

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(RM'000)	Note	3 MONTHS ENDED		9 MONTHS ENDED	
		30.9.2023 (unaudited)	30.9.2022 (unaudited)	30.9.2023 (unaudited)	30.9.2022 (unaudited)
Revenue		503,742	860,019	1,845,330	2,371,122
Expenses		(467,179)	(787,137)	(1,742,327)	(2,227,697)
Other operating income	13	9,743	5,923	31,132	41,365
Profit from operations		46,306	78,805	134,135	184,790
Finance costs		(30,167)	(24,290)	(86,884)	(71,948)
Share of results of associates		3,779	3,385	11,028	7,015
Share of results of joint ventures		(1,243)	(1,180)	(3,755)	(3,269)
Profit before tax		18,675	56,720	54,524	116,588
Income tax expense	15	(17,175)	(41,215)	(33,515)	(76,153)
Profit for the financial period		1,500	15,505	21,009	40,435
Other comprehensive income for the financial period, net of tax:					
Item that may be reclassified subsequently to profit or loss					
- currency translation differences		(370)	79	369	295
Total comprehensive income for the financial period, net of tax		1,130	15,584	21,378	40,730
Profit for the financial period attributable to:					
Equity holders of the Company		1,460	23,695	20,801	51,831
Non-controlling interests		40	(8,190)	208	(11,396)
		1,500	15,505	21,009	40,435
Total comprehensive income for the financial period attributable to:					
Equity holders of the Company		1,090	23,774	21,170	52,126
Non-controlling interests		40	(8,190)	208	(11,396)
		1,130	15,584	21,378	40,730
Earnings per share attributable to the ordinary equity holders of the Company (sen)	23				
- Basic		0.03	0.53	0.47	1.16
- Diluted		0.03	0.53	0.47	1.16

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(RM'000)	As at 30.9.2023 (unaudited)	As at 31.12.2022 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	689,545	699,151
Investment properties	1,532,789	1,534,900
Right-of-use assets	55,189	79,734
Inventories	2,061,691	2,026,405
Associates	471,465	458,092
Joint ventures	278,806	282,560
Long term loan and receivables	219,525	239,639
Amount due from joint ventures	79,457	80,793
Intangible assets	190,596	194,796
Deferred tax assets	110,099	85,240
	<u>5,689,162</u>	<u>5,681,310</u>
Current assets		
Inventories	633,188	785,196
Trade and other receivables	1,484,294	1,328,267
Amount due from associates and joint ventures	33,653	21,595
Contract assets	489,744	805,609
Lease receivables	-	136
Tax recoverable	10,925	12,260
Financial assets at fair value through profit or loss	2,266	60,627
Deposits, cash and bank balances	595,827	533,640
	<u>3,249,897</u>	<u>3,547,330</u>
TOTAL ASSETS	<u>8,939,059</u>	<u>9,228,640</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

(RM'000)	As at 30.9.2023 (unaudited)	As at 31.12.2022 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	4,356,106	4,356,106
Retained earnings	159,090	182,964
Other reserves	(7,528)	(7,897)
	<u>4,507,668</u>	<u>4,531,173</u>
Non-controlling interests	5,747	5,539
Total equity	<u>4,513,415</u>	<u>4,536,712</u>
Non-current liabilities		
Post-employment benefit obligations	17,631	17,780
Long term borrowings	1,491,848	1,215,946
Long term liabilities	402,924	386,962
Government grant	127,860	128,928
Deferred tax liabilities	57,430	62,841
Contract liabilities	140,258	140,258
Lease liabilities	27,440	41,032
Provision for restoration costs	930	890
	<u>2,266,321</u>	<u>1,994,637</u>
Current liabilities		
Trade and other payables	1,593,179	1,765,046
Current tax liabilities	37,288	34,558
Short term borrowings	458,743	840,780
Contract liabilities	56,433	41,000
Lease liabilities	6,202	8,364
Other liabilities	7,478	7,543
	<u>2,159,323</u>	<u>2,697,291</u>
Total liabilities	<u>4,425,644</u>	<u>4,691,928</u>
TOTAL EQUITY AND LIABILITIES	<u><u>8,939,059</u></u>	<u><u>9,228,640</u></u>
Net assets per share attributable to the equity holders of the Company (sen)	<u>100.9</u>	<u>101.4</u>

The condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

C. CONSOLIDATED STATEMENT OF CASH FLOWS

(RM'000)	9 MONTHS ENDED	
	30.9.2023 (unaudited)	30.9.2022 (unaudited)
Operating activities		
Cash receipts from customers	2,152,456	2,070,547
Cash paid to suppliers and employees	(1,886,982)	(2,351,840)
Cash used in operations	265,474	(281,293)
Bank service charges paid	(5,142)	(3,411)
Net taxes paid	(58,108)	(32,189)
Net cash generated from/(used in) operating activities	202,224	(316,893)
Investing activities		
Dividend received	20,809	15,581
Non-equity investments	69,828	(5,921)
Disposal of a subsidiary	-	(6,942)
Net cash generated from/(used in) investing activities	90,637	2,718
Financing activities		
Dividend paid to equity holders	(44,675)	(52,515)
Proceeds from borrowings	694,282	638,206
Repayment of borrowings	(800,569)	(416,252)
Finance costs paid	(79,882)	(61,080)
(Pledge)/withdrawal of restricted cash	(16,284)	40,848
Net cash (used in)/generated from financing activities	(247,128)	149,207
Net increase /(decrease) in cash and cash equivalent	45,733	(164,968)
Cash and cash equivalents at beginning of the financial period	465,598	479,863
Foreign currency translation difference on opening balance	170	(89)
Cash and cash equivalent at end of financial period	511,501	314,806

For the purpose of the consolidated statements of cash flows, the cash and cash equivalents comprised the following:

(RM'000)	9 MONTHS ENDED	
	30.9.2023 (unaudited)	30.9.2022 (unaudited)
Bank balances and deposits	595,827	372,801
Less: Bank balances and deposits held as security value	(84,326)	(57,995)
	511,501	314,806

The condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(RM'000)	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				Non-controlling Interests	Total Equity
	Share Capital	Other Reserves	Retained Earnings	Total		
As at 1 January 2023	4,356,106	(7,897)	182,964	4,531,173	5,539	4,536,712
Comprehensive income						
Profit / (loss) for the financial period	-	-	20,801	20,801	208	21,009
Other comprehensive loss						
Currency translation differences	-	369	-	369	-	369
Total comprehensive income / (loss)	-	369	20,801	21,170	208	21,378
Transaction with owners						
Dividends paid for financial year ended - 31 December 2022	-	-	(44,675)	(44,675)	-	(44,675)
Total transaction with owners	-	-	(44,675)	(44,675)	-	(44,675)
As at 30 September 2023 (unaudited)	<u>4,356,106</u>	<u>(7,528)</u>	<u>159,090</u>	<u>4,507,668</u>	<u>5,747</u>	<u>4,513,415</u>

(RM'000)	OTHER RESERVES			Total
	Other Reserves	Currency Translation Reserves	Retirement Benefit Reserves	
As at 1 January 2023	1,666	128	(9,691)	(7,897)
Other comprehensive income				
Currency translation differences	-	369	-	369
Total comprehensive income	-	369	-	369
As at 30 September 2023 (unaudited)	<u>1,666</u>	<u>497</u>	<u>(9,691)</u>	<u>(7,528)</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

