



**BENALEC HOLDINGS BERHAD**  
(702653-V)  
(Incorporated in Malaysia)

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**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2022**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2022**

	Individual Quarter		Cumulative Quarter	
	(Unaudited) Current Year Quarter Ended 31-03-2022 RM'000	(Unaudited) Preceding Year Quarter Ended 31-03-2021 RM'000	(Unaudited) Current Year To Date 31-03-2022 RM'000	(Unaudited) Preceding Year To Date 31-03-2021 RM'000
<b>Revenue</b>	<b>3,025</b>	<b>31,215</b>	<b>3,025</b>	<b>31,215</b>
Cost of sales	(7,756)	(29,965)	(7,756)	(29,965)
<b>Gross profit</b>	<b>(4,731)</b>	<b>1,250</b>	<b>(4,731)</b>	<b>1,250</b>
Other operating income	352	1,123	352	1,123
Administrative and other expenses	(5,928)	(8,964)	(5,928)	(8,964)
<b>Profit from operations</b>	<b>(10,307)</b>	<b>(6,591)</b>	<b>(10,307)</b>	<b>(6,591)</b>
Finance costs	(2,141)	(1,948)	(2,141)	(1,948)
<b>(Loss)/Profit before tax ("PBT")</b>	<b>(12,448)</b>	<b>(8,539)</b>	<b>(12,448)</b>	<b>(8,539)</b>
Tax income/(expense)	-	-	-	-
<b>(Loss)/Profit for the financial period</b>	<b>(12,448)</b>	<b>(8,539)</b>	<b>(12,448)</b>	<b>(8,539)</b>
<b>Other comprehensive income, net of tax:-</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
• Foreign currency translations	455	1,951	455	1,951
<b>Total comprehensive income</b>	<b>(11,993)</b>	<b>(6,588)</b>	<b>(11,993)</b>	<b>(6,588)</b>
<b>Profit/Loss attributable to:-</b>				
• Owners of the parent	(12,100)	(8,318)	(12,100)	(8,318)
• Non-controlling interests	(348)	(221)	(348)	(221)
	<b>(12,448)</b>	<b>(8,539)</b>	<b>(12,448)</b>	<b>(8,539)</b>
<b>Total comprehensive income attributable to:-</b>				
• Owners of the parent	(11,645)	(6,367)	(11,645)	(6,367)
• Non-controlling interests	(348)	(221)	(348)	(221)
	<b>(11,993)</b>	<b>(6,588)</b>	<b>(11,993)</b>	<b>(6,588)</b>
<b>Earnings per ordinary share attributable to equity holders of the Company (sen)</b>				
• Basic	<b>(1.19)</b>	<b>(0.98)</b>	<b>(1.19)</b>	<b>(0.98)</b>
• Diluted	<b>(1.19)</b>	<b>(0.98)</b>	<b>(1.19)</b>	<b>(0.98)</b>

The unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial reports.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 MARCH 2022**

	<b>Unaudited As at 31-03-2022 RM'000</b>	<b>Audited As at 31-12-2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	63,531	64,615
Other investments	42	43
Deferred tax assets	27,664	27,664
Right-of-use asset	11,266	11,523
	<b>102,503</b>	<b>103,845</b>
<b>Current assets</b>		
Inventories	554,918	555,098
Trade and other receivables	25,685	21,555
Contract Asset	48,470	46,839
Current tax assets	2,880	2,904
Deposit with licensed bank	24,763	24,763
Short term funds	156	155
Cash and bank balances	619	737
	<b>657,491</b>	<b>652,051</b>
<b>TOTAL ASSETS</b>	<b>759,994</b>	<b>755,896</b>
<b>EQUITY AND LIABILITIES</b>		
Equity attributable to owners of the parent		
Share capital	391,936	391,936
Non-distributable reserves	(123,329)	(123,783)
Distributable reserve	190,710	202,810
<b>Total equity attributable to owners of the parent</b>	<b>459,317</b>	<b>470,963</b>
Non-controlling interests	(407)	(59)
<b>TOTAL EQUITY</b>	<b>458,910</b>	<b>470,904</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	63,452	63,834
Contract liabilities	83,973	83,973
Trade and other payables	58,448	58,187
Deferred tax liabilities	-	-
Lease Liability	9,831	10,131
	<b>215,704</b>	<b>216,125</b>
<b>Current liabilities</b>		
Trade and other payables	48,302	38,633
Borrowings	34,900	28,132
Lease Liability	2,136	2,060
Contract Liabilities	42	42
Redeemable convertible secured bonds	-	-
Current tax liabilities	-	-
	<b>85,380</b>	<b>68,867</b>
<b>TOTAL LIABILITIES</b>	<b>301,084</b>	<b>284,992</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>759,994</b>	<b>755,896</b>
<b>Net assets per share attributable to ordinary equity holders of the company (RM)</b>	<b>0.45</b>	<b>0.46</b>

