



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

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024

	Individual Quarter		Cumulative Quarter	
	(Unaudited) Current Year Quarter Ended 30-09-2024 RM'000	(Unaudited) Preceding Year Quarter Ended 30-09-2023 RM'000	(Unaudited) Current Year To Date 30-09-2024 RM'000	(Unaudited) Preceding Year To Date 30-09-2023 RM'000
Revenue	12,933	10,995	63,128	20,947
Cost of sales	(3,340)	(20,011)	(36,276)	(36,647)
Gross profit/(loss)	9,593	(9,016)	26,852	(15,700)
Other operating income	9,216	309	12,664	3,990
Administrative and other expenses	(7,541)	(5,150)	(24,504)	(20,553)
Profit/(loss) from operations	11,268	(13,857)	15,012	(32,263)
Finance costs	(1,189)	(1,513)	(3,563)	(4,601)
Profit/(loss) before tax	10,079	(15,370)	11,449	(36,864)
Tax income/(expense)	-	-	-	-
Profit/(loss) for the financial period	10,079	(15,370)	11,449	(36,864)
Other comprehensive income/(loss), net of tax:-				
<i>Items that may be reclassified subsequently to profit or loss</i>				
• Foreign currency translations	(5,902)	340	(4,010)	2,760
Total comprehensive profit/(loss)	4,177	(15,030)	7,439	(34,104)
Profit/(loss) attributable to:-				
• Owners of the parent	9,479	(15,083)	11,504	(35,574)
• Non-controlling interests	600	(287)	(55)	(1,290)
	10,079	(15,370)	11,449	(36,864)
Total comprehensive profit/(loss) attributable to:-				
• Owners of the parent	3,577	(14,743)	7,494	(32,814)
• Non-controlling interests	600	(287)	(55)	(1,290)
	4,177	(15,030)	7,439	(34,104)
Earnings per ordinary share attributable to equity holders of the Company (sen)				
• Basic	0.93	(1.48)	1.13	(3.49)
• Diluted	0.93	(1.48)	1.13	(3.49)

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 2023 and the accompanying explanatory notes attached to the interim financial reports.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2024**

	Unaudited As at 30-09-2024 RM'000	Audited As at 31-12-2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	23,829	28,603
Other investments	42	36
Deferred tax assets	24,206	24,206
Right-of-use asset	12,348	9,925
	60,425	62,770
Current assets		
Inventories	487,181	500,898
Trade and other receivables	13,323	13,749
Contract asset	32,935	64,581
Current tax assets	881	899
Deposit with licensed bank	25,656	25,656
Short term funds	167	163
Cash and bank balances	522	654
	560,665	606,600
TOTAL ASSETS	621,090	669,370
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	391,936	391,936
Non-distributable reserves	(168,621)	(164,610)
Distributable reserve	143,640	132,135
Total equity attributable to owners of the parent	366,955	359,461
Non-controlling interests	(3,244)	(3,189)
TOTAL EQUITY	363,711	356,272
LIABILITIES		
Non-current liabilities		
Borrowings	4,681	20,147
Contract liabilities	75,464	71,595
Trade and other payables	43,659	72,724
Deferred tax liabilities	-	-
Lease liability	11,380	8,881
	135,184	173,347
Current liabilities		
Trade and other payables	89,335	102,182
Borrowings	28,451	33,070
Lease liability	4,367	4,457
Contract liabilities	42	42
Current tax liabilities	-	-
	122,195	139,751
TOTAL LIABILITIES	257,379	313,098
TOTAL EQUITY AND LIABILITIES	621,090	669,370
Net assets per share attributable to ordinary equity holders of the company (RM)	0.36	0.35

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 2023 and the accompanying explanatory notes attached to the interim financial reports.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024

	Non-Distributable Reserve				Distributable Reserve			
	Share Capital RM'000	Treasury Share RM'000	Foreign Exchange Reserve RM'000	Reverse Acquisition Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non-Controlling Interests Total RM'000	Total RM'000
<u>Quarter ended 30 September 2023</u>								
As at 1 January 2023	391,936	(12,703)	36,549	(146,070)	153,192	422,904	(1,619)	421,285
Loss for the financial year	-	-	-	-	(35,574)	(35,574)	(1,290)	(36,864)
Foreign currency translation, net of tax	-	-	2,760	-	-	2,760	-	2,760
Total comprehensive income/(loss)	-	-	2,760	-	(35,574)	(32,814)	(1,290)	(34,104)
As at 30 September 2023	391,936	(12,703)	39,309	(146,070)	117,618	390,090	(2,909)	387,181

