



**GAGASAN NADI CERGAS**  
BERHAD (201701024800)

(Incorporated in Malaysia)

**Interim Financial Statements  
For The Financial Year Ended  
31 December 2021**



**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH (4<sup>TH</sup>) QUARTER FINANCIAL YEAR ENDED 31 DECEMBER 2021<sup>(1)</sup>**

|  | Note | Quarter Ended        |                                    | Year-To-Date Ended   |                                    |
|--|------|----------------------|------------------------------------|----------------------|------------------------------------|
|  |      | 31.12.2021<br>RM'000 | 31.12.2020<br>RM'000<br>(Restated) | 31.12.2021<br>RM'000 | 31.12.2020<br>RM'000<br>(Restated) |
| Revenue  | A9   | 54,246               | 55,673                             | 199,256              | 206,902                            |
| Operating expenses   |      | (71,030)             | (57,362)                           | (214,121)            | (209,656)                          |
| Other operating income                                     |      | 17,458               | 11,241                             | 48,788               | 34,051                             |
| Finance costs  |      | (4,842)              | (4,489)                            | (16,068)             | (16,484)                           |
| <b>(Loss)/Profit before taxation</b>                       | B11  | <u>(4,168)</u>       | <u>5,063</u>                       | <u>17,855</u>        | <u>14,813</u>                      |
| Income tax expense   | B6   | (5,302)              | (745)                              | (10,514)             | (5,018)                            |
| <b>(Loss)/Profit after taxation</b>                        |      | <u>(9,470)</u>       | <u>4,318</u>                       | <u>7,341</u>         | <u>9,795</u>                       |
| <b>(Loss)/Profit after taxation attributable to:-</b>      |      |                      |                                    |                      |                                    |
| Owners of the Company                                      |      | (10,191)             | 5,082                              | 3,460                | 11,813                             |
| Non-controlling interests                                  |      | 721                  | (764)                              | 3,881                | (2,018)                            |
|  |      | <u>(9,470)</u>       | <u>4,318</u>                       | <u>7,341</u>         | <u>9,795</u>                       |
| <b>Total comprehensive income/(loss) attributable to:-</b> |      |                      |                                    |                      |                                    |
| Owners of the Company                                      |      | (10,191)             | 5,082                              | 3,460                | 11,813                             |
| Non-controlling interests                                  |      | 721                  | (764)                              | 3,881                | (2,018)                            |
|  |      | <u>(9,470)</u>       | <u>4,318</u>                       | <u>7,341</u>         | <u>9,795</u>                       |
| <b>Earnings per share attributable to owners of</b>        |      |                      |                                    |                      |                                    |
| Basic EPS (sen)  | B10  | (1.35)               | 0.67                               | 0.46                 | 1.57                               |
| Diluted EPS (sen)  | B10  | <u>(1.35)</u>        | <u>0.67</u>                        | <u>0.46</u>          | <u>1.57</u>                        |