The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial reports.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2022**

	Non-Distributable Reserve					Distributable Reserve		Non-Controlling Interests Total RM'000	Total RM'000
	Share Capital RM'000	Treasury Share RM'000	Foreign Exchange Reserve RM'000	Reverse Acquisition Reserve RM'000	Share Options Reserve RM'000	Distributable Retained Earnings RM'000	Total Attributable to Owners of Parent RM'000		
<b>Quarter ended 31 Mar 2021</b>									
<b>As at 1 Jan 2021</b>	371,489	(12,703)	34,809	(146,070)	2,667	233,023	483,215	1,257	484,472
Profit for the financial year	-	-	-	-	-	(8,318)	(8,318)	(221)	(8,539)
Foreign currency translation, net of tax	-	-	1,951	-	-	-	1,951	-	1,951
<b>Total comprehensive income</b>	-	-	1,951	-	-	(8,318)	(6,367)	(221)	(6,588)
<b>Transactions with owners:-</b>									
• Option forfeited under the Share Issuance Scheme	-	-	-	-	(2,667)	2,667	-	-	-
<b>As at 31 Mar 2021</b>	371,489	(12,703)	36,760	(146,070)	-	227,372	476,848	1,036	477,884

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2022**

	Share Capital RM'000	Treasury Share RM'000	Foreign Exchange Reserve RM'000	Reverse Acquisition Reserve RM'000	Share Options Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non- Controlling Interests Total RM'000	Total RM'000
<b>Quarter ended 31 Mar 2022</b>									
<b>As at 1 Jan 2022</b>	391,936	(12,703)	34,989	(146,070)	-	202,810	470,962	(59)	470,903
Profit for the financial year	-	-	-	-	-	(12,100)	(12,100)	(348)	(12,448)
Foreign currency translation, net of tax	-	-	455	-	-	-	455	-	455
<b>Total comprehensive income</b>	-	-	455	-	-	(12,100)	(11,645)	(348)	(11,993)
<b>Transactions with owners:-</b>									
• Option forfeited under the Share Issuance Scheme	-	-	-	-	-	-	-	-	-
• Issuance of share pursuant to private placement	-	-	-	-	-	-	-	-	-
<b>As at 31 Mar 2022</b>	<b>391,936</b>	<b>(12,703)</b>	<b>35,444</b>	<b>(146,070)</b>	<b>-</b>	<b>190,710</b>	<b>459,317</b>	<b>(407)</b>	<b>458,910</b>

The unaudited condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial reports.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2022**

	<b>Current Year Unaudited 31-03-2022 RM'000</b>	<b>Preceding Year Unaudited 31-03-2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(Loss)/Profit before tax</b>	<b>(12,448)</b>	<b>(8,539)</b>
Adjustments for:-		
Depreciation of property, plant and equipment	1,344	2,327
(Gain)/loss on disposal of property, plant and equipment	(245)	-
Interest expense	2,141	1,948
Non-cash and operating items	1,200	1,982
<b>Operating profit before changes in working capital</b>	<b>(8,008)</b>	<b>(2,282)</b>
<b>Changes in working capital:-</b>		
Inventories	180	(61)
Land reclamation work in progress	521	(236)
Trade and other receivables	(4,129)	12,931
Trade and other payables	9,513	(7,507)
Contract Asset	(1,631)	(317)
<b>Cash generated from operations</b>	<b>(3,554)</b>	<b>2,528</b>
Tax refund / (paid) - net	23	-
<b>Net cash generated from operating activities</b>	<b>(3,531)</b>	<b>2,528</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest and dividend received	2	1
Placement of short term fund	(1)	(3)
Purchase of property, plant and equipment	(39)	(2)
<b>Net cash used in investing activities</b>	<b>(38)</b>	<b>(4)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	4,587	7,207
Repayment of borrowings	(3,456)	(4,499)
Interest paid	(1,482)	(1,289)
Repayment of lease liability	(1,055)	(648)
<b>Net cash used in financing activities</b>	<b>(1,406)</b>	<b>771</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,975)</b>	<b>3,295</b>
Cash and cash equivalents at beginning of period	(6,971)	(11,251)
Effects of exchange rate changes	(398)	(854)
<b>Cash and cash equivalents at the end of period</b>	<b>(12,344)</b>	<b>(8,810)</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash and bank balances	619	714
Deposit with licensed bank	24,763	24,413
Bank overdraft	(12,963)	(9,524)
	12,419	15,603
Less: Deposits pledged as collateral	(24,763)	(24,413)
	<b>(12,344)</b>	<b>(8,810)</b>