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTMEBER 2024
 (CONT'D)**

	Non-Distributable Reserve				Distributable Reserve			
	Share Capital RM'000	Treasury Share RM'000	Foreign Exchange Reserve RM'000	Reverse Acquisition Reserve RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non-Controlling Interests Total RM'000	Total RM'000
Quarter ended 30 September 2024								
As at 1 January 2024	391,936	(12,703)	(5,838)	(146,070)	132,136	359,461	(3,189)	356,272
Loss for the financial year	-	-	-	-	11,504	11,504	(55)	11,449
Foreign currency translation, net of tax	-	-	(4,010)	-	-	(4,010)	-	(4,010)
Total comprehensive income/(loss)	-	-	(4,010)	-	11,504	7,494	(55)	7,439
As at 30 September 2024	391,936	(12,703)	(9,848)	(146,070)	143,640	366,955	(3,244)	363,711

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 2023 and the accompanying explanatory notes attached to the interim financial reports.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTEMBER 2024**

	Current Year Unaudited 30-Sep-24 RM'000	Preceding Year Unaudited 30-Sep-23 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	11,449	(36,864)
Adjustments for:-		
Depreciation of property, plant and equipment	2,023	2,922
Amortisation of right-of-use assets	2,827	1,754
Gain on disposal of property, plant and equipment	(3,018)	(3,287)
Impairment losses on:-		
- Property, plant and equipment	1,186	-
Written-off on:-		
- Property, plant and equipment	36	-
- Trade and other receivables	78	-
Interest expense	3,563	4,601
Non-cash and operating items	(5,600)	5,672
Operating loss before changes in working capital	12,544	(25,202)
Changes in working capital:-		
Inventories	13,717	(8,791)
Land reclamation work in progress	-	1,435
Trade and other receivables	348	(7,332)
Trade and other payables	(14,198)	43,768
Contract asset	31,649	(383)
Contract liability	3,869	(233)
Cash (used in)/generated from operations	47,929	3,262
Tax paid - net	19	(1,596)
Net cash (used in)/generated from operating activities	47,948	1,666
CASH FLOW FROM INVESTING ACTIVITIES		
Interest and dividend received	-	6
Proceed from disposal of property, plant and equipment	4,219	12,141
Placement of short term fund	-	(3)
Repayment to related party	(35,037)	-
Purchase of property, plant and equipment	(48)	(41)
Purchase of right-of-use-assets	(48)	-
Net cash generated from investing activities	(30,914)	12,103
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of borrowings	11,055	13,006
Repayment of borrowings	(29,332)	(14,429)
Advance from Director	6,021	-
Interest paid	(387)	(4,601)
Repayment of lease liability	(3,156)	(3,150)
Net cash used in financing activities	(15,799)	(9,174)
Net increase/(decrease) in cash and cash equivalents	1,235	4,595
Cash and cash equivalents at beginning of period	(6,204)	(8,064)
Effects of exchange rate changes	2,110	(3,648)
Cash and cash equivalents at the end of period	(2,859)	(7,117)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD (3RD) QUARTER ENDED 30 SEPTMEBER 2024 (CONT'D)**

	Current Year Unaudited 30-Sep-24 RM'000	Preceding Year Unaudited 30-Sep-23 RM'000
Cash and cash equivalents comprise the following:-		
Cash and bank balances	522	747
Deposit with licensed bank	25,656	25,132
Bank overdraft	(3,381)	(7,864)
	<hr/>	<hr/>
	22,797	18,015
Less: Deposits pledged as collateral	(25,656)	(25,132)
	<hr/>	<hr/>
	(2,859)	(7,117)
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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD (3RD) QUARTER ENDED
30 SEPTEMBER 2024**
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 2023. 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 2023.

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 2023, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2024.

Effective for annual periods commencing on or after 1 January 2024

Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non current Liabilities with Covenants</i>	1 January 2024

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

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:-

Title	Effective Date
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sales 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 30 September 2024.

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 30 September 2024.

7. DIVIDENDS PAID

No dividend was paid during the current quarter ended 30 September 2024.

