



**Interim Financial Results  
For the 3<sup>rd</sup> Quarter ended  
30 September 2023**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

|   | INDIVIDUAL QUARTER         |                              | CUMULATIVE QUARTER         |                              |
|---|----------------------------|------------------------------|----------------------------|------------------------------|
|   | CURRENT<br>YEAR<br>QUARTER | PRECEDING<br>YEAR<br>QUARTER | CURRENT<br>YEAR<br>TO DATE | PRECEDING<br>YEAR<br>TO DATE |
|   | 30 September 2023          | 30 September 2022            | 30 September 2023          | 30 September 2022            |
|   | <u>RM'000</u>              | <u>RM'000</u>                | <u>RM'000</u>              | <u>RM'000</u>                |
| Revenue   | 81,359                     | 81,669                       | 237,580                    | 232,476                      |
| Cost of sales   | (67,355)                   | (66,610)                     | (198,898)                  | (188,993)                    |
| Gross profit  | 14,004                     | 15,059                       | 38,682                     | 43,483                       |
| Other income  | 3,638                      | 867                          | 6,162                      | 3,234                        |
| Operating costs   | (7,424)                    | (8,182)                      | (21,556)                   | (22,652)                     |
| Finance cost  | (2,917)                    | (2,078)                      | (8,524)                    | (5,699)                      |
| Share of profit/(loss) of a joint venture   | 38                         | 176                          | 767                        | 411                          |
| Share of profit/(loss) of an associate  | 264                        | 183                          | 634                        | 320                          |
| Profit before tax   | 7,603                      | 6,025                        | 16,165                     | 19,097                       |
| Tax expense   | (3,947)                    | (1,840)                      | (5,723)                    | (3,880)                      |
| Profit for the financial period   | 3,656                      | 4,185                        | 10,442                     | 15,217                       |
| Other comprehensive income, net of tax  | -                          | -                            | -                          | -                            |
| Total comprehensive income for the financial period                               | 3,656                      | 4,185                        | 10,442                     | 15,217                       |
| Attributable to:  |                            |                              |                            |                              |
| Owners of the parent  | 3,679                      | 4,189                        | 10,503                     | 15,173                       |
| Non-controlling interests   | (23)                       | (4)                          | (61)                       | 44                           |
|   | 3,656                      | 4,185                        | 10,442                     | 15,217                       |
| Earnings per ordinary share attributable to equity holders of the Company (sen) : |                            |                              |                            |                              |
| - Basic   | 0.68                       | 0.77                         | 1.94                       | 2.80                         |
| - Diluted   | 0.56                       | 0.63                         | 1.59                       | 2.29                         |