**Notes:**

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021<sup>(1)</sup>**

|   | Note | Unaudited<br>31.12.2021<br>RM'000 | Restated<br>31.12.2020<br>RM'000 | Restated<br>01.01.2020<br>RM'000 |
|---|------|-----------------------------------|----------------------------------|----------------------------------|
| <b>ASSETS</b>   |      |                                   |                                  |                                  |
| <b>Non-current assets</b>   |      |                                   |                                  |                                  |
| Property, plant and equipment   |      | 27,950                            | 27,953                           | 29,098                           |
| Inventories   |      | 86,588                            | 56,022                           | 64,428                           |
| Right-of-use assets   |      | 2,598                             | 3,112                            | 3,553                            |
| Trade receivables   |      | 499,129                           | 531,144                          | 561,944                          |
|   |      | <u>616,265</u>                    | <u>618,231</u>                   | <u>659,023</u>                   |
| <b>Current assets</b>   |      |                                   |                                  |                                  |
| Inventories   |      | 49,348                            | 58,999                           | 23,500                           |
| Contract assets   |      | 61,566                            | 25,748                           | 26,133                           |
| Trade receivables   |      | 81,511                            | 62,767                           | 64,940                           |
| Other receivables, deposits and prepayments                           |      | 18,693                            | 21,545                           | 21,678                           |
| Current tax assets  |      | 5,147                             | 3,145                            | 2,875                            |
| Fixed deposits with licensed banks                                    |      | 38,151                            | 45,705                           | 30,653                           |
| Cash and bank balances  |      | 66,582                            | 63,765                           | 92,920                           |
|   |      | <u>320,998</u>                    | <u>281,674</u>                   | <u>262,699</u>                   |
| <b>TOTAL ASSETS</b>   |      | <u>937,263</u>                    | <u>899,905</u>                   | <u>921,722</u>                   |
| <b>EQUITY AND LIABILITIES</b>   |      |                                   |                                  |                                  |
| <b>Equity</b>   |      |                                   |                                  |                                  |
| Share capital   |      | 136,444                           | 136,444                          | 136,444                          |
| Reserves  |      | 309,061                           | 309,366                          | 301,318                          |
| Equity attributable to owners of the Company                          |      | <u>445,505</u>                    | <u>445,810</u>                   | <u>437,762</u>                   |
| Non-controlling interests   |      | 5,494                             | 1,551                            | 3,269                            |
| <b>Total equity</b>   |      | <u>450,999</u>                    | <u>447,361</u>                   | <u>441,031</u>                   |
| <b>Non-current liabilities</b>  |      |                                   |                                  |                                  |
| Borrowings  | B7   | 269,566                           | 262,401                          | 284,695                          |
| Deferred tax liabilities  |      | 77,668                            | 77,482                           | 79,597                           |
|   |      | <u>347,234</u>                    | <u>339,883</u>                   | <u>364,292</u>                   |
| <b>Current liabilities</b>  |      |                                   |                                  |                                  |
| Trade payables  |      | 85,018                            | 68,213                           | 70,465                           |
| Other payables and accruals   |      | 6,273                             | 5,973                            | 7,016                            |
| Borrowings  | B7   | 45,670                            | 36,179                           | 37,356                           |
| Provision for taxation  |      | 2,069                             | 2,296                            | 1,562                            |
|   |      | <u>139,030</u>                    | <u>112,661</u>                   | <u>116,399</u>                   |
| <b>Total liabilities</b>  |      | <u>486,264</u>                    | <u>452,544</u>                   | <u>480,691</u>                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |      | <u>937,263</u>                    | <u>899,905</u>                   | <u>921,722</u>                   |
| <b>Number of issued shares ('000)</b>                                 |      | 753,000                           | 753,000                          | 753,000                          |
| <b>Net asset per share attributable to Owners of the Company (RM)</b> |      | 0.59                              | 0.59                             | 0.58                             |

**Note:**

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH (4<sup>TH</sup>) QUARTER  
 FINANCIAL YEAR ENDED 31 DECEMBER 2021<sup>(1)</sup>**

|  | ← Distributable →          |                               | Attributable<br>to Owners of |  |                           |
|--|----------------------------|-------------------------------|------------------------------|--|---------------------------|
|  | Share<br>Capital<br>RM'000 | Retained<br>Profits<br>RM'000 | the<br>Company<br>RM'000     | Non-<br>Controlling<br>Interests<br>RM'000 | Total<br>Equity<br>RM'000 |
| Balance at 1.1.2020  |                            |                               |                              |  |                           |
| - as previously reported   | 136,444                    | 304,815                       | 441,259                      | 4,916                                      | 446,175                   |
| - effect of adoption of IFRIC Agenda Decision  | -                          | (3,880)                       | (3,880)                      | (1,647)                                    | (5,527)                   |
| - effect of prior years adjustment   | -                          | 383                           | 383                          | -  | 383                       |
| Balance at 1.1.2020 (restated)   | 136,444                    | 301,318                       | 437,762                      | 3,269                                      | 441,031                   |
| Profit for the financial period,<br>representing total comprehensive<br>income/(loss) for the financial period | -                          | 11,813                        | 11,813                       | (2,018)                                    | 9,795                     |
| Contributions by and distribution to<br>owners of the Company:   |                            |                               |                              |  |                           |
| - Issuance of shares to<br>non-controlling interest  | -                          | -                             | -                            | 300  | 300                       |
| - Dividends paid   | -                          | (3,765)                       | (3,765)                      | -  | (3,765)                   |
| Balance at 31.12.2020  | 136,444                    | 309,366                       | 445,810                      | 1,551                                      | 447,361                   |
| Balance at 1.1.2021  |                            |                               |                              |  |                           |
| - as previously reported   | 136,444                    | 313,557                       | 450,001                      | 3,894                                      | 453,895                   |
| - effect of adoption of IFRIC Agenda Decision  | -                          | (4,574)                       | (4,574)                      | (2,343)                                    | (6,917)                   |
| - effect of prior years adjustment   | -                          | 383                           | 383                          | -  | 383                       |
| Balance at 1.1.2021 (restated)   | 136,444                    | 309,366                       | 445,810                      | 1,551                                      | 447,361                   |
| Profit for the financial period,<br>representing total comprehensive<br>income for the financial period        | -                          | 3,460                         | 3,460                        | 3,881                                      | 7,341                     |
| Contributions by and distribution to<br>owners of the Company:   |                            |                               |                              |  |                           |
| - Issuance of shares to<br>non-controlling interest  | -                          | -                             | -                            | 62   | 62                        |
| - Dividends paid   | -                          | (3,765)                       | (3,765)                      | -  | (3,765)                   |
| Balance at 31.12.2021 (Unaudited)  | 136,444                    | 309,061                       | 445,505                      | 5,494                                      | 450,999                   |