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8. SEGMENTAL REPORTING

The Group's segmental report for the current financial period (9-month cumulative) ended 30 September 2024 as follows:-

	Marine Construction			Others RM'000	Elimination RM'000	Total RM'000
	Land Reclamation RM'000	Land Disposal RM'000	Vessel Chartering RM'000			
Revenue						
External-Sales	36,701	26,427	-	-	-	63,128
Inter-segment sales	3,566	-	-	-	(3,566)	-
Total revenue	40,267	26,427	-	-	(3,566)	63,128
Results						
Segment results	15,434	4,645	(4,248)	(830)	-	15,001
Interest and dividend income	11	-	-	-	-	11
Finance costs	(2,962)	-	(1)	(600)	-	(3,563)
Profit/(Loss) before tax	12,483	4,645	(4,249)	(1,430)	-	11,449
Income tax income	-	-	-	-	-	-
Profit/(Loss) for the period	12,483	4,645	(4,249)	(1,430)	-	11,449
Other information						
• Depreciation	(1,382)	-	(641)	-	-	(2,023)

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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 30 September 2024.

10. MATERIAL EVENTS NOT REFLECTED IN THE FINANCIAL STATEMENT

There were no material events subsequent to the current financial quarter ended 30 September 2024 and up to 20 November 2024, 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 30 September 2024, the Company holds 12,715,400 shares as treasury shares at an average price of RM1.00 per share.

11.2 End of financial period 30 September 2024 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

	RM'000
Corporate guarantees given to licensed financial institutions	
For credit facilities granted to subsidiaries	33,207

14. CAPITAL COMMITMENTS

	RM'000
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:-

Nature of transactions⁽¹⁾	Transaction value based on billings RM'000	Balance outstanding as at 30-09-2024 RM'000
Provision of marine construction works to companies in which certain directors of the company have substantial financial interest ⁽²⁾	-	32,935 ⁽³⁾
Purchase of vessels from companies in which certain directors of the company have substantial financial interest	-	(13,941)
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	(77)	(576)

Notes:-

- (1) *The related party transactions reflect transactions of all the subsidiaries with the respective group of companies.*
 (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 RM28.19 million.*

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16. REVIEW OF PERFORMANCE OF THE GROUP
16.1 CURRENT YEAR-TO-DATE VERSUS PREVIOUS YEAR-TO-DATE

	Cumulative Third (3rd) Quarter 30-Sep-24 RM'000	Cumulative Third (3rd) Quarter 30-Sep-23 RM'000	Variance	
			RM'000	%
Revenue	63,128	20,947	42,181	201.37
PBT/(LBT)	11,449	(36,864)	48,313	131.06

For the current 9-month financial period under review, the Group has recorded an increase in revenue by RM42.18 million against the corresponding period for last year. The increase in revenue was mainly due to higher land disposal recognition (Q3'24: RM26.43 million; Q3'23: RM0.23 million), as well as higher land reclamation revenue recognition (Q3'24: RM36.70 million; Q3'23: RM20.71 million) in the current year.

The current 9-month financial period recorded a PBT of RM11.45 million, representing an increase in profit of approximately RM48.31 million against the corresponding period for last year, mainly attributable by:-

Description	RM'000	Note
Increase in gross profit	42,552	1
Increase in other operating income	8,674	2
Increase in administrative and other expenses	(3,951)	2
Decrease in finance costs	1,038	3
Net increase in PBT	48,313	

Notes:-

- 1) *The increase in gross profit was mainly due to the factor stated above.*
- 2) *The movements in other income as well as administrative and other expenses were mainly due to:*

	Current Year RM'000	Corresponding Year RM'000	Variance RM'000
<i>Gain/(loss) on forex - unrealised</i>	5,583	(5,673)	11,256
<i>Gain/(loss) on forex - realised</i>	(913)	370	(1,283)
<i>Impairment loss on property, plant & equipment</i>	(1,186)	-	(1,186)
<i>Fixed assets written-off</i>	(36)	-	(36)
<i>Reclass of quit rent & assessment</i>	(4,031)	-	(4,031)
	(583)	(5,303)	4,720

- 3) *The decrease in finance cost was mainly due to lower term loan interest expense (Q3'24:RM0.32million ; Q3'23: RM1.14million) in the current year.*

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

	Current Quarter 30-Sep-24 RM'000	Previous Corresponding Quarter 30-Sep-23 RM'000	Variance	
			RM'000	%
Revenue	12,933	10,995	1,938	17.63
PBT/(LBT)	10,079	(15,370)	25,449	165.58

For the current quarter under review, the Group has recorded an increase in revenue by RM1.94 million against the corresponding period for last year. The increase in revenue was mainly due to higher land disposal recognition (Q3'24: RM4.25 million; Q3'23: RM0.11 million) in the current quarter.