*The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2023**

|   | (UNAUDITED)<br>AS AT<br>30 September 2023<br>RM'000 | (AUDITED)<br>AS AT<br>31 December 2022<br>RM'000 |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| <b>Non-current assets</b>   |   |  |
| Property, plant and equipment   | 21,640  | 25,505   |
| Investment properties   | 30,161  | 31,002   |
| Investment in a joint venture   | 1,049   | 882  |
| Investment in an associate  | 4,738   | 4,153  |
| Deferred tax assets   | 3,178   | 3,206  |
| Intangible assets   | 27,355  | 27,355   |
|   | <u>88,121</u>                                       | <u>92,103</u>                                    |
| <b>Current assets</b>   |   |  |
| Inventories   | 305,445   | 318,950  |
| Trade and other receivables   | 225,327   | 142,120  |
| Contract assets   | 586,932   | 660,229  |
| Other investment  | 1,389   | 1,389  |
| Current tax assets  | 220   | 522  |
| Short term funds  | 173   | 168  |
| Cash and bank balances  | 116,430   | 150,165  |
|   | <u>1,235,916</u>                                    | <u>1,273,543</u>                                 |
| <b>TOTAL ASSETS</b>   | <u>1,324,037</u>                                    | <u>1,365,646</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   | 156,076   | 145,573  |
|   | <u>510,262</u>                                      | <u>499,759</u>                                   |
| <b>Non-controlling interests</b>                                      | <u>1,752</u>  | <u>1,813</u>                                     |
| <b>TOTAL EQUITY</b>   | <u>512,014</u>                                      | <u>501,572</u>                                   |
| <b>Non-current liabilities</b>  |   |  |
| Borrowings  | 4,416   | 409  |
| Lease liabilities   | 527   | 1,171  |
| Deferred tax liabilities  | 1,631   | 1,971  |
|   | <u>6,574</u>  | <u>3,551</u>                                     |
| <b>Current liabilities</b>  |   |  |
| Trade and other payables  | 531,331   | 519,172  |
| Contract liabilities  | 46,172  | 37,043   |
| Borrowings  | 179,204   | 264,031  |
| ICP/IMTN Programme  | 44,578  | 38,628   |
| Lease liabilities   | 892   | 1,213  |
| Current tax liabilities   | 3,272   | 436  |
|   | <u>805,449</u>                                      | <u>860,523</u>                                   |
| <b>TOTAL LIABILITIES</b>  | <u>812,023</u>                                      | <u>864,074</u>                                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   | <u>1,324,037</u>                                    | <u>1,365,646</u>                                 |
| <b>Net assets per share attributable to owners of the parent (RM)</b> | <u>0.94</u>   | <u>0.92</u>                                      |

*The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes.*

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

|  | 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 2023   | 355,613  | (1,427)  | 145,573       | 499,759 | 1,813        | 501,572 |
| Profit for the financial period /<br>Total comprehensive income for the period | -  | -        | 10,503        | 10,503  | (61)         | 10,442  |
|  | -  | -        | 10,503        | 10,503  | (61)         | 10,442  |
| Balance as at 30 September 2023  | 355,613  | (1,427)  | 156,076       | 510,262 | 1,752        | 512,014 |
|  | 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 as previously stated                              | 355,613  | (1,427)  | 126,863       | 481,049 | 2,108        | 483,157 |
| Prior year adjustment  | -  | -        | (1,389)       | (1,389) | -            | (1,389) |
| Balance as at 1 January 2022 as restated                                       | 355,613  | (1,427)  | 125,474       | 479,660 | 2,108        | 481,768 |
| Profit for the financial period /<br>Total comprehensive income for the period | -  | -        | 15,173        | 15,173  | 44           | 15,217  |
| Share capital reduction  | -  | -        | -             | -       | (235)        | (235)   |
|  | -  | -        | 15,173        | 15,173  | (191)        | 14,982  |
| Balance as at 30 September 2022  | 355,613  | (1,427)  | 140,647       | 494,833 | 1,917        | 496,750 |

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 2022 and the accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