**Notes:**

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH (4<sup>TH</sup>) QUARTER FINANCIAL YEAR ENDED 31 DECEMBER 2021<sup>(1)</sup>**

|   | Year-To-Date Ended   |                                    |
|---|----------------------|------------------------------------|
|   | 31.12.2021<br>RM'000 | 31.12.2020<br>RM'000<br>(Restated) |
| <b>Cash flows from operating activities</b>   |                      |                                    |
| <b>Profit before taxation</b>   | 17,855               | 14,813                             |
| Adjustments for:-   |                      |                                    |
| Depreciation of:  |                      |                                    |
| - property, plant and equipment   | 1,332                | 1,495                              |
| - right-of-use assets   | 922                  | 969                                |
| Impairment loss:  |                      |                                    |
| - trade receivable  | 532                  | 933                                |
| - other receivable  | -                    | -                                  |
| Finance cost  | 16,068               | 16,484                             |
| Loss on disposal of right-of-use assets   | -                    | 43                                 |
| Accretion of fair value on non-current trade receivables                            | (26,907)             | (28,358)                           |
| Early termination of lease contracts  | -                    | (100)                              |
| Gain on disposal of property, plant and equipment                                   | (8,138)              | (35)                               |
| Reversal of impairment losses under MFRS 9  |                      |                                    |
| - trade receivable  | (1,307)              | (13)                               |
| - other receivable  | -                    | (84)                               |
| Finance income  | (955)                | (1,928)                            |
| Operating profit before working capital changes                                     | <u>(598)</u>         | <u>4,219</u>                       |
| Decrease/(Increase) in inventories  | 17,894               | (27,545)                           |
| (Increase)/Decrease in contract assets  | (35,818)             | 385                                |
| Decrease in trade and other receivables   | 43,803               | 60,630                             |
| (Decrease)/Increase in trade and other payables                                     | 17,106               | (2,845)                            |
| <b>Cash from operating activities</b>   | <u>42,387</u>        | <u>34,844</u>                      |
| Income tax paid   | (12,558)             | (6,669)                            |
| <b>Net cash from operating activities</b>   | <u>29,829</u>        | <u>28,175</u>                      |
| <b>Cash flows (for)/from investing activities</b>                                   |                      |                                    |
| Finance income received   | 955                  | 1,928                              |
| Purchase of right-of-use assets   | -                    | (548)                              |
| Withdrawal/(Placement) of pledged fixed deposits and with tenure more than 3 months | 24,134               | (12,232)                           |
| Proceeds from disposal of property, plant and equipment                             | 10,977               | 35                                 |
| Purchase of land for property development   | (36,083)             | -                                  |
| Purchase of property, plant and equipment   | (4,552)              | (271)                              |
| <b>Net cash for investing activities</b>  | <u>(4,569)</u>       | <u>(11,088)</u>                    |



**CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FOURTH (4<sup>TH</sup>) QUARTER FINANCIAL YEAR ENDED 31 DECEMBER 2021<sup>(1)</sup> (CONT'D)**