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED  
31 MARCH 2022****NOTES TO THE INTERIM FINANCIAL REPORT****1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2021. The explanatory notes attached to the interim financial report 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 financial year ended 31 December 2021.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and presentation for this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2022.

Effective for annual periods commencing on or after 1 January 2022

Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment- Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contracts</i>	1 January 2022

The adoption of the above new and amendment standard did not have any material effect on the financial performance or position of the Group.

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Disclosure of <i>Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i> )	1 January 2023
Definition of <i>Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> )	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

**3. QUALIFICATION OF AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report for the preceding annual financial statements was not subject to any qualification.

**4. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS**

The Group's interim operations and performance were not materially affected by any seasonal or cyclical factors for the current quarter under review.

**5. NATURE AND AMOUNT OF ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS THAT ARE UNUSUAL BECAUSE OF THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial period ended 31 March 2022.

**6. CHANGES IN ESTIMATES OF AMOUNTS REPORTED IN PRIOR INTERIM PERIODS OF THE CURRENT FINANCIAL YEAR OR IN PRIOR FINANCIAL YEARS**

There were no changes in estimates that had any material effect on the current financial period ended 31 March 2022.

**7. DIVIDENDS PAID**

No dividend was paid during the current quarter ended 31 March 2022.



## 8. SEGMENTAL REPORTING

The Group's segmental report for the current financial period (3-month cumulative) ended 31 March 2022 as follows:-

	Marine Construction						
	Land Reclamation RM'000	Land Disposal RM'000	Vessel Chartering RM'000	Ship Building RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
External-Sales	2,864	260	(99)	-	-	-	3,025
Inter-segment sales	6,816	-	-	-	-	(6,816)	-
Total revenue	9,680	260	(99)	-	-	(6,816)	3,025
Results							
Segment results	(9,017)	(107)	(709)	13	(489)	-	(10,309)
Interest and dividend income	2	-	-	-	-	-	2
Finance costs	(618)	-	-	-	(1,523)	-	(2,141)
<b>(Loss)/Profit before tax</b>	<b>(9,633)</b>	<b>(107)</b>	<b>(709)</b>	<b>13</b>	<b>(2,012)</b>	<b>-</b>	<b>(12,448)</b>
Income tax expense	-	-	-	-	-	-	-
<b>(Loss)/Profit for the period</b>	<b>(9,633)</b>	<b>(107)</b>	<b>(709)</b>	<b>13</b>	<b>(2,012)</b>	<b>-</b>	<b>(12,448)</b>
<b>Other information</b>							
• Depreciation	(821)		(536)	13			(1,344)

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**9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost less accumulated depreciation, amortisation and impairment loss.

There was no valuation of the property, plant & equipment in the current financial quarter ended 31 March 2022.

**10. MATERIAL EVENTS NOT REFLECTED IN THE FINANCIAL STATEMENT**

There were no material events subsequent to the current financial quarter ended 31 March 2022 and up to 19 May 2022, being the latest practicable date (“**LPD**”) which is not earlier than seven (7) days from the date of issuance of this quarterly report, that have not been reflected in this quarterly report, except as disclosed in Note 22 and Note 24.