22 November 2023



|  | Current<br>Period<br>Ended<br>30 September 2023<br>RM'000 | Preceding<br>Period<br>Ended<br>30 September 2022<br>RM'000 |
|--|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            |   |   |
| Profit before tax  | 16,165  | 19,097  |
| Adjustments for :  |   |   |
| Depreciation of property, plant and equipment                          | 4,570   | 5,328   |
| Reversal of impairment losses of trade and other receivables           | (3,177)   | (656)   |
| Gain on disposal of investment properties                              | (264)   | -   |
| Impairment losses on:  |   |   |
| - Trade and other receivable   | 1,138   | 1,721   |
| Interest expense   | 8,524   | 5,699   |
| Interest income  | (2,226)   | (1,094)   |
| Share of profit of a joint venture                                     | (767)   | (320)   |
| Share of profit of an associate  | (634)   | (411)   |
| Operating profit before changes in working capital                     | 23,329  | 29,364  |
| Changes in working capital:  |   |   |
| Inventories  | 13,505  | (9,133)   |
| Trade and other receivables  | (7,873)   | (10,612)  |
| Trade and other payables   | 21,408  | (14,562)  |
| Cash used in operating activities                                      | 50,369  | (4,943)   |
| Interest paid  | (6,936)   | (3,772)   |
| Interest received  | 2,226   | 1,094   |
| Tax paid   | (2,629)   | (796)   |
| Tax refunded   | 26  | 7   |
| Net cash generated from / (used in) operating activities               | 43,056  | (8,410)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |   |   |
| Dividend received from associate                                       | 49  | 49  |
| Dividend received from joint venture                                   | 600   | -   |
| Purchase of property, plant and equipment                              | (785)   | (3,894)   |
| Proceeds from disposals of investment properties                       | 978   | -   |
| Withdrawals/(Placements) of fixed deposits pledged                     | 27,613  | 11,401  |
| Net cash (used in) / generated from investing activities               | 28,455  | 7,556   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                            |   |   |
| Repayment of lease liabilities   | (1,171)   | (1,731)   |
| Drawdowns of term loans  | 10,574  | 44,223  |
| Repayments of term loans   | (75,515)  | (64,421)  |
| Drawdowns of revolving credits   | 20,000  | 10,000  |
| Repayment of revolving credits   | (300)   | (227)   |
| Drawdown of ICP/IMTN programme   | 5,950   | -   |
| Reduction in share capital of non-controlling interest of a subsidiary | -   | (235)   |
| Net cash used in financing activities                                  | (40,462)  | (12,391)  |
| <b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>          | 31,049  | (13,245)  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>      | (172,536)   | (161,861)   |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>            | (141,487)   | (175,106)   |

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

|   | As at<br>30 September 2023<br>RM'000 | As at<br>30 September 2022<br>RM'000 |
|---|--------------------------------------|--------------------------------------|
| Cash and bank balances                            | 7,544                                | 11,474                               |
| Fixed deposits with licensed banks                | 108,886                              | 134,216                              |
| Short term funds                                  | 173                                  | 256                                  |
|   | 116,603                              | 145,946                              |
| Less : Bank overdrafts included in borrowings     | (102,370)                            | (97,132)                             |
| Trade line with facilities included in borrowings | (46,834)                             | (89,704)                             |
| Fixed deposits pledged                            | (108,886)                            | (134,216)                            |
| Total cash and cash equivalents                   | (141,487)                            | (175,106)                            |

**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 2022. 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 2022.

**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 2022 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 2023.

|  |  |
|--|--|
| 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 16 ‘Lease liability in a sale and leaseback  | 1 January 2024                                  |
| Amendments to MFRS 101 ‘Non-current Liabilities with Covenants  | 1 January 2024                                  |
| 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:

| <b>9 months ended 30 September 2023</b>  | <b>Construction<br/>RM'000</b> | <b>Property<br/>Development<br/>RM'000</b> | <b>Other<br/>RM'000</b> | <b>Inter-segment<br/>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|--------------------------------|--|-------------------------|---|-------------------------|
| <b>Segment Revenue</b>   |                                |  |                         |   |                         |
| External   | 148,615                        | 88,065                                     | 900                     | -   | 237,580                 |
| Inter-segment  | 69,636                         | -  | 4,554                   | (74,190)  | -                       |
| <b>Total revenue</b>   | <b>218,251</b>                 | <b>88,065</b>                              | <b>5,454</b>            | <b>(74,190)</b>                                 | <b>237,580</b>          |
| Interest income  | 3,596                          | 150  | 3,822                   | (5,343)   | 2,225                   |
| Finance cost   | (4,708)                        | (3,824)                                    | (5,482)                 | 5,490   | (8,524)                 |
| <b>Net finance expense</b>   | <b>(1,112)</b>                 | <b>(3,674)</b>                             | <b>(1,660)</b>          | <b>147</b>                                      | <b>(6,299)</b>          |
| Share of profit of an associate  | 634                            | -  | -                       | -   | 634                     |
| Share of profit of a joint venture   | -                              | -  | 767                     | -   | 767                     |
| <b>Segment profit/(loss) before taxation</b>   | <b>12,073</b>                  | <b>10,337</b>                              | <b>(5,479)</b>          | <b>(766)</b>                                    | <b>16,165</b>           |
| Taxation   | (2,913)                        | (2,776)                                    | (8)                     | (26)  | (5,723)                 |
| <b>Segment profit/(loss) after taxation</b>  | <b>9,160</b>                   | <b>7,561</b>                               | <b>(5,487)</b>          | <b>(792)</b>                                    | <b>10,442</b>           |
| Other material non-cash item:<br>- Depreciation  | (3,679)                        | (333)                                      | (1,619)                 | 1,062   | (4,569)                 |
| Additions to non-current assets other<br>than financial instruments and<br>deferred tax assets | 728                            | 46   | 11                      | -   | 785                     |
| <b>Segment assets</b>  | <b>955,144</b>                 | <b>551,936</b>                             | <b>599,687</b>          | <b>(782,730)</b>                                | <b>1,324,037</b>        |
| <b>Segment liabilities</b>   | <b>690,204</b>                 | <b>475,892</b>                             | <b>168,896</b>          | <b>(522,969)</b>                                | <b>812,023</b>          |
| <b>9 months ended 30 September 2022</b>  | <b>Construction<br/>RM'000</b> | <b>Property<br/>Development<br/>RM'000</b> | <b>Other<br/>RM'000</b> | <b>Inter-segment<br/>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
| <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 loss 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:<br>- Depreciation  | (4,570)                        | (331)                                      | (1,495)                 | 1,068   | (5,328)                 |
| Additions to non-current assets other<br>than financial instruments and<br>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>          |

**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<br>30 Sept 23<br>RM'000 | As at<br>31 Dec 22<br>RM'000 |
|---|-------------------------------|------------------------------|
| Bank guarantees given by financial institutions in respect of<br>construction and property projects | 65,109                        | 95,137                       |

**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<br>(3 <sup>rd</sup> Quarter) |  | Changes<br>(%) | Cumulative Period           |   | Changes<br>(%) |
|-----------------------|--|--|----------------|-----------------------------|---|----------------|
|                       | Current<br>Year<br>Quarter                     | Preceding Year<br>Corresponding<br>Quarter |                | Current<br>Year To-<br>date | Preceding Year<br>Corresponding<br>Period |                |
|                       | 30/9/2023                                      | 30/9/2022                                  |                | 30/9/2023                   | 30/9/2022                                 |                |
|                       | RM'000   | RM'000                                     |                | RM'000                      | RM'000                                    |                |
| Revenue               | 81,359   | 81,669                                     | (0.4)          | 237,580                     | 232,476                                   | 2.2            |
| Profit Before Tax     | 7,603  | 6,025                                      | 26.2           | 16,165                      | 19,097                                    | (15.4)         |
| Profit After Taxation | 3,656  | 4,185                                      | (12.6)         | 10,442                      | 15,217                                    | (31.4)         |

The Group reported revenue of RM81.4 million in 3Q23, compared to RM81.7 million in 3Q22. Our reported PBT for the current quarter stood at RM7.6 million, representing a 26.2% growth compared to 3Q22 PBT of RM6.0 million. The increase in PBT is attributable to a) earnings growth from our property development division, b) lower Group operating costs, and c) the reversal of impairment loss for other receivables.

For the period of 9M23, the Group registered revenue of RM237.6 million, representing a 2.2% growth compared to 9M22. PBT for 9M23 stood at RM16.2 million, compared to RM19.1 million in 9M22. The lower PBT is due to the recognition of finance costs for our Islamic Commercial Papers (ICP)/ Islamic Medium-Term Notes (IMTN).