|  | Year-To-Date Ended |                 |
|--|--------------------|-----------------|
|  | 31.12.2021         | 31.12.2020      |
|  | RM'000             | RM'000          |
|  |                    | (Restated)      |
| <b>Cash flows from/(for) financing activities</b>                            |                    |                 |
| Dividends paid   | (3,765)            | (3,765)         |
| Drawdown of borrowings   | 39,373             | 40,014          |
| Finance cost paid  | (16,068)           | (16,484)        |
| Proceeds from issuance of shares to non-controlling interest in a subsidiary | (2,280)            | 300             |
| Repayment of borrowings  | (27,891)           | (61,351)        |
| <b>Net cash for financing activities</b>                                     | <u>(10,631)</u>    | <u>(41,286)</u> |
| <b>Net decrease in cash and cash equivalents</b>                             | 14,629             | (24,199)        |
| <b>Cash and cash equivalents at beginning of financial period</b>            | <u>63,759</u>      | <u>87,958</u>   |
| <b>Cash and cash equivalents at end of financial period</b>                  | <u>78,388</u>      | <u>63,759</u>   |
| <b>Cash and cash equivalents comprise:</b>                                   |                    |                 |
| Fixed deposits placed with licensed banks                                    | 38,151             | 45,705          |
| Cash and bank balances   | 66,582             | 63,765          |
| Bank overdrafts  | (4,767)            | (9,276)         |
|  | <u>99,966</u>      | <u>100,194</u>  |
| Less: Fixed deposits pledged with licensed banks                             | (21,578)           | (36,435)        |
|  | <u>78,388</u>      | <u>63,759</u>   |

**Notes:**

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Cash Flow are disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

## A. NOTES TO THE INTERIM FINANCIAL REPORT

### A1. Basis of preparation

The interim financial report of Gagasan Nadi Cergas Berhad ("Gagasan Nadi" or "the Company") and its subsidiaries (collectively known as "the Group") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") No. 134: Interim Financial Reporting and Rule 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

This interim financial report should be read together with the audited Annual Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this report.

### A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted as disclosed in the audited Annual Financial Statements for the year ended 31 December 2020.

The financial statements of the Group have been prepared in accordance with Malaysia Financial Reporting Standard ("MFRS") and the requirements of the Companies Act 2016.

The following are accounting standards, amendments and interpretations that has been issued by the Malaysian Accounting Standard Board ("MASB") and effective during the financial year:-

|  | <b>Effective Date</b> |
|--|-----------------------|
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS16 Interest Rate Benchmark Reform-Phase 2 | 1 January 2021        |

The adoption of the above accounting standards, amendments and interpretations are not expected to have any material impact on the Group's financial statements, except for:

#### **IFRIC Agenda Decision on MFRS 123 Borrowing costs**

In March 2019, the IFRIC Interpretations Committee ("IFRIC") published an Agenda Decision on borrowing costs confirming receivables, contract assets and inventories for which revenue is recognised overtime are non-qualifying assets. On 20 March 2019, the Malaysia Accounting Standard Board announced that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

i. Impact on condensed consolidated statement of financial position as at 1 January 2020:

|                           | As previously reported<br>1-Jan-20 | Effect on<br>adoption of IFRIC<br>Agenda Decision | Restated<br>1-Jan-20 |
|---------------------------|------------------------------------|---|----------------------|
|                           | RM'000                             | RM'000  | RM'000               |
| <b>Non-current Assets</b> |                                    |   |                      |
| Inventories               | 64,976                             | (548)   | 64,428               |
| <b>Current Assets</b>     |                                    |   |                      |
| Inventories               | 28,479                             | (4,979)   | 23,500               |
| <b>Equity</b>             |                                    |   |                      |
| Retained earning          | 304,815                            | (3,880)   | 300,935              |
| Non-Controlling Interests | 4,916                              | (1,647)   | 3,269                |

ii. Impact on condensed consolidated statement of financial position as at 1 January 2021:

|                           | As previously reported<br>1-Jan-21 | Effect on<br>adoption of IFRIC<br>Agenda Decision | Restated<br>1-Jan-21 |
|---------------------------|------------------------------------|---|----------------------|
|                           | RM'000                             | RM'000  | RM'000               |
| <b>Non-current Assets</b> |                                    |   |                      |
| Inventories               | 56,492                             | (470)   | 56,022               |
| <b>Current Assets</b>     |                                    |   |                      |
| Inventories               | 65,446                             | (6,447)   | 58,999               |
| <b>Equity</b>             |                                    |   |                      |
| Retained earning          | 313,557                            | (4,574)   | 308,983              |
| Non-Controlling Interests | 3,894                              | (2,343)   | 1,551                |



**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**A3. Auditors' report on preceding annual financial statements**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2020.

**A4. Seasonal or cyclical factors**

The Group's performance have not been materially affected by any seasonal or cyclical factors during the current quarter and year-to-date.