**11. DEBT AND EQUITY SECURITIES****11.1 Current financial period****11.1.1 Share buyback**

During the current financial period, there is no share buyback by the Company. As at 31 March 2022, the Company holds 12,715,400 shares as treasury shares at an average price of RM1.00 per share.

**11.1.2 Private Placement**

On 17 December 2021, the Company has completed the Private Placement via two (2) tranches, raising gross proceeds of RM20,447,400 from issuance of 169,800,000 new ordinary shares. The utilisation of the gross proceeds as disclosed in Note 22.1 below.

**11.2 End of financial period 31 March 2022 and up to LPD**

The Company did not undertake any issuance and/ or repayment of debt and equity securities, share buy-back, share cancellations and/or resale of treasury shares subsequent to the end of current financial period ended and up to LPD which is not earlier than seven (7) days from the date of issuance of this quarterly report.

**12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the current financial period ended and up to LPD, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

	<b>RM'000</b>
Corporate guarantees given to licensed financial institutions	
For credit facilities granted to subsidiaries	46,692

**14. CAPITAL COMMITMENTS**

	<b>RM'000</b>
Capital expenditure in respect of purchase of property, plant & equipment:	
Contracted but not provided for	-

**15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

The related party transactions during the financial year under review in which certain directors of the Company have substantial financial interest as presented below:-

<b>Nature of transactions<sup>(1)</sup></b>	<b>Transaction value based on billings RM'000</b>	<b>Balance outstanding as at 31-03-2022 RM'000</b>
Provision of marine construction works (payment in kind) to companies in which certain directors of the company have substantial financial interest <sup>(2)</sup>	-	48,470 <sup>(3)</sup>
Purchase of vessels from companies in which certain directors of the company have substantial financial interest	-	(44,280)
Provision of marine construction work from a company in which certain directors of the company have substantial financial interest	-	(19)
Rental of office building from personnel in which certain directors of the company have substantial financial interest	(26)	(318)

**Notes:-**

- (1) *The related party transactions reflect transactions of all the subsidiaries with the respective group of companies; and*  
 (2) *This amount represents the value of the land portion pending land alienation process which the Group is entitled to receive as settlement for the marine construction contracts undertaken. It would subsequently be reclassified as "land held for sale" following the alienation process.*  
 (3) *The balance is after impairment loss of RM31.98million*

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**16. REVIEW OF PERFORMANCE OF THE GROUP**
**16.1 CURRENT YEAR QUARTER VERSUS PREVIOUS YEAR QUARTER**

	Current Quarter 31-Mar-22 RM'000	Previous Corresponding Quarter 31-Mar-21 RM'000	Variance	
			RM'000	%
Revenue	3,025	31,215	(28,190)	(90.31)
(LBT)/PBT	(12,448)	(8,539)	(3,909)	(45.78)

For the current quarter under review, the Group has recorded a decrease in revenue by RM28.19 million against the corresponding period for last year. The decrease in revenue was mainly due to smaller contribution to revenue from the coal affreightment contract in the current quarter. (Q1'22: RM0.09 million; Q1'21: RM29.66 million).

The current quarter recorded a LBT of RM12.45 million, representing an increase in loss of approximately RM3.91 million against the corresponding period for last year, mainly attributable by:-

Description	RM'000	Note
Decrease in gross profit	(5,981)	1
Decrease in other operating income	(771)	2
Decrease in administrative and other expenses	3,036	2
Increase in finance costs	(193)	negligible
<b>Net Increase in LBT</b>	<b>(3,909)</b>	

**Notes:-**

- (1) The decrease in gross profit was mainly due to the factor stated above, as well as the delay in reclamation work done certification by external consultant which resulted in the delay of revenue recognition for reclamation work performed.
- (2) The movements in other income as well as administrative and other expenses were mainly due to:

	Current Quarter RM '000	Corresponding Quarter RM '000	Variance RM '000
Loss on forex - unrealised	(633)	(1,873)	1,240
Depreciation	(1,344)	(2,327)	983
	<b>(1,977)</b>	<b>(4,200)</b>	<b>2,223</b>

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**17. VARIATION IN RESULTS AGAINST PRECEDING QUARTER**

	Current First (1st) Quarter 31-Mar-22 RM'000	Previous Fourth (4th) Quarter 31-Dec-21 RM'000	Variance	
			RM'000	%
Revenue	3,025	4,943	(1,918)	(38.80)
(LBT)/PBT	(12,448)	(9,660)	(2,788)	28.86

For the current quarter under review, in comparison with the preceding quarter, the Group registered a decrease in revenue of approximately RM1.92 million. The decrease in revenue was mainly due to smaller contribution to revenue from the coal affreightment contract in the current quarter. (Q1'22: RM0.09 million; Q4'21: RM1.76 million).