PAT for the current quarter stood at RM3.7 million, representing a 12.6% decrease compared to 3Q22. Included in the PAT is the recognition of LADs amounting to RM3.4 million. Excluding the LADs, the Group's core PAT stood at RM7.1 million.

**Construction segment**

|                       | Individual Period<br>(3 <sup>rd</sup> Quarter) |  | Changes<br>(%) | Cumulative Period           |   | Changes<br>(%) |
|-----------------------|--|--|----------------|-----------------------------|---|----------------|
|                       | Current<br>Year<br>Quarter                     | Preceding Year<br>Corresponding<br>Quarter |                | Current<br>Year To-<br>date | Preceding Year<br>Corresponding<br>Period |                |
|                       | 30/9/2023                                      | 30/9/2022                                  |                | 30/9/2023                   | 30/9/2022                                 |                |
|                       | RM'000   | RM'000                                     |                | RM'000                      | RM'000                                    |                |
| Revenue               | 77,850   | 75,265                                     | 3.4            | 218,251                     | 200,550                                   | 8.8            |
| Profit Before Tax     | 5,145  | 7,359                                      | (30.1)         | 12,073                      | 12,718                                    | (5.1)          |
| Profit After Taxation | 3,973  | 5,569                                      | (28.7)         | 9,160                       | 9,584                                     | (4.4)          |

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

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

#### Construction segment (Cont'd)

The construction division reported a revenue of RM77.9 million in 3Q23, compared to RM75.3 million in 3Q22, representing a 3.4% increase. This quarter, revenue was mainly contributed by the Light Rail Transit 3 (LRT3), E'Island Lake Haven, and the Sungai Besi Ulu Kelang (SUKU) projects. The division's PAT stood at RM4.0 million in 3Q23, compared to RM5.6 million in 3Q22.

Cumulatively for 9M23, the construction division registered revenue of RM218.3 million, with a corresponding PAT of RM9.2 million, compared to a revenue of RM200.6 million and PAT of RM9.6 million in 9M22.

#### Property Development segment

|                       | Individual Period<br>(3 <sup>rd</sup> Quarter) |  | Changes<br>(%) | Cumulative Period           |   | Changes<br>(%) |
|-----------------------|--|--|----------------|-----------------------------|---|----------------|
|                       | Current<br>Year<br>Quarter                     | Preceding Year<br>Corresponding<br>Quarter |                | Current<br>Year To-<br>date | Preceding Year<br>Corresponding<br>Period |                |
|                       | 30/9/2023                                      | 30/9/2022                                  |                | 30/9/2023                   | 30/9/2022                                 |                |
|                       | RM'000   | RM'000                                     |                | RM'000                      | RM'000                                    |                |
| Revenue               | 31,032   | 22,140                                     | 40.2           | 88,065                      | 76,002                                    | 15.9           |
| Profit Before Tax     | 4,230  | 955  | 342.9          | 10,337                      | 8,540                                     | 21.0           |
| Profit After Taxation | 1,455  | 952  | 52.8           | 7,561                       | 8,054                                     | (6.1)          |

The property development division reported revenue of RM31.0 million in 3Q23, 40.2% higher compared to 3Q22 revenue of RM22.1 million. PAT for the division stood at RM1.5 million, 52.8% higher compared to 3Q22. Included in the PAT is the recognition of LADs amounting to RM3.4 million. Excluding the LADs, the Group's core PAT stood at RM4.9 million.

Cumulatively for 9M23, the property development division reported revenue of RM88.1 million with a corresponding PAT of RM7.6 million, compared to a revenue of RM76.0 million and PAT of RM8.1 million in 9M22.