**A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and year-to-date.

**A6. Changes in estimates**

There were no material changes in estimates for the current quarter and year-to-date.

**A7. Debt and equity securities**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date.

**A8. Dividends paid**

Interim dividend comprising 0.5 sen per ordinary share, amounting to RM3,765,000 for financial year ended 31 December 2020 was paid on 30 April 2021.



## A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

### A9. Segmental information

|   | Construction<br>RM'000 | Concession<br>and Facility<br>Management<br>RM'000 | Utility<br>Services<br>RM'000 | Property<br>Development<br>RM'000 | Others<br>RM'000 | Consolidation<br>Adjustments<br>RM'000 | Total<br>RM'000 |
|---|------------------------|--|-------------------------------|-----------------------------------|------------------|--|-----------------|
| <b>31.12.2021</b>   |                        |  |                               |                                   |                  |  |                 |
| <b>Revenue</b>  |                        |  |                               |                                   |                  |  |                 |
| External revenue  | 125,331                | 15,780   | 2,086                         | 56,059                            | -                | -                                      | 199,256         |
| Inter-segment revenue   | 45,464                 | 3,470  | 24                            | 5,696                             | 8,520            | (63,174)                               | -               |
|   | <u>170,795</u>         | <u>19,250</u>                                      | <u>2,110</u>                  | <u>61,755</u>                     | <u>8,520</u>     | <u>(63,174)</u>                        | <u>199,256</u>  |
| <b>Results</b>  |                        |  |                               |                                   |                  |  |                 |
| Segment results   | (15,298)               | 4,396  | 6,257                         | 11,970                            | 4,166            | (3,951)                                | 7,540           |
| Accretion of fair value on non-current trade receivables          | -                      | 26,907   | -                             | -                                 | -                | -                                      | 26,907          |
| Impairment losses:  | (346)                  | -  | -                             | (186)                             | -                | -                                      | (532)           |
| Depreciation:   |                        |  |                               |                                   |                  |  |                 |
| - property, plant and equipment                                   | (1,072)                | (393)  | (151)                         | (27)                              | -                | 311                                    | (1,332)         |
| - right-of-use assets   | (850)                  | -  | -                             | (72)                              | -                | -                                      | (922)           |
| Finance income  | (274)                  | 458  | 35                            | 23                                | 713              | -                                      | 955             |
| Finance costs   | (445)                  | (12,367)   | -                             | (5,255)                           | (116)            | 2,115                                  | (16,068)        |
| Reversal of impairment losses                                     | 94                     | 41   | 1,172                         | -                                 | -                | -                                      | 1,307           |
| Profit/(Loss) before taxation                                     | <u>(18,191)</u>        | <u>19,042</u>                                      | <u>7,313</u>                  | <u>6,453</u>                      | <u>4,763</u>     | <u>(1,525)</u>                         | <u>17,855</u>   |
| Income tax expense  | (2,371)                | (4,839)  | (914)                         | (1,840)                           | (550)            | -                                      | (10,514)        |
| Profit/(Loss) after taxation                                      | <u>(20,562)</u>        | <u>14,203</u>                                      | <u>6,399</u>                  | <u>4,613</u>                      | <u>4,213</u>     | <u>(1,525)</u>                         | <u>7,341</u>    |
| <b>Assets</b>   |                        |  |                               |                                   |                  |  |                 |
| Segment assets  | 115,160                | 578,253  | 12,129                        | 207,369                           | 28,087           | (8,880)                                | 932,118         |
| Unallocated asset: Tax refundable                                 |                        |  |                               |                                   |                  |  | 5,145           |
| Consolidated total assets   |                        |  |                               |                                   |                  |  | <u>937,263</u>  |
| Additions to non-current assets other than financial instruments: |                        |  |                               |                                   |                  |  |                 |
| - property, plant and equipment                                   | 1,303                  | 5  | 2,671                         | 187                               | -                | -                                      | 4,166           |
| - inventories - land for property development                     | -                      | -  | -                             | 36,083                            | -                | -                                      | 36,083          |
|   | <u>-</u>               | <u>-</u>   | <u>-</u>                      | <u>36,083</u>                     | <u>-</u>         | <u>-</u>                               | <u>36,083</u>   |
| <b>Liabilities</b>  |                        |  |                               |                                   |                  |  |                 |
| Segment liabilities   | 82,230                 | 225,402  | 1,757                         | 93,308                            | 4,129            | (299)                                  | 406,527         |
| Unallocated liabilities:  |                        |  |                               |                                   |                  |  |                 |
| - Deferred tax liabilities  |                        |  |                               |                                   |                  |  | 77,668          |
| - Provision for taxation  |                        |  |                               |                                   |                  |  | 2,069           |
| Consolidated total liabilities                                    |                        |  |                               |                                   |                  |  | <u>486,264</u>  |