The Group registered an increase of LBT by RM2.79 million, mainly attributable by:-

Description	RM'000	Note
Decrease gross profit	(2,696)	1
Decrease in other operating income	(6,631)	2
Decrease in administrative and other expenses	6,881	2
Increase in finance costs	(342)	negligible
<b>Net decrease in LBT</b>	<b>(2,788)</b>	

**Notes:-**

- (1) *The decrease in gross profit as per factor stated above..*
- (2) *The movements in other income as well as administrative and other expenses were mainly due to impairment loss in contract assets. (Q1'22:NIL; Q1'21:RM0.25million)*

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**18. PROSPECTS**

Despite the prevailing challenges faced by the Group within its economic and operating environment, the Board and Management remain cautiously optimistic in assessing the outlook of the Group.

While uncertainties in the market have caused serious ripple effects across all economic sectors and sentiments have turned cautious and conservative within the investment fraternity, we continue to believe in the resiliency of our business model as well as the underlying value of the reclaimed land bank of the Group. This is underscored by the Group's ability to monetise more than 955 acres of land in Melaka to-date, amounting to more than RM1.3billion in land sales being achieved.

To-date, the revenue yet to be recognised arising from several land reclamation contracts secured by the Group, amounting to approximately RM75.12million, as well as Sale & Purchase Agreements ("Land Sale SPAs") already signed of approximately RM45.31million, will ensure the Group has a stable stream of revenue of approximately RM120.43million to be recognised in the near term.

In addition, the Group also has in excess of 64.71 acres of land bank in Melaka already reclaimed, issued with land titles and are available for immediate sale. Several large parcels of river-fronting land reclaimed by the Group in Pulau Indah, Port Klang, have also continued to garner strong interest due to their strategic location, being adjacent to the Pulau Indah Highway, and in close proximity to Westport, one of Malaysia's busiest ports. The Management is prepared to adapt to the requirements of the circumstances where necessary to ensure that some of these land banks can continue to be monetised in the near to medium term.

The Group remains confident in the strong fundamentals of its two (2) main flagship projects in Johor, namely TPMIP and PMIP, which contribute towards both industrial parks being strategic locations within the region for the development of heavy industrial activities, particularly downstream activities within the oil & gas sector.

The Group, like most other companies within the sector, is adjusting the pace of its operations to ride out the existing uncertainties and slowdown within its operating segment. However, in conserving its resources, the Group has positioned itself accordingly and will be ready to capitalise and leverage on any uptrend or opportunities that may arise once operating environment improves. We endeavour to not stay complacent, and remain vigilant towards the needs of the market, striving to innovate, adapt and create value for our customers whenever possible.

The Group is pleased to inform that on 13 December 2021, the Group had via its wholly-owned subsidiary, Pengerang Maritime Industries Sdn. Bhd., signed a Memorandum of Understanding with Shanxi Construction Investment Group Co. Ltd., Malaysian Palm Oil Board and Institute of Coal Chemistry, Chinese Academy of Sciences, for a proposed development of second generation biodiesel and biojet fuel plant in PMIP. The investment value of the proposed development, which is in line with Johor Sustainable Development Plan 2030, is expected to reach RM3billion. The Group firmly believes that the proposed development will promote local economic growth, as well as to strengthen and add more value to the Malaysian palm oil trade with higher value-added products.

**19. PROFIT FORECAST AND PROFIT GUARANTEE**

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

**20. PROFIT / (LOSS) FOR THE PERIOD**

Included in the LBT for the period are as presented below: -

	<b>Current Quarter</b>	<b>Year-To-Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Other income including investment income	52	52
Interest expenses	(2,141)	(2,141)
Depreciation of property, plant and equipment	(1,344)	(1,344)
Depreciation of right-of-use assets	(567)	(567)
Unrealised exchange gain/ (loss) - net	(633)	(633)
Realised exchange gain/(loss) - net	45	45
Gain/(Loss) on disposal of property, plant and equipment	245	245
Interest income	N/A	N/A
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A
Write-off on receivables	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	N/A	N/A

**Note:**

N/A = Not applicable.