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

|                   | Current<br>Quarter | Immediate<br>Preceding<br>Quarter | Changes<br>(%) |
|-------------------|--------------------|-----------------------------------|----------------|
|                   | 30/09/2023         | 30/06/2023                        |                |
|                   | RM'000             | RM'000                            |                |
| Revenue           | 81,359             | 70,990                            | 14.6           |
| Profit Before Tax | 7,603              | 3,548                             | 114.3          |
| Profit After Tax  | 3,656              | 3,285                             | 11.3           |

Overall, the Group's revenue and profit after tax for the current quarter of RM81.4 million and RM3.7 million respectively, as compared to a revenue of RM71.0 million and profit after tax of RM3.3 million registered in 2Q23. The higher tax recognition in 3Q23 was mainly due to higher revenue and profit in both the construction and property development divisions.

### **B3. Prospects**

GBG currently has RM1.3 billion in future gross revenue to be recognised up to FYE 2025, comprising RM788.4 million from the construction division and RM522.2 million from the property development division.

On 4 August 2023, the MARC Ratings affirmed ratings of MARC-1/A on GBG's Islamic Commercial Papers (ICP)/ Islamic Medium-Term Notes (IMTN) Programme with a Stable rating outlook.

Since 1Q23, the Group has reduced total borrowings by RM88.3 million or 27.9% to RM228.2 million. Total borrowings comprise RM4.4 million in long-term borrowings, RM179.2 million in short-term borrowings (40.5% are project financing related), and RM44.6 million in short-term Islamic Commercial Papers (ICPs). On a quarter-on-quarter basis, we reduced borrowings by RM38.8 million.

As of 3Q23, our total cash and cash equivalents amounted to RM116.6 million, representing a decrease of 20.1% or RM29.3 million compared to 3Q22. The reduction in cash and cash equivalents is due to the partial utilisation of cash to pare down borrowings in 3Q23. As a result of the above, we have reduced our gross gearing from 0.53x to 0.45x from 2Q23 to 3Q23. Our net gearing remains unchanged at 0.22x.

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

The Group's construction division is armed with a healthy outstanding orderbook of RM788.4 million, that will sustain earnings and cashflow contribution up to FYE 2025.

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 3Q23, the Group achieved RM6.7 million in property sales that comprise 15 units of E'Island Lake Haven. Year-to-date as at 19 November 2023, the Group has achieved RM32.6 million in property sales, comprising 75 units of properties.

As at 30 September 2023, our total sold and unbilled sales stand at RM280.9 million, which will progressively be recognised up to 1H24.

The Group continues to enhance its layout for the 100-acre Gambang Residensi township development that will be launched in 2024. The enhancements have resulted in the total targeted GDV to be increased to RM382 million with a total of 1,160 homes and 20 commercial units to be offered in the development.

The Company's other immediate priorities moving forward remain on enhancing cash flow by monetising its inventory of unsold completed units, which stood at RM9.8 million as of 30 September 2023.

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

(b) Property Development Division (Cont'd)

**Property Sales Summary up to 19 November 2023**

|   | No of Units           |              |                             |                                       | Take Up            | Cumulative Sales since 2Q19 |
|---|-----------------------|--------------|-----------------------------|---------------------------------------|--------------------|-----------------------------|
|   | Unsold as at (Jan 23) | Sold in 9M23 | Sold (1 Oct to 19 Nov 2023) | Sold (Year to date up to 19 Nov 2023) |                    |                             |
| <b><u>Developments Under Construction</u></b> |                       |              |                             |                                       |                    |                             |
| E'Island Lake Haven                           | 155 of 1,140          | 68           | 7                           | 75                                    | 1,060 units or 93% | RM456.0m                    |
| The Peak                                      | 398 of 668            | -            | -                           | -                                     | 267 units or 40%   | RM103.0m                    |
| <b><u>Completed Developments</u></b>          |                       |              |                             |                                       |                    |                             |
| Contours                                      | 2 of 40               | -            | -                           | -                                     | 38 units or 95%    | RM32.2m                     |
| Permas Centro                                 | -                     | -            | -                           | -                                     | 100%               | RM15.5m                     |
| Kinrara Uptown                                | 2 of 177              |              | -                           | -                                     | 175 or 99%         | -                           |
| <b>Total</b>                                  | <b>560</b>            | 68           | 7                           | 75                                    |                    | <b>RM606.7m</b>             |
|   |                       |              |                             |                                       |                    |                             |
|   |                       |              |                             |                                       |                    | <b><u>Bookings</u></b>      |
|   |                       |              |                             |                                       |                    | RM7.0m                      |