(RM'000)	<u>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</u>					<u>Total Equity</u>
	<u>Share Capital</u>	<u>Other Reserves</u>	<u>Retained Earnings</u>	<u>Total</u>	<u>Non-controlling Interests</u>	
As at 1 January 2022	4,356,106	(3,958)	160,529	4,512,677	27,813	4,540,490
Comprehensive income / (loss)						
Profit / (loss) for the financial year	-	-	64,848	64,848	(11,302)	53,546
Other comprehensive income / (loss)						
Currency translation differences	-	(82)	-	(82)	-	(82)
Post-employment benefits obligation	-	(3,857)	3,857	-	-	-
Total comprehensive income / (loss)	-	(3,939)	68,705	64,766	(11,302)	53,464
Transactions with owners						
Acquisition of additional equity interest in subsidiaries	-	-	(1,595)	(1,595)	1,595	-
Disposal of equity in a subsidiary	-	-	-	-	(4,727)	(4,727)
Dividends paid for financial year ended - 31 December 2021	-	-	(44,675)	(44,675)	(7,840)	(52,515)
Total transactions with owners	-	-	(46,270)	(46,270)	(10,972)	(57,242)
As at 31 December 2022 (audited)	4,356,106	(7,897)	182,964	4,531,173	5,539	4,536,712

(RM'000)	<u>OTHER RESERVES</u>				<u>Total</u>
	<u>Other Reserves</u>	<u>Currency Translation Reserves</u>	<u>Share Scheme Reserves</u>	<u>Retirement Benefit Reserves</u>	
As at 1 January 2022	1,666	210	-	(5,834)	(3,958)
Other comprehensive loss					
Currency translation differences	-	(82)	-	-	(82)
Post-employment benefit obligations	-	-	-	(3,857)	(3,857)
Total comprehensive loss	-	(82)	-	(3,857)	(3,939)
As at 31 December 2022 (audited)	1,666	128	-	(9,691)	(7,897)

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**E. NOTES TO THE REPORT****1. BASIS OF PREPARATION**

This unaudited quarterly financial report has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting, Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's financial statements for the financial year ended 31 December 2022.

Below are the applicable new standards and amendments to standards and interpretations which came into effect in the financial year beginning on 1 January 2023:

- (1) Amendments to MFRS 108 'Definition of Accounting Estimates'
- (2) Amendments to MFRS 101 and MFRS Practice Statement 2 'Disclosure of accounting policies'
- (3) Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The adoption of the above Amendments into the MFRSs did not have any significant effect on the consolidated financial statements of the Group.

2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's preceding annual financial statements was not subject to any qualification.

3. SEASONAL OR CYCLICAL FLUCTUATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial quarter under review.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There were no items of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows in the financial quarter under review.

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

There were no changes in estimates of amounts reported in the prior financial year that would have a material effect on the results of the financial quarter under review.

6. CHANGES IN DEBT AND EQUITY SECURITIES

The following are the changes in debt securities for the Company during the financial quarter ended 30 September 2023:

Borrowings

Repayment of Sukuk Murabahah:

Issuance No	Series No	Issue Date	Maturity Date	Nominal Value	Tenor
1	1	14 August 2020	14 August 2023	RM250,000,000	3 year

Save as disclosed above, there were no other issuances, cancellations, repurchases, and resales of shares by the Company during the financial quarter under review.



MALAYSIAN RESOURCES CORPORATION BERHAD
Incorporated in Malaysia (196801000388 (7994-D))

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

E. NOTES TO THE REPORT (cont'd)

7. DIVIDENDS

The Company paid a first and final single tier dividend in respect of the financial year ended 31 December 2022 of 1.00 sen per ordinary share, amounting to RM44,675,095 on 17 May 2023.

There was no dividend declared or paid by the Company for the financial quarter under review.