**21. TAXATION**

	<b>Current Quarter</b>	<b>Year-To-Date</b>
	<b>RM'000</b>	<b>RM'000</b>
Over/ (Under) provision in prior year		
- Income tax	-	-
- Deferred tax	-	-
Current year provision		
- Income tax	-	-
- Deferred tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Effective tax rate (%)	<u>-</u>	<u>-</u>
LBT	(12,448)	(12,448)

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## 22. STATUS OF CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS

### 22.1 Proposed Private Placement

On 17 December 2021, the Company announced that a total of 169,800,000 new ordinary shares were placed out via two (2) tranches pursuant to the Private Placement, raising gross proceeds of RM20,447,400, thus marking the completion of the private placement.

The utilisation of the proceeds as at LPD is as follows: -

Details of utilisation	Proposed utilisation <sup>(iv)</sup> (RM'000)	Relocation of utilisation (RM'000)	Actual utilisation (RM'000)	Deviation (RM'000)	%	Timeframe for utilisation (iv)	Note
Marine Construction activities	10,923		(10,923)	0	0.0%	within 24 months from receipt of proceeds	(i)
Working Capital	8,986	321	(8,662)	645	7.2%	within 12 months from receipt of proceeds	(ii)
Expenses in relation to the Private Placement	539	(321)	(218)	-			(iii)
<b>Total</b>	<b>20,447</b>	<b>-</b>	<b>(19,802)</b>	<b>645</b>	<b>3.2%</b>		

**Note: -**

(i) *Marine construction activities*

*The marine construction activities of the Group included, but are not limited to, (1) land reclamation, dredging and beach nourishment, (2) rock revetment works, shore protection works and breakwater construction, (3) pre-bore and marine piling, and (4) construction of marine structure, bridges, jetties, ports and other offshore and ancillary services.*

*The proceeds shall be used to fund the ongoing and future marine construction projects of the Group, which will be used for operating expenses such as, among others, raw material costs, payment to sand concessionaire for the rights to dredge sand ex-seabed, payments to suppliers, direct labour costs, payments for sub-contracted services such as loading, unloading and levelling of sea sand, rock revetment and hire of land equipment and machineries.*

(ii) *Working capital*

*The proceeds has been earmarked to fund the working capital requirements of Benalec Group, which includes, but are not limited to, payment to suppliers/creditors of the Group, general administrative and daily operational expenses such as staff-related costs, utilities, statutory payments tax payment, finance costs and any other overhead expenditures.*

(iii) *Expenses in relation to the Private Placement*

*The expenses comprise, among others, professional fees, fees payable to the Regulatory and other incidental expenses in relation to the Private Placement.*

(iv) *The proposed utilisation is the actual proceeds of RM20,447,400 raised from the two (2) tranches of placement, of which the percentage of utilisation is in accordance to the Minimum Scenario detailed in the Company's announcement to Bursa Securities dated 17 November 2021.*



**23. BORROWINGS**

The Group's borrowings as at 31 March 2022 presented as follows:-

	<b>RM'000</b>
<b>Long Term Borrowings</b>	
Secured:-	
• Hire purchase and lease creditors	-
• Term loans	63,452
	<u>63,452</u>
	<b>RM'000</b>
<b>Short Term Borrowings</b>	
Secured:-	
• Term loans	1,504
• Revolving Credit	16,700
• Hire purchase and lease creditors	-
• Trust receipt	782
• Invoice financing	2,951
• Bank Overdraft	12,963
	<u>34,900</u>
<b>(1) Total</b>	<b><u>98,352</u></b>

**Note:-**

(1) The borrowings are denominated in Ringgit Malaysia.

**24. MATERIAL LITIGATION**

On 30 April 2015, BSB received a Writ of Summons and Statement of Claim dated 21 April 2015 filed by Sentosacove Sdn. Bhd. ("SSB").