## A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

### A9. Segmental information

| <b>(Restated)</b>   | Construction   | Concession and Facility | Utility      | Property      | Others        | Consolidation   | Total          |
|---|----------------|-------------------------|--------------|---------------|---------------|-----------------|----------------|
| <b>31.12.2020</b>   | RM'000         | Management              | Services     | Development   | RM'000        | Adjustments     | RM'000         |
| <b>Revenue</b>  |                | RM'000                  | RM'000       | RM'000        |               | RM'000          |                |
| External revenue  | 163,082        | 15,799                  | 3,993        | 24,028        | -             | -               | 206,902        |
| Inter-segment revenue   | 29,837         | 3,266                   | -            | 3,021         | 18,520        | (54,644)        | -              |
|   | <u>192,919</u> | <u>19,065</u>           | <u>3,993</u> | <u>27,049</u> | <u>18,520</u> | <u>(54,644)</u> | <u>206,902</u> |
| <b>Results</b>  |                |                         |              |               |               |                 |                |
| Segment results   | (3,579)        | 4,847                   | 1,993        | 3,989         | 9,545         | (12,519)        | 4,276          |
| Accretion of fair value on non-current trade receivables          | -              | 28,358                  | -            | -             | -             | -               | 28,358         |
| Impairment losses:  |                |                         |              |               |               |                 |                |
| - trade receivable  | -              | (279)                   | (396)        | (258)         | -             | -               | (933)          |
| - other receivable  | -              | -                       | -            | -             | -             | -               | -              |
| Depreciation:   |                |                         |              |               |               |                 |                |
| - property, plant and equipment                                   | (554)          | (353)                   | (349)        | (5)           | (234)         | -               | (1,495)        |
| - right-of-use assets   | (1,395)        | -                       | -            | (118)         | -             | 544             | (969)          |
| Gain on disposal of property, plant and equipment                 | 35             | -                       | -            | -             | -             | -               | 35             |
| Finance income  | 772            | 738                     | 59           | 35            | 324           | -               | 1,928          |
| Finance costs   | (535)          | (14,177)                | -            | (3,199)       | (181)         | 1,608           | (16,484)       |
| Reversal of impairment losses                                     | 97             | -                       | -            | -             | -             | -               | 97             |
| Profit/(Loss) before taxation                                     | <u>(5,159)</u> | <u>19,134</u>           | <u>1,307</u> | <u>444</u>    | <u>9,454</u>  | <u>(10,367)</u> | <u>14,813</u>  |
| Income tax expense  | 787            | (4,338)                 | (545)        | (775)         | (147)         | -               | (5,018)        |
| Profit/(Loss) after taxation                                      | <u>(4,372)</u> | <u>14,796</u>           | <u>762</u>   | <u>(331)</u>  | <u>9,307</u>  | <u>(10,367)</u> | <u>9,795</u>   |
| <b>Assets</b>   |                |                         |              |               |               |                 |                |
| Segment assets  | 120,532        | 605,640                 | 15,772       | 122,090       | 41,065        | (8,340)         | 896,759        |
| Unallocated asset: Tax refundable                                 |                |                         |              |               |               |                 | 3,146          |
| Consolidated total assets   |                |                         |              |               |               |                 | <u>899,905</u> |
| Additions to non-current assets other than financial instruments: |                |                         |              |               |               |                 |                |
| - property, plant and equipment                                   | 83             | -                       | 186          | 2             | -             | -               | 271            |
| - right-of-use assets   | 1,853          | -                       | -            | 96            | -             | -               | 1,949          |
| <b>Liabilities</b>  |                |                         |              |               |               |                 |                |
| Segment liabilities   | 76,561         | 254,894                 | 244          | 37,497        | 4,443         | (875)           | 372,764        |
| Unallocated liabilities:  |                |                         |              |               |               |                 |                |
| - Deferred tax liabilities  |                |                         |              |               |               |                 | 77,482         |
| - Provision for taxation  |                |                         |              |               |               |                 | 2,298          |
| Consolidated total liabilities                                    |                |                         |              |               |               |                 | <u>452,544</u> |

**A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

**A10. Valuation of property, plant and equipment**

There was no valuation of the property, plant and equipment during the current quarter and year-to-date.