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
9 months ended 30.9.2023					
Total revenue	464,730	1,485,825	47,114	191,631	2,189,300
Inter-segment revenue	(5,216)	(147,858)	(9,940)	(180,956)	(343,970)
External revenue	459,514	1,337,967	37,174	10,675	1,845,330
Segment profit / (loss)	35,689	87,645	(3,262)	5,045	125,117
Unallocated corporate expenses					(8,013)
Finance income					17,031
Finance costs					(86,884)
Share of results of associates and joint ventures	7,273	-	-	-	7,273
Profit before tax					54,524



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING (cont'd)

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
9 months ended 30.9.2022					
Total revenue	659,950	1,994,190	40,580	164,291	2,859,011
Inter-segment revenue	(6,416)	(319,287)	(7,211)	(154,975)	(487,889)
External revenue	653,534	1,674,903	33,369	9,316	2,371,122
Segment profit / (loss)	124,630	61,262	(40)	(3,998)	181,854
Unallocated corporate expenses					(8,203)
Finance income					11,139
Finance costs					(71,948)
Share of results of associates and joint ventures	7,661	(3,915)	-	-	3,746
Profit before tax					116,588

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**E. NOTES TO THE REPORT (cont'd)****9. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT**

The Group's property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

10. MATERIAL EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

The Company's wholly owned subsidiary, Puncak Wangi Sdn Bhd had on 25 July 2023, entered into a conditional sale and purchase agreement with Maybank Trustees Berhad ("MTB") acting solely in the capacity as the trustee of Sentral REIT, in relation to the Proposed Disposal of an office tower known as 'Menara CelcomDigi' erected on the piece of leasehold land held under the land title HSD 277413, Lot No. PT 11 Section 52, Town of Petaling Jaya, District of Petaling, Selangor, Malaysia for a cash consideration of RM450 million.

In conjunction with the Proposed Disposal, Sentral REIT had on 25 July 2023 announced that it is proposing to undertake a proposed placement of up to 123,720,000 new units in Sentral REIT ("Units") ("Placement Units"), representing up to approximately 11.50% of its existing total Units in issue, at an issue price to be determined later by way of a bookbuilding exercise ("Proposed Placement"). The Company, being a major unitholder of Sentral REIT, had vide its letter dated 25 July 2023, given an undertaking to subscribe for up to 34,568,734 Placement Units under the Proposed Placement.

The above Proposed Disposal and Proposed Placement were approved by the Company's shareholders at the Extraordinary General Meeting held on 24 October 2023.

Other than the above, there was no material event subsequent to the end of the financial quarter ended 30 September 2023 that has not been reflected in this report.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group in the financial quarter under review.

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(RM'000)	As at 30.9.2023	As at 31.12.2022
Performance guarantees extended to third parties *	954,056	963,215

* Included in the performance guarantees extended to third parties is an amount of RM31.3 million that had been called on previously by third parties. The Group has instituted injunction proceedings against the third parties. In the Financial Year 2019, the Group and the third parties entered into a Dispute Resolution Agreement whereby the third parties agreed to an interim injunction to preserve the status quo of the performance guarantees pending determination of the dispute between the parties via Arbitration. The Arbitration process commenced in the Financial Year 2021. On this basis, the performance guarantees have not been provided for in the financial statements.

There were no material contingent assets to be disclosed.

13. OTHER OPERATING INCOME

There were no material items of an unusual nature in the other operating income in the financial quarter under review.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

E. NOTES TO THE REPORT (cont'd)

14. PROFIT / (LOSS) FROM OPERATIONS

Profit from operations was arrived at after (charging)/crediting:

(RM'000)	3 MONTHS ENDED		9 MONTHS ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Depreciation of:				
- investment properties	(3,281)	(3,079)	(9,877)	(9,238)
- property, plant and equipment	(6,580)	(7,796)	(21,341)	(21,461)
(Amortisation) / recognition of:				
- order book	(660)	(3,730)	(3,483)	(5,619)
- right-of-use assets	(4,385)	(2,129)	(13,492)	(7,128)
- government grant	356	284	1,068	852
- patent	(246)	(306)	(734)	(917)