Since the relaunch of our property development division in 2Q19, we have achieved RM606.7 million in property sales as shown in the table above. Additionally, we have RM7.0 million in property bookings pending loan conversions.

As our property sales momentum continues to be robust, plans are being finalised to expand our property development portfolio which would result in the continuity of future earnings and cashflow contributions from FYE 2024 to FYE 2028.

**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<br>3 months ended |                      | Cumulative Quarter<br>9 months ended |                      |
|---|-----------------------------------|----------------------|--------------------------------------|----------------------|
|   | 30 Sept 23<br>RM'000              | 30 Sept 22<br>RM'000 | 30 Sept 23<br>RM'000                 | 30 Sept 22<br>RM'000 |
| Interest income                                   | 648                               | 384                  | 2,226                                | 1,094                |
| Reversal of impairment losses of receivables      | 2,503                             | 279                  | 3,177                                | 656                  |
| Other income                                      | 432                               | 205                  | 759                                  | 1,485                |
| Gain on disposal of investment property           | 264                               | -                    | 264                                  | -                    |
| Interest expense (excluding interest capitalised) | (2,917)                           | (2,078)              | (8,524)                              | (5,699)              |
| Depreciation and amortisation                     | (1,395)                           | (1,767)              | (4,569)                              | (5,328)              |
| Impairment losses of receivables                  | (803)                             | (492)                | (1,138)                              | (1,721)              |
| 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<br>3 months ended |                      | Cumulative Quarter<br>9 months ended |                      |
|---------------------|-----------------------------------|----------------------|--------------------------------------|----------------------|
|                     | 30 Sept 23<br>RM'000              | 30 Sept 22<br>RM'000 | 30 Sept 23<br>RM'000                 | 30 Sept 22<br>RM'000 |
| Current income tax: |                                   |                      |                                      |                      |
| - Current year      | 3,915                             | 1,790                | 5,656                                | 3,401                |
| - Previous year     | 41                                | -                    | 41                                   | 484                  |
|                     | 3,956                             | 1,790                | 5,697                                | 3,885                |
| Deferred tax:       |                                   |                      |                                      |                      |
| - Current year      | (9)                               | 50                   | 26                                   | (5)                  |
| - Prior years       | -                                 | -                    | -                                    | -                    |
|                     | (9)                               | 50                   | 26                                   | (5)                  |
|                     | 3,947                             | 1,840                | 5,723                                | 3,880                |

The Group effective tax rate for the cumulative quarter is higher than the statutory rate mainly due to unabsorbed business loss has been fully utilised.

**B7. Status of Corporate Proposals Announced**

There are no corporate proposals announced by the Company but not completed as at 22 November 2023, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

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 **MARC-1<sub>IS</sub>/A<sub>IS</sub>** for the ICP/IMTN Programme, with a stable outlook.

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

- (i) to utilise RM100,000 to fund the trustee’s reimbursement account, as required under the SC’s Trust Deed Guidelines;
- (ii) 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;
- (iii) to repay any existing conventional borrowings undertaken by the Group; and/ or
- (iv) 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.

As of 4 August 2023, MARC Ratings has affirmed its ratings of **MARC-1<sub>IS</sub>/A<sub>IS</sub>** on Gabungan AQRs Berhad’s RM200.0 million Islamic Commercial Papers (ICP)/Islamic Medium-Term Notes (IMTN) Programme. The ratings outlook is stable. The total outstanding balance under the programme stood at RM44.6 million.



