76,002	60,296	26.1
Profit Before Tax	955	1,094	(12.7)	8,540	4,728	80.6
Profit After Taxation	952	1,094	(13.0)	8,054	4,728	70.3

The property development division reported revenue of RM22.1 million in 3Q22, compared to RM10.1 million in 3Q21. The increase in revenue is driven by the higher work progress achieved coupled with stronger property sales.

Profit after tax stood at RM1.0 million in 3Q22, representing a 13.0% decrease year-on-year. Included in the profit before tax is the recognition of LADs amounting to RM2.7 million. Excluding the LADs, the division reported a core profit after tax of RM3.7 million.

Cumulatively for 9M22, the property development division reported revenue of RM76.0 million with a corresponding PAT of RM8.1 million, representing a year-on-year increase of 70.3% compared to 9M21. For the period of 9M22, a total of RM5.7 million in LADs have been recognised.

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

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30/9/2022	30/6/2022	
	RM'000	RM'000	
Revenue	81,669	79,083	3.3
Profit Before Tax	6,025	6,451	(6.6)
Profit After Tax	4,185	5,513	(24.1)

Overall, the Group's revenue and profit after tax for the current quarter of RM81.7 million and RM4.2 million, represents an increase of 3.3% and decrease of 24.1% respectively compared to the preceding quarter.

### **B3. Prospects**

GBG currently has RM1.62 billion in future gross revenue to be recognised, comprising RM1.02 billion from the construction division and RM0.6 billion from the property development division.

Going forward, the Group is expecting its total borrowings to trend down, driven by cashflows generated from the construction and property development projects. As at 30 September 2022, the Group's total borrowings stood at RM279.8 million, which comprises RM0.4 million in long-term borrowings and RM279.4 million in short-term borrowings (60.5% are project financing related). As at 3Q22, our total cash and cash equivalents stood at RM145.9 million, representing a 2% or RM3.2 million decrease compared to 3Q21. Based on the above, the Group's gross gearing and net gearing stood at to 0.56x and 0.27x respectively.

The Group remains vigilant on inflationary pressures on project input costs. We acknowledge these headwinds and proactive steps have been undertaken to ensure that project costs remain under control. We shall remain focused to ensure that our projects continue to deliver value to our stakeholders and shareholders.

We continue to focus on our business fundamentals and expect a stronger 4Q22.

#### **(a) Construction Division**

The Group's construction division is armed with a healthy outstanding orderbook of RM1.02 billion, that will sustain earnings and cashflow contribution up to FYE 2025.

Year to date, the construction division has secured RM98.6 million in new construction jobs. While we continue to be on the lookout for new construction jobs, prospective jobs will have to generate healthy margins and cashflows.

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**

In 3Q22, the Group achieved RM25.8 million in property sales that comprise 58 units of E'Island Lake Haven. Year-to-date as at 23 November 2022, the Group has achieved RM82.4 million in property sales, comprising of 186 units of properties.

As at 30 September 2022, our total sold and unbilled sales stand at RM361.1 million, which will mostly be recognised up to 1HFY2024. As a comparison, our total sold and unbilled sales stood at RM356.4 million in 3Q21.

As at 23 November 2022, we have fulfilled 100% of our bumiputera quota requirements for E'Island Lake Haven, and as such, the overhang risk for bumiputera quota units has been eliminated.

On 16 November 2022, we finalised a joint-development agreement with PR1MA Corporation Malaysia to jointly-develop a landed township in Gambang, Kuantan. The township has a GDV of RM336 million and comprises of 1,065 units of landed homes. The development is targeted to be launched in the second-half of FYE 2023.

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

(b) Property Development Division (Cont'd)

**Property Sales Summary up to 23 November 2022**

	No of Units				Take Up	Cumulative Sales since 2Q19
	Unsold as at (Jan 22)	Sold in 9M22	Sold (Oct '22 to 23 Nov 2022)	Sold (Year to date up to 23 Nov 2022)		
Developments Under Construction						
E'Island Lake Haven	355 of 1,140	155	31	186	971 units or 85%	RM417.2m
The Peak	398 of 668	-	-	-	270 units or 40%	RM103.0m
Completed Developments						
Contours	2 of 40	-	-	-	38 units or 95%	RM32.2m
Permas Centro	-	-	-	-	100%	RM15.5m
Kinrara Uptown	2 of 177	-	-	-	175 or 99%	-
Total	757	155	31	186		RM567.9m
						Bookings
						RM19.6m

Based on the table above, since the relaunch of our property development division in 2Q19, we have achieved RM567.9 million in property sales. Additionally, we have RM19.6 million in property bookings pending loan conversions.

**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 22	30 Sep 21	30 Sep 22	30 Sep 21
	RM'000	RM'000	RM'000	RM'000
Interest income	384	174	1,094	978
Reversal of impairment losses of receivables	279	251	656	424
Reversal of impairment losses of investment properties	-	-	-	1,151
Other income	205	193	1,485	568
Interest expense (excluding interest capitalised)	(2,078)	(2,117)	(5,699)	(3,833)
Depreciation and amortisation	(1,767)	(1,735)	(5,328)	(5,071)
Impairment losses of receivables	(492)	(2)	(1,721)	(699)
Loss of fair value on investment	-	-	-	(330)
Loss on disposal of property, plant and equipment	-	-	-	(3)
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 22	30 Sep 21	30 Sep 22	30 Sep 21
	RM'000	RM'000	RM'000	RM'000
Current taxation				
- Current year	1,790	54	3,401	96
- Previous year	-	(119)	484	(119)
	1,790	(65)	3,885	(23)
Deferred taxation				
- Current year	50	911	(5)	2,030
- Prior years	-	-	-	-
	50	911	(5)	2,030
	1,840	846	3,880	2,007