15. INCOME TAX EXPENSE

(RM'000)	3 MONTHS ENDED		9 MONTHS ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
In Malaysia				
Current tax	(18,458)	(37,308)	(62,200)	(70,115)
(Under)/Over provision in prior years	(571)	206	728	(627)
Deferred tax	2,741	484	25,956	(1,342)
	<u>(16,288)</u>	<u>(36,618)</u>	<u>(35,516)</u>	<u>(72,084)</u>
Foreign				
Current tax	(2,182)	171	(2,216)	(7)
Over provision in prior years	1	(10,731)	9	(10,731)
Deferred tax	1,294	5,963	4,208	6,669
	<u>(887)</u>	<u>(4,597)</u>	<u>2,001</u>	<u>(4,069)</u>
Income tax expense	<u>(17,175)</u>	<u>(41,215)</u>	<u>(33,515)</u>	<u>(76,153)</u>

The dividend income received from the Group's associate, Sentral REIT is taxable. The computation of the tax for the financial quarter under review has been accounted for accordingly.

The deferred tax was mainly due to the net impact of non-deductible temporary differences, as well as the recognition of unabsorbed tax losses and deductible timing differences as deferred tax assets.

16. CORPORATE PROPOSALS

Save for the disclosure in paragraph 10, there were no other corporate proposals announced that are yet to be completed at the date of this report.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**E. NOTES TO THE REPORT (cont'd)****17. GROUP BORROWINGS**

The tenure of the Group borrowings classified as long and short term were as follows:

(RM'000)	Long term	Short term	Total
As at 30.9.2023			
Secured	1,491,848	308,743	1,800,591
Unsecured	-	150,000	150,000
	1,491,848	458,743	1,950,591
As at 30.9.2022			
Secured	1,267,375	738,802	2,006,177
Unsecured	-	150,000	150,000
	1,267,375	888,802	2,156,177

The net decrease of RM205.6 million in the Group's borrowing compared to 30 September 2022 was mainly due to repayment of two Sukuk Murabahah of RM250.0 million on 14 August 2023 as described in Note 6 and RM200.0 million on 14 April 2023. The repayments funded from the proceeds of the issuance of Sukuk Murabahah of RM450.0 million on 28 February 2023. In addition, further drawdowns and repayments of project financing were made according to the progress of the Group's projects.

As at 30 September 2023, the borrowings consisted of:

Secured term loans

- (a) Financing facility of RM207.5 million for the Group's working capital;
- (b) Sukuk Murabahah Program totaling RM1,409.0 million, comprising RM1,400.0 million principal and RM9.0 million accrued profits, for the Group's working capital; and
- (c) Other project loans of RM184.1 million for the Group's on-going property developments and construction projects.

Unsecured short-term loans

- (d) Short term borrowings of RM150.0 million for the Group's working capital.

The Group's borrowings as at 30 September 2023 were denominated in Ringgit Malaysia. The weighted average interest rate as at 30 September 2023 was 4.89% per annum (30 September 2022: 4.47%).

The Group's Net Gearing as at 30 September 2023 was 0.30 times (30 September 2022: 0.37 times).

18. MATERIAL LITIGATION

There was no material litigation arising from the Group's operational transactions as at the date of this report.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**E. NOTES TO THE REPORT (cont'd)****19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE**

(RM'000)	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 MONTHS ENDED		VARIANCE (Value / %)	9 MONTHS ENDED		VARIANCE (Value / %)
	30.9.2023	30.9.2022		30.9.2023	30.9.2022	
Revenue	503,742	860,019	(356,277) (41%)	1,845,330	2,371,122	(525,792) (22%)
Operating profit	46,306	78,805	(32,499) (41%)	134,135	184,790	(50,655) (27%)
Profit before interest and tax	40,644	74,833	(34,189) (46%)	117,104	173,651	(56,547) (33%)
Profit before tax	18,675	56,720	(38,045) (67%)	54,524	116,588	(62,064) (53%)
Profit after tax	1,500	15,505	(14,005) (90%)	21,009	40,435	(19,426) (48%)
Total profit attributable to equity holders of the Company	1,460	23,695	(22,235) (94%)	20,801	51,831	(31,030) (60%)

The Group recorded a revenue of RM1,845.3 million and profit before tax of RM54.5 million in the nine months ended 30 September 2023, a reduction of 22% and 53% respectively, compared to the corresponding period in 2022.