**A11. Significant Events Subsequent to the End of the Interim Financial Period**

Save as disclosed in Note B5 "Status of corporate proposals" below, there were no other material events subsequent to the end of the current quarter that have not been reflected in this interim financial report.

**A12. Changes in the composition of the Group**

There were no material changes in the composition of the Group for the period ended 31 December 2021.

**A13. Contingent assets and contingent liabilities**

Save as disclosed below, there were no other contingent assets and contingent liabilities as at the date of this interim report.

**Unaudited**  
**As at 31.12.2021**  
**RM'000**

Financial guarantee contract in relation to corporate guarantee given to third parties in the ordinary course of business.

53,683

**A14. Capital commitments**

There were no capital commitments as at the end of the current and previous corresponding financial periods.

**A15. Related party transactions**

Save as disclosed below, there were no other significant related party transactions as at the date of this interim report.

| Quarter Ended<br>31.12.2021<br>RM'000 | Year-To-Date<br>31.12.2021<br>RM'000 |
|---------------------------------------|--------------------------------------|
|---------------------------------------|--------------------------------------|

Related Party

- Progress billing income

1,170

1,170



## **B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

### **B1. Review of Group Performance**

#### **Results for current quarter**

The Group recorded a marginally lower revenue of RM54.2 million in current quarter as compared to RM55.6 million in the preceding year corresponding quarter. The Group recorded a loss before tax of RM4.2 million in the current quarter as compared to a profit before tax of RM5.1 million in the corresponding quarter last year. The loss before taxation for the current quarter was mainly due to the increased in project construction costs and the adoption of accounting policy under MFRS123 where borrowing costs for development projects was expensed off to profit or loss when incurred.

#### **Results for financial year-to-date**

The Group recorded a lower revenue of RM200 million for the current financial period as compared to RM207 million for the previous financial year mainly due to lower construction revenue following the imposition of Full Movement Control Order ("FMCO") from 1st June 2021.

The Group recorded a higher profit before tax of RM17.9 million for the current financial year as compared to RM14.8 million in the previous financial year mainly attributable to the higher earnings registered for property development segment, the receipt of facilitation funds in respect of a government affordable homes project and the gain from the exercise of option by German-Malaysian Institute ("GMI") to purchase the Thermal Energy Storage System plant ("TES Plant") at GMI.

### **B2. Comparison with immediate preceding quarter's results**

The Group registered a higher revenue of RM54.2 million for the current financial quarter as compared to RM41.0 million in the preceding quarter, mainly due the resumption of construction activities following the transition to Phase 2, 3 and 4 of the National Recovery Plan announced by the Prime Minister. The Group recorded a loss before tax of RM4.2 million in the current quarter as compared to a profit before tax of RM0.4 million in the preceding quarter. The loss was mainly due to increase in project construction costs and the adoption of accounting policy under MFRS123 where borrowing costs for development projects was expensed off to profit or loss when incurred.

### **B3. Commentary on prospects**

The COVID-19 pandemic and the emergence of new variants continue to have negative impact on the Group's performance.

Despite the Group's construction order book which stands at approximately RM661 million and with continuous tendering for new jobs, the Board expects the performance of the construction segment to be affected by the challenging operating environment of high material costs, labour shortage and COVID-19 pandemic.

The performance of the Group's facility management is expected to remain stable and sustainable.

Despite the exercise of option by GMI to purchase the TES Plant at GMI from the Group, the utility segment is expected to contribute to the Group's revenue with the commencement of chilled water supply for Datum Jelatek Mall in January 2022 under the 30-year chilled water supply agreement with Datum Jelatek.

The property development segment is expected to contribute significantly for the financial year 2022 with the progress of Antara Residence Project and the Selindung Ulu Yam Project, a project under Rumah Selangorku ("RSKU") and PPAM affordable housing programme. This segment has a total unbilled sale of RM131 million which is expected to be booked in as revenue over the next 2 years. The Group targets to launch the Rumah Idaman affordable homes project in Bukit Jelutong with Gross Development Value of approximately RM308 million during first half of year 2022.

In spite of the on-going Covid-19 pandemic and barring unforeseen circumstances, the Group is cautiously optimistic in sustaining its performance for the financial year 2022.