**B8. Group Borrowings and Debt Securities**

| As at 30 Sept 2023   |                     |                      |                               |
|----------------------|---------------------|----------------------|-------------------------------|
|                      | Long term<br>RM'000 | Short term<br>RM'000 | Total<br>borrowings<br>RM'000 |
| <b>Secured</b>       |                     |                      |                               |
| - Term loan          | 4,416               | 8,600                | 13,016                        |
| - Revolving credit   | -                   | 21,400               | 21,400                        |
| - Bank overdrafts    | -                   | 149,203              | 149,203                       |
| <b>Unsecured</b>     |                     |                      |                               |
| - ICP/IMTN Programme | -                   | 44,578               | 44,578                        |
|                      | <u>4,416</u>        | <u>223,781</u>       | <u>228,197</u>                |

  

| As at 30 Sept 2022 |                     |                      |                               |
|--------------------|---------------------|----------------------|-------------------------------|
|                    | Long term<br>RM'000 | Short term<br>RM'000 | Total<br>borrowings<br>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>                |

**B9. Dividend**

No dividend has been proposed by the Board of Directors for the current quarter ended 30 September 2023.

**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 :-

- (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 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.

Company's solicitors attended hearing on 5 July 2023 for its application to amend its Statement of Claim ("Amendment Application"). The Court allowed 4 of the 5 amendments sought by the Company, with RM5,000.00 costs awarded in favour of the Defendant.

Following to GAB's expert report which has been filed on 6 October 2023, Defendant's solicitor indicated that Bernard intends to file a rebuttal expert report.

The Court has also fixed the next case management on 12 December 2023 to update the Court on the status of the rebuttal expert report. The new trial date is now fixed for May 2024.

- (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")

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

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. On 12 January 2022, the Court of Appeal directed GSSB's and the employee defendants' appeals, arising from the High Court 18 October 2021 decision to be heard together.

Based on the hearing fixed on 27 June 2023, the Court of Appeal unanimously ruled in favor of GSSB, resolving all 8 appeals and the suit will proceed for trial at the High Court. At this juncture, costs of RM50,000 were awarded to GSSB.

GSSB is currently awaiting the assignment of the suit and further directions from the High Court.

## 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<br>3 months ended |                      | Cumulative Quarter<br>9 months ended |                      |
|---|-----------------------------------|----------------------|--------------------------------------|----------------------|
|   | 30 Sept 23<br>RM'000              | 30 Sept 22<br>RM'000 | 30 Sept 23<br>RM'000                 | 30 Sept 22<br>RM'000 |
| Profit attributable to equity holders of the Company (RM'000) | 3,678                             | 4,189                | 10,503                               | 15,173               |
| Weighted average number of ordinary shares ('000)             | 542,771                           | 542,771              | 542,771                              | 542,771              |
| <b>Basic earnings per share (sen)</b>                         | <b>0.68</b>                       | <b>0.77</b>          | <b>1.94</b>                          | <b>2.80</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<br>3 months ended |                      | Cumulative Quarter<br>9 months ended |                      |
|---|-----------------------------------|----------------------|--------------------------------------|----------------------|
|   | 30 Sept 23<br>RM'000              | 30 Sept 22<br>RM'000 | 30 Sept 23<br>RM'000                 | 30 Sept 22<br>RM'000 |
| Profit attributable to equity holders of the Company (RM'000)               | 3,678                             | 4,189                | 10,503                               | 15,173               |
| No of ordinary shares for basic earnings per share computation              | 542,771                           | 542,771              | 542,771                              | 542,771              |
| Effect of dilution<br>- 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                              | 662,166              |
| <b>Diluted earnings per share (sen)</b>                                     | <b>0.56</b>                       | <b>0.63</b>          | <b>1.59</b>                          | <b>2.29</b>          |

## B12. Authorisation for Issue

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