The decline in revenue was due to much lower contributions from both the Property Development & Investment Division and Engineering, Construction & Environment Division, after the completion of three major infrastructure construction projects in 2022, and the completion of two major property development projects by the Property Development & Investment Division in the first half of 2023.

The profit contribution from the Engineering, Construction & Environment Division rose 43% in the nine months ended 30 September 2023 compared to the corresponding period in 2022, largely due to the LRT3 rail project, which achieved physical construction progress of 89% and financial progress of 85% as of 30 September 2023.

The Group's 27.94% equity owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd ("SRM"), contributed a combined profit after tax of RM11.7 million in the nine months ended 30 September 2023 compared with RM11.5 million in the corresponding period in 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

E. NOTES TO THE REPORT (cont'd)

19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE (cont'd)

Segmental Breakdown of Revenue & Profit/(Loss) – Note 8*

(RM'000)	3 MONTHS ENDED		9 MONTHS ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Revenue				
Property development & investment	90,033	321,630	459,514	653,534
Engineering, construction & environment	397,471	522,554	1,337,967	1,674,903
Facilities management & parking	12,582	12,614	37,174	33,369
Others	3,656	3,221	10,675	9,316
	<u>503,742</u>	<u>860,019</u>	<u>1,845,330</u>	<u>2,371,122</u>
(RM'000)	3 MONTHS ENDED		9 MONTHS ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Profit / (loss)				
Property development & investment	2,743	81,447	35,689	124,630
Engineering, construction & environment	44,594	5,529	87,645	61,262
Facilities management & parking	(1,428)	(1,874)	(3,262)	(40)
Others	1,175	(6,533)	5,045	(3,998)
	<u>47,084</u>	<u>78,569</u>	<u>125,117</u>	<u>181,854</u>

* Profit / (loss) before unallocated corporate expenses, finance costs and income and share of associates & joint ventures results.

The revenue and profit of the Group was mainly attributable to the two core operating segments below:

(i) Property Development & Investment

The Property Development & Investment Division recorded revenue of RM459.5 million and operating profit of RM35.7 million in the nine months ended 30 September 2023. The decline in revenue and operating profit by 30% and 71% respectively during the first nine months of 2023 compared to the corresponding period in 2022 was due to the 100% completion of the Sentral Suites development project in KL Sentral in March 2023 and the TRIA 9 Seputeh mixed residential development project in Jalan Klang Lama in May 2023.

The main revenue contributors were the Sentral Suites development, TRIA 9 Seputeh, Alstonia in Bukit Rahman Putra and rental income from the Group's investment properties, such as Menara CelcomDigi in PJ Sentral Garden City.

The higher Operating Profit recorded in the corresponding period in 2022 was also due to an RM18 million Other Operating Income contribution derived from the value of the remaining land injected into Seri Iskandar Development Corporation Sdn. Bhd. ("SIDEK").

The Group's investment holding in Sentral REIT and SRM contributed a combined profit after tax of RM11.7 million to the Group compared to RM11.5 million in the corresponding period in 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**E. NOTES TO THE REPORT (cont'd)****19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE (cont'd)****(ii) Engineering, Construction & Environment**

The Engineering, Construction & Environment Division recorded a revenue of RM1,338.0 million in the nine months ended 30 September 2023, compared to RM1,674.9 million in the corresponding period ended 30 September 2022, a decrease of 20%. The lower revenue recorded in 2023 was due to the completion of the Damansara-Shah Alam Elevated Highway Package CB2, Kwasa Utama C8 and Mass Rapid Transit 2 Package V210 infrastructure construction projects in 2022.

The Division's operating profit rose 43% to RM87.6 million in the nine months ended 30 September 2023 compared to the corresponding period in 2022, largely contributed by the LRT3 project which achieved physical construction progress of 89% and financial progress of 85% as of 30 September 2023.