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 24 November 2022, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

### (a) 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 24 November 2022 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	29,491	Within 24 months	-	-	
Defrayment of expenses related to the Proposed Private Placement	662	662	Upon completion	-	-	Under-estimation of professional cost
<b>Total</b>	<b>30,153</b>	<b>30,153</b>		<b>-</b>		

### b) Proposed establishment of an Islamic commercial paper ("ICP")/ Islamic medium term note ("IMTN") Programme

On 11 August 2022, the Company made a lodgment with the Securities Commission Malaysia ("SC") the required information and relevant documents pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, in relation to the establishment of an ICP / IMTN Programme of RM200.0 million in nominal value for the issuance(s) of ICPs under the Shariah principle of *Mudharabah* and/or IMTN under the Shariah principle of *Wakalah bi al-Istithmar* (the ICPs and IMTNs are collectively referred to as the "Sukuk GBG").

Kenanga Investment Bank Berhad is the appointed Principal Adviser, Lead Arranger, Lead Manager, Shariah Adviser and Facility Agent in respect of the ICP/IMTN Programme.

MARC Ratings Berhad has assigned a preliminary rating of **A<sub>1s</sub>/MARC-1<sub>1s</sub>** for the ICP/IMTN Programme, with a stable outlook.

The proceeds from the ICP/IMTN Programme shall be utilised for the following purposes:

- to utilise RM100,000 to fund the trustee's reimbursement account, as required under the SC's Trust Deed Guidelines;
- to finance the investment activities, capital expenditure, working capital requirements and/or other general corporate purposes of Board of Directors of the Group ("Issuer") and the Group as well as, to defray any fees and expenses relating to the ICP/IMTN Programme;
- to repay any existing conventional borrowings undertaken by the Group; and/ or
- to repay any existing and/or future Islamic financings undertaken by Group (including for purposes of redemption or refinancing/ rollover of the Sukuk GBG)

In any case, all utilisation of funds from the issuance of the ICPs/ IMTNs under the ICP/IMTN Programme shall be for Shariah-compliant purposes only, including the manner in which the funds are to be channelled within the Group by the Issuer.



## B8. Group Borrowings and Debt Securities

As at 30 September 2022			
	Long term RM'000	Short term RM'000	Total borrowings RM'000
<b>Secured</b>			
- Term loan	379	80,760	81,139
- Revolving credit	-	11,800	11,800
- Bank overdrafts	-	186,836	186,836
	<u>379</u>	<u>279,396</u>	<u>279,775</u>

  

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>

## B9. Dividend

No dividend has been proposed by the Board of Directors for the current quarter ended 30 September 2022.

## 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 consulting 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 :-

- 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
- Bernard had breached his fiduciary duties owed to GAB and Trusvest.

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

GAB and TVSB have filed an application for further and better particulars of Bernard's Defence ("Application"), which was dismissed by the High Court on 25 August 2021. GAB and TVSB appealed to the Court of Appeal against the aforesaid decision on 23 September 2021. The case management for the appeal is fixed for hearing on 12 December 2022.

Meanwhile, the trial of the Suit is fixed on 17, 18, 24-27 July 2023. The court gave directions for the filing of documents between the period of November 2022 to the trial dates. The Suit is fixed for case management on 4 October 2022 for parties to update the court on the status of the further and better particular appeal.

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

- (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.

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 17 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.

GSSB appealed to the Court of Appeal against the aforesaid decisions. Furthermore, each employee defendant appealed to the Court of Appeal against the High Court decision to not allow their striking out applications in full. As a result, there are presently 8 separate appeals pending before the Court of Appeal arising from the High Court 18 October 2021 decision. On 12 January 2022, the Court of Appeal directed that GSSB's appeals and the employee defendants' appeals, arising from the High Court 18 October 2021 decision to be heard together. The appeals are slated to be heard by the Court of Appeal on 22 August 2022, however the hearing for the 8 appeals is then fixed on 23 February 2023 once the decision of Court of Appeal is obtained on 21 February 2023.

## B10. Material litigation (Cont'd)

- (b) Meanwhile, GSSB's General Discovery Application that was initially fixed for hearing at the High Court on 20 January 2022 had been vacated, pending the disposal of the aforesaid appeals to the Court of Appeal. The case management on 21 June 2022 and 28 June 2022 was to update the Kuala Lumpur High Court on the status of obtaining retrospective sanction from bankruptcy court, in order to proceed against Mohd Noor Nazrul Bin Mohd Yusof (6th Defendant) and Wong Kee Choo (8th Defendant) and to update the Court on the outcome of its leave application at Kuantan High Court. Accordingly, the next case management is fixed on 6 October 2022 for parties to update Court on the outcome of the appeals at the Court of Appeal.

## B11. 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 22 RM'000	30 Sep 21 RM'000	30 Sep 22 RM'000	30 Sep 21 RM'000
Profit attributable to equity holders of the Company (RM'000)	4,189	3,022	15,173	11,202
Weighted average number of ordinary shares ('000)	542,771	542,771	542,771	516,873
<b>Basic earnings per share (sen)</b>	<b>0.77</b>	<b>0.56</b>	<b>2.80</b>	<b>2.17</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 22 RM'000	30 Sep 21 RM'000	30 Sep 22 RM'000	30 Sep 21 RM'000
Profit attributable to equity holders of the Company (RM'000)	4,189	3,022	15,173	11,202
No of ordinary shares for basic earnings per share computation	542,771	542,771	542,771	516,873
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	662,166	662,166	636,268
<b>Diluted earnings per share (sen)</b>	<b>0.63</b>	<b>0.46</b>	<b>2.29</b>	<b>1.76</b>

## B12. Authorisation for Issue

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