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B4. Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee during the quarter under review.

**B5. Status of corporate proposals**

There were no corporate proposals announced and not completed.

**B6. Income tax expenses**

|                                    | <b>Current<br/>Quarter<br/>31.12.2021<br/>RM'000</b> | <b>Year-To-<br/>Date<br/>31.12.2021<br/>RM'000</b> |
|------------------------------------|--|--|
| Malaysia income tax                |  |  |
| - current year                     | 3,948  | 10,380   |
| - overprovision in prior years     | -  | (368)  |
| - RPGT                             | 316  | 316  |
| Deferred tax (asset)/expense       | <u>1,039</u>   | <u>186</u>   |
|                                    | <u>5,303</u>   | <u>10,514</u>                                      |
| Effective tax rates <sup>(1)</sup> | N/A  | 57.12%   |

**Note:**

(1) The Group's effective tax rate for the financial year-to-date is higher than the statutory tax rate of 24%. It is mainly due to losses incurred by certain subsidiaries and certain expenses not being deductible for tax purposes as well as the higher taxable income from collection of Availability Charges from Concession Projects. The qualifying expenditure for concession projects is only restricted to 91% of total construction costs, hence the remaining 9% of the Availability Charges collected during the current quarter and year-to-date was deemed as taxable income resulting in the increase in tax expense.



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B7. Bank borrowings**

The Group's bank borrowings as at 31 December 2021 are as follows:

|                               | <b>Unaudited<br/>As at 31.12.2021<br/>RM'000</b> |
|-------------------------------|--|
| <b>Current:</b>               |  |
| Lease liabilities             | 795  |
| Islamic financing / Term loan | 20,108   |
| Bonds                         | 20,000   |
| Bank overdraft                | 4,767  |
|                               | <hr/>  |
|                               | 45,670   |
| <b>Non-current:</b>           |  |
| Lease liabilities             | 1,267  |
| Islamic financing / Term loan | 168,299  |
| Bonds                         | 100,000  |
|                               | <hr/>  |
|                               | 269,566  |
|                               | <hr/>  |
| Total                         | 315,236  |
|                               | <hr/>  |

All the borrowings are secured and denominated in Ringgit Malaysia.

**B8. Material litigation**

There were no material litigation involving the Group as at the date of this report.

**B9. Dividend**

The Board of Directors did not recommend any dividend for the current quarter under review.



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B10. Earnings per share**

The basic and diluted earnings per share ("EPS") are calculated by dividing the profit for the period attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial year ended are as follows:

|  | Quarter Ended  |                | Year-To-Date   |                |
|--|----------------|----------------|----------------|----------------|
|  | 31.12.2021     | 31.12.2020     | 31.12.2021     | 31.12.2020     |
| (Loss)/Profit attribute to owners of the Company (RM'000)  | (10,191)       | 5,082          | 3,460          | 11,813         |
| Weighted average number of ordinary shares in issue ('000) | <u>753,000</u> | <u>753,000</u> | <u>753,000</u> | <u>753,000</u> |
| Basic EPS (sen) <sup>(1)</sup>                             | (1.35)         | 0.67           | 0.46           | 1.57           |
| Diluted EPS (sen) <sup>(1) &amp; (2)</sup>                 | (1.35)         | 0.67           | 0.46           | 1.57           |

**Notes:**

- (1) The basic earnings per share is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 31 December 2021.
- (2) Diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.



**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

**B11. Disclosure on selected expense/income items as required by the Listing Requirements**

|  | <b>Current Quarter</b><br><b>31.12.2021</b><br><b>RM'000</b> | <b>Year-To-Date</b><br><b>31.12.2021</b><br><b>RM'000</b> |
|--|--|---|
| (Loss)/Profit before taxation is arrived at after charging/(crediting):- |  |   |
| Depreciation :   |  |   |
| - property, plant and equipment  | 210  | 1,332   |
| - right-of-use asset   | 251  | 922   |
| Impairment losses  | -  | 532   |
| Finance cost   | 4,842  | 16,068  |
| Accretion of fair value on non-current trade receivables                 | (6,587)  | (26,907)  |
| Finance income   | -  | (955)   |
| Gain on disposal of property, plant and equipment                        | (8,138)  | (8,138)   |
| Reversal of impairment losses  | (124)  | (1,307)   |

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements of Bursa Securities are not applicable.

**B12. Derivative**

The Group did not enter into any derivative during the current quarter under review.