20. FINANCIAL REVIEW FOR THE QUARTER UNDER REVIEW COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

	CURRENT QUARTER	IMMEDIATE PRECEDING QUARTER	VARIANCE (Value / %)
(RM'000)	30.9.2023	30.6.2023	
Revenue	503,742	599,347	(95,605) / (16%)
Operating profit	46,306	39,898	6,408 / 16%
Profit before interest and tax	40,644	33,991	6,653 / 20%
Profit before tax	18,675	15,299	3,376 / 22%
Profit after tax	1,500	10,929	(9,429) / (86%)
Total profit attributable to equity holders of the Company	1,460	10,868	(9,408) / (87%)

The Group recorded a revenue and profit before taxation of RM503.7 million and RM18.7 million, respectively in the quarter ended 30 September 2023, representing a 16% decline in revenue and a 22% increase in profit before tax compared to the preceding quarter ended 30 June 2023.

The lower revenue recorded in the 3rd Quarter ended 30 September 2023 compared to the preceding 2nd Quarter ended 30 June 2023 was due to the 100% completion of TRIA 9 Seputeh project in May 2023. The higher profit before taxation was due to a higher contribution from the LRT3 project.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**E. NOTES TO THE REPORT (cont'd)****21. PROSPECTS**

The Group's major source of revenue and operating profits come from its Property Development & Investment and Engineering, Construction & Environment divisions.

(i) Property Development & Investment

As of 30 September 2023, the Group's Property Development & Investment Division sold RM459.4 million worth of properties from its completed and on-going developments.

Of the Group's residential projects currently in development, Alstonia in Bukit Rahman Putra achieved a sales rate of 62%. The Division will continue to focus its marketing efforts on its residential development projects, namely Alstonia in Bukit Rahman Putra (GDV: RM248 million) and recently launched VISTA in the Gold Coast, Australia (GDV: AUD391 million), as well as the remaining completed unsold units in TRIA 9 Seputeh development (completed in May 2023), Sentral Suites development (completed in April 2023), VIVO Residences in 9 Seputeh and Kalista Park Homes in Bukit Rahman Putra.

Of the Group's completed residential developments, as of 30 September 2023, TRIA in 9 Seputeh achieved sales rate of 74%, Sentral Suites in KL Sentral 88%, VIVO Residences in 9 Seputeh 87% and Kalista in Bukit Rahman Putra 91%.

The Group entered into a conditional sale and purchase agreement on 25 July 2023 with Sentral REIT to dispose of Menara CelcomDigi for RM450 million. The transaction has been approved by both company's shareholders, and the disposal is expected to be completed in 4Q 2023. Revenue and operating profit in the Property Development & Investment Division will also continue to be progressively recognised in line with construction progress and from the sale of completed units in 2023 and beyond. Alstonia reached 80% construction progress and will continue to contribute to the Division's revenue and profits as construction and sales progress in 2023 and beyond.

VISTA, a 51-storey residential development in the Gold Coast, Australia was launched in April 2023. The development comprises of 280 apartment units with a total GDV of AUD391 million, and construction is expected to begin in 2024. As of September 2023, 35 units have been sold. Nevertheless, revenue and profits will only be recognised after all the units have been constructed and units sold achieve financial settlement with the buyers. Other projects in the pipeline include Residensi Tujuh in Kwasa Sentral, a 573-unit high rise residential building with aGDV of RM329 million, was launched in September 2023; and the Ipoh Raya Integrated Park in Perak, a 6-phase 810.57-acre integrated logistics/industrial park, which continues to be actively marketed to large multi-national corporations looking to locate their manufacturing and logistics operations in Malaysia.