SSB is alleging that BSB had breached its contractual and implied duties under an agreement ("Reclamation Agreement") which was entered into between BSB and SSB on 10 September 2010. Under the Reclamation Agreement, BSB was appointed as a contractor to carry out marine reclamation works to reclaim a total area spanning 720 acres in Daerah Klebang, Melaka. SSB is claiming for, inter alia, a Declaration that BSB had breached the Reclamation Agreement and for other consequential and ancillary reliefs.

The Group rigorously contested the alleged claims and is of the view that the SSB's claims are without merit and had filed a defence and counter claim in the High Court of Malaya at Kuala Lumpur on 15 May 2015 against SSB, Datuk Leaw Tua Choon and Datuk Leaw Ah Chye.

On 20 October 2018, the Group received a decision of the High Court in favour of the Group against SSB.

SSB filed a notice of appeal on 26 November 2018 and 22 April 2019 against the High Court's decision in dismissing its claims substantially.

On 16 November 2020, the Group announced that BSB has been served with two (2) demand letters dated 2 November 2020 ("1st Letter") and 10 November 2020 ("2nd Letter") from SSB.

**24. MATERIAL LITIGATION (CONT'D)**

BSB has denied all the allegations stated in the 1st Letter and 2nd Letter through its solicitor on 12 November 2020. As at to-date, there is no further action initiated by SSB relating to this matter.

As at the date of this report, the panel of Court of Appeal judges has a consensus on allowing BSB appeal. The Court of Appeal agreed with the High Court judge that termination of the Reclamation Agreement by SSB was unlawful thus SSB's appeal is dismissed with costs of RM30,000 payable to BSB by SSB, Datuk Leaw Tua Choon and Datuk Leaw Ah Chye. The costs subject to allocatur fees.

However, as the Concession Agreement between SSB and the Malacca State Government was not renewed, the Court of Appeal has set aside the High Court Order for specific performance of the Reclamation Agreement and substituted the specific performance with an order for damages to be assessed by the High Court. The assessment of damages for the unlawful termination is remitted back to High Court. The next case management to obtain further directions from the High Court is fixed on 27 June 2022.

Further, the Court of Appeal has agreed that the High Court was not functus officio when making an Order dated 1 April 2019 in relation to SSB appeal on the clarification / consequences order granted by the High Court. Since the Parties have confirmed that the Concession Agreement had expired, the Court of Appeal found that this appeal is academic and struck out this appeal and no order as to costs.

The Directors are of the opinion, after taking appropriate legal advice, that no provision for the abovementioned claim is necessary.

**25. DIVIDEND**

The Board does not recommend any interim dividend for the current period ended 31 March 2022.

**26. EARNINGS PER SHARE ("EPS")****26.1 Basic EPS**

The basic earnings per share are calculated based on the net profit attributable to equity holders of the parent for the period divided by the weighted average number of ordinary shares and presented as below: -

	Three (3) Months		Year-to-date	
	Ended 31-03-2022	Ended 31-03-2021	Ended 31-03-2022	Ended 31-03-2021
Net profit attributable to equity holders of the parent for the period (RM'000)	(12,100)	(8,318)	(12,100)	(8,318)
Weighted average number of ordinary shares ('000)	1,016,103	849,087	1,016,103	849,087
Basic EPS (sen)	<b>(1.19)</b>	<b>(0.98)</b>	<b>(1.19)</b>	<b>(0.98)</b>

**26.2 Diluted EPS**

The diluted earnings per share has been calculated by dividing the Group's profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares as presented below:-

	<b>Three (3) Months</b>		<b>Year-to-date</b>	
	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>	<b>Ended</b>
	<b>31-03-2022</b>	<b>31-03-2021</b>	<b>31-03-2022</b>	<b>31-03-2021</b>
Net profit attributable to equity holders of the parent for the period (RM'000)	<u>(12,100)</u>	<u>(8,318)</u>	<u>(12,100)</u>	<u>(8,318)</u>
Weighted average number of ordinary shares applicable to diluted earnings per ordinary share ('000)	<u><b>1,016,103</b></u>	<u>849,087</u>	<u><b>1,016,103</b></u>	<u>849,087</u>
Diluted EPS (sen)	<u><b>(1.19)</b></u>	<u>(0.98)</u>	<u><b>(1.19)</b></u>	<u>(0.98)</u>

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