The current quarter recorded a PBT of RM10.08 million, representing an increase in profit of approximately RM25.45 million against the corresponding period for last year, mainly attributable by:-

Description	RM'000	Note
Increase in gross profit	18,609	1
Increase in other operating income	8,907	2
Increase in administrative and other expenses	(2,391)	2
Decrease in finance costs	324	negligible
Net decrease in PBT	25,449	

Notes:-

- 1) The increase in gross profit was mainly due to the factor stated above.
- 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
Impairment loss on property, plant & equipment	(1,186)	-	(1,186)
Gain/(loss) on forex - realised	(552)	20	(572)
Gain/(loss) on forex - unrealised	7,261	(415)	7,676
	5,523	(395)	5,918

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17. VARIATION IN RESULTS AGAINST PRECEDING QUARTER

	Current Third (3rd) Quarter 30-Sep-24 RM'000	Previous Second (2nd) Quarter 30-Jun-24 RM'000	Variance	
			RM'000	%
Revenue	12,933	12,814	119	0.93
PBT	10,079	2,233	7,846	351.37

For the current quarter under review, in comparison with the preceding quarter, the Group registered an increase in revenue of approximately RM0.12 million. The increase in revenue was mainly due higher land disposal recognition (Q3'24: RM8.68 million; Q2'24: RM8.27 million) in the current quarter.

The Group registered an increase of PBT by RM7.85 million, mainly attributable by:-

Description	RM'000	Note
Increase gross profit	1,207	1
Increase in other operating income	9,351	2
Increase in administrative and other expenses	(2,604)	2
Increase in finance costs	(108)	negligible
Net increase in PBT	7,846	

Notes:-

- 1) The decrease in gross profit was mainly due to the factor stated above.
- 2) The movements in other income as well as administrative and other expenses were mainly due to:

	Current Quarter RM'000	Preceding Quarter RM'000	Variance RM'000
Gain/(loss) on forex - realised	(522)	(14)	(508)
Gain/(loss) on forex - unrealised	7,261	(60)	7,321
	<u>6,739</u>	<u>(74)</u>	<u>6,813</u>

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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.

The Group's current strategy towards a more conservative approach, whereby the aim is to:

- (i) market and monetise our existing "Inventory – Land Held For Sale" first; along with
- (ii) completing the current order book, of which settlements are in cash; as well as
- (iii) adopting the "sell-then-build" strategy for the balance of unreclaimed land, of which settlements are in-kind, wherever possible.

To-date, the revenue yet to be recognised arising from the land reclamation contract secured by the Group, amounting to approximately RM59.52 million, as well as Sale & Purchase Agreements ("Land Sale SPAs") already signed of approximately RM16.0 million, will ensure the Group has total revenue of approximately RM75.52 million to be recognised in the near term. The management has also been actively participating in tendering projects that are viable to bring in more consistent income to the Group and replenish the existing order book.

In addition, the Group also has in excess of 37.06 acres of land bank in Melaka already reclaimed 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 has had and will continue to be aggressive with the sales and marketing of our landbank and 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, making it well placed to capture various value-added activities within the oil & gas and renewable energy industry.

The management is actively pursuing several leads concurrently, whereby the latest statuses include (a) financial negotiations with the prospective offtakers, (b) buyers are still on-going in their due diligence process to reach financial close, and/or (c) partners are undergoing their project feasibility studies prior to a final investment decision.

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. 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.

19. PROFIT FORECAST AND PROFIT GUARANTEE

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

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20. LOSS FOR THE PERIOD

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

	Current Quarter RM'000	Year-To-Date RM'000
Other income including investment income	729	741
Interest expenses	(1,189)	(3,563)
Depreciation of property, plant and equipment	(557)	(2,023)
Depreciation of right-of-use assets	(586)	(1,735)
Impairment loss on property, plant and equipment	(1,186)	(1,186)
Reversal impairment loss on Trade Debtor	-	159
Unrealised exchange (loss)/gain - net	7,261	5,583
Realised exchange (loss)/gain - net	(522)	(913)
Gain on disposal of property, plant and equipment	(3)	3,018
Interest income	-	6
Write-off on property, plant and equipment	-	(36)
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A
Write-off on receivables	N/A	N/A
Write-off on inventories	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

	Current Quarter RM'000	Year-To-Date RM'000
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>
PBT	10,079	11,449

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22. STATUS OF CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS

There is no outstanding corporate proposal at the 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.