The Group will also begin development of The Symphony Centre, its maiden project in New Zealand featuring a 21-storey mixed development with a GDV of NZD452 million and the refurbishment of Bledisloe House, situated adjacent to the development location of The Symphony Centre, with a GDV of NZD137 million in 2024. In addition to the NZD589 million or RM1.7 billion worth of projects due to be launched in Auckland, New Zealand, other property launches planned in 2024 include Parcel A of 9 Seputeh with a GDV of RM400 million, Phase 1 of Bukit Jalil Sentral with a GDV of RM900 million, and an office tower in KL Sentral with a GDV of RM 1 billion. In totality, the Group has approximately RM4 billion worth of properties earmarked for launch in 2024, which will underpin a new growth cycle for the Group.

The Company's immediate priorities moving forward remain on enhancing cashflow by monetising its unsold completed stock, which stood at RM550.0 million on 30 September 2023.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**E. NOTES TO THE REPORT (cont'd)****21. PROSPECTS (cont'd)****(i) Property Development & Investment (cont'd)**

With interests in 1,153 acres of land with a GDV of RM33 billion, the Group has a sustainable supply of long-term land for future projects. The Division had cumulative unbilled sales of RM33.6 million as of 30 September 2023, which will be recognised progressively over the construction period of the development projects:

On-going Property Development Projects	Construction Progress (%)	Unbilled Sales (RM'Mil)
Alstonia, Bukit Rahman Putra	80%	23.3
Lilium, SIDEC	55%	10.3
TOTAL		33.6

The Division will also continue to earn a relatively stable income stream from its remaining investment properties, as well as its 27.94% equity interest in Sentral REIT.

(ii) Engineering, Construction & Environment

The Engineering, Construction & Environment Division continues to actively tender for more large infrastructure contracting projects to replenish its order book, but there have been very few new large infrastructure construction projects put out to tender. The Division's open tenderbook currently stands at RM30 billion. The tenderbook does not include project tenders and proposals already secured but where project values have yet to be finalised, such as the Shah Alam Stadium rebuilding project and the proposed re-development of KL Sentral Station. As of 30 September 2023, the external client order book stood at RM26.1 billion, while the unbilled portion was RM16.1 billion. This long-term order book will provide the Division with a steady flow of construction contracts to sustain its business over the long term, including the LRT3 rail project, the first phase of which is due to be completed at the end of 2024.

Major Construction Projects	Contract Value (RM'Mil)	Financial Progress (%)
LRT 3	11,427	85%
Bukit Jalil Sentral	10,957	0%
Kwasa Utama C8	2,612	0%*
Muara Sg. Pahang Phase 3 (Package 3)	380	16%
SUKE (Package CA2)	317	90%
Others	423	
Total	26,116	

* Refers only to the portion not yet awarded.

22. VARIANCE ON FORECAST PROFIT/PROFIT GUARANTEE

Not applicable.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**E. NOTES TO THE REPORT (cont'd)****23. EARNINGS PER SHARE (EPS)****Basic EPS**

The basic EPS is calculated by dividing the net profit in the financial year by the weighted average number of shares in issue during the financial year.

	3 MONTHS ENDED		9 MONTHS ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Net profit for the financial period attributable to the owners of the parent (RM'000)	1,460	23,695	20,801	51,831
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510	4,467,510	4,467,510
Basic EPS (sen)	0.03	0.53	0.47	1.16

Diluted EPS

The diluted EPS is calculated by dividing the net profit in the financial year by the adjusted weighted average number of shares in issue during the financial year.

	3 MONTHS ENDED		9 MONTHS ENDED	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
Net profit for the financial period attributable to the owners of the parent (RM'000)	1,460	23,695	20,801	51,831
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510	4,467,510	4,467,510
- Adjustment for warrants B ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510	4,467,510	4,467,510
Diluted EPS (sen)	0.03	0.53	0.47	1.16

Warrants B were not included in the calculation for the period under review because the fair value of the issued ordinary shares as of 30 September 2023 were lower than warrant B's exercise price. Accordingly, there is no bonus element in the outstanding shares for the purpose of computing the dilution.

Kuala Lumpur
27 November 2023

By Order of the Board

Mohd Noor Rahim Yahaya
Company Secretary