23. BORROWINGS

The Group's borrowings as at 30 September 2024 presented as follows:-

	RM'000
Long Term Borrowings	
Secured:-	
• Term loans	4,681
	<u>4,681</u>
	RM'000
Short Term Borrowings	
Secured:-	
• Term loans	648
• Revolving credit	20,000
• Trust receipt	2,286
• Invoice financing	1,236
• Bank overdraft	3,381
• Bank Acceptance	900
	<u>28,451</u>
 (1) Total	 <u><u>33,132</u></u>

Note:-

(1) *The borrowings are denominated in Ringgit Malaysia.*

24. MATERIAL LITIGATION

24.1 Kuala Lumpur High Court Civil Suit No. WA-22NCC-153-04/2016

On 30 April 2015, Benalec Sdn Bhd ("BSB"), a wholly-owned subsidiary of Benalec 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 2020 against the High Court's decision in dismissing its claims substantially.

24. MATERIAL LITIGATION

24.1 Kuala Lumpur High Court Civil Suit No. WA-22NCC-153-04/2016 (CONT'D)

On 28 March 2022, the panel of Court of Appeal judges had 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 Melaka 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.

On 24 July 2024, BSB has withdrawn its application for the assessment of damages, with liberty to file afresh (which follows the Rules of Court or any extension allowed by the court) and with no order as to costs.

The withdrawal of the suit will not have material impact on the share capital, earnings, net assets and gearing of the Group.

24.2 Melaka Magistrates' Court Civil Suit No. MA-A73KJ-697-09/2021

On 16 July 2009, Benalec Sdn Bhd ("BSB") and Strategic Oscar Sdn Bhd entered into a reclamation agreement whereby BSB was appointed to carry out the reclamation works at Pantai Limbongan, Daerah Melaka Tengah, Melaka.

By way of a letter dated 8 July 2022, BSB was informed by the Plaintiff's solicitors that Puan Rohazalina Binti Othman (the "Plaintiff"), was involved in a car accident on 11 April 2019 at Jalan Hajah Maznah, Klebang, Melaka (one of the roads at the said reclamation site).

In the Magistrates' Court Order dated 19 October 2022, the Magistrates' Court allowed the Plaintiff's application to add BSB as the 3rd Defendant in the suit filed by the Plaintiff to Kerajaan Negeri Melaka and UPEN Melaka. The Plaintiff alleged that BSB was having the care of the road where the accident happened and it failed to maintain the road properly thereby causing the accident. Hence, the Plaintiff alleged that BSB is liable for the accident.

The Plaintiff claims against BSB, among others, the general damages and special damages in the region of RM60,952.40. BSB denies all the allegations and claims made by the Plaintiff on the ground that the Plaintiff or the car driver was fully responsible to the accident and/or their negligence contributed to the accident.

On 15 March 2024, BSB was found liable for negligence as decided by the Magistrates' Court, resulting in an award of general damages totalling RM49,000.00 to the Plaintiff, as well as an interest rate of 5% p.a for the awarded damages.

On 3 May 2024, BSB had via its solicitor, paid a sum of RM57,943.86 being the total payment for the judgement sum, including all the accrued interest.

25. DIVIDEND

The Board does not recommend any interim dividend for the current period ended 30 September 2024.

26. EARNINGS PER SHARE (“EPS”)/LOSS PER SHARE (“LPS”)
26.1 Basic EPS/LPS

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 30-09-2024	Ended 30-09-2023	Ended 30-09-2024	Ended 30-09-2023
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	9,479	(15,083)	11,504	(35,574)
Weighted average number of ordinary shares ('000)	1,018,887	1,018,887	1,018,887	1,018,887
Basic EPS/LPS (sen)	0.93	(1.48)	1.13	(3.49)

26.2 Diluted EPS/LPS

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:-

	Three (3) Months		Year-to-date	
	Ended 30-09-2024	Ended 30-09-2023	Ended 30-09-2024	Ended 30-09-2023
Net profit/(loss) attributable to equity holders of the parent for the period (RM'000)	9,479	(15,083)	11,504	(35,574)
Weighted average number of ordinary shares applicable to diluted earnings per ordinary share ('000)	1,018,887	1,018,887	1,018,887	1,018,887
Diluted EPS/LPS (sen)	0.93	(1.48)	1.13	(3.49)

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