



GAGASAN NADI CERGAS
BERHAD [201701024800]

(Incorporated in Malaysia)

**Interim Financial Statements
For The Financial Period Ended
30 September 2023**



CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD (3RD) QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023⁽¹⁾

	Note	Quarter Ended		Year-To-Date Ended	
		30.9.2023	30.9.2022	30.9.2023	30.9.2022
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	75,662	41,401	213,125	178,986
Operating expenses		(76,182)	(46,730)	(216,111)	(182,597)
Other operating income		7,038	6,304	26,578	25,814
Finance costs		(3,173)	(4,120)	(11,743)	(12,158)
Profit/(Loss) before taxation	B11	<u>3,345</u>	<u>(3,145)</u>	<u>11,849</u>	<u>10,045</u>
Income tax expense	B6	(3,132)	(2,070)	(6,121)	(7,078)
Profit/(Loss) after taxation		<u>213</u>	<u>(5,215)</u>	<u>5,728</u>	<u>2,967</u>
Profit/(Loss) after taxation attributable to:-					
Owners of the Company		(115)	(4,797)	3,471	1,893
Non-controlling interests		<u>328</u>	<u>(418)</u>	<u>2,257</u>	<u>1,074</u>
		<u>213</u>	<u>(5,215)</u>	<u>5,728</u>	<u>2,967</u>
Total comprehensive income/(expenses) attributable to:-					
Owners of the Company		(115)	(4,797)	3,471	1,893
Non-controlling interests		<u>328</u>	<u>(418)</u>	<u>2,257</u>	<u>1,074</u>
		<u>213</u>	<u>(5,215)</u>	<u>5,728</u>	<u>2,967</u>
(Loss)/Earnings per share attributable to owners of the Company					
Basic EPS (sen)	B10	(0.02)	(0.64)	0.46	0.25
Diluted EPS (sen)	B10	<u>(0.02)</u>	<u>(0.64)</u>	<u>0.46</u>	<u>0.25</u>

Notes:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023⁽¹⁾

	Note	Unaudited 30.9.2023 RM'000	Audited 31.12.2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		26,731	27,655
Inventories		88,580	71,803
Right-of-use assets		3,349	1,759
Trade receivables		439,372	464,989
		<u>558,032</u>	<u>566,206</u>
Current assets			
Inventories		55,498	78,655
Trade receivables		94,445	75,694
Contract assets		57,802	143,639
Other receivables, deposits and prepayments		14,763	18,708
Current tax assets		7,534	6,713
Fixed deposits with licensed banks		37,751	41,940
Cash and bank balances		70,641	52,314
		<u>338,434</u>	<u>417,663</u>
TOTAL ASSETS		<u>896,466</u>	<u>983,869</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		136,444	136,444
Reserves		309,154	305,683
Equity attributable to owners of the Company		445,598	442,127
Non-controlling interests		6,536	4,279
Total equity		<u>452,134</u>	<u>446,406</u>
Non-current liabilities			
Borrowings	B7	165,082	275,608
Deferred tax liabilities		74,121	75,299
		<u>239,203</u>	<u>350,907</u>
Current liabilities			
Trade payables		89,773	97,506
Contract liabilities		57,013	31,281
Other payables and accruals		17,734	14,924
Borrowings	B7	38,288	41,106
Current tax liabilities		2,321	1,739
		<u>205,129</u>	<u>186,556</u>
Total liabilities		<u>444,332</u>	<u>537,463</u>
TOTAL EQUITY AND LIABILITIES		<u>896,466</u>	<u>983,869</u>
Number of issued shares ('000)		753,000	753,000
Net asset per share attributable to Owners of the Company (RM)		0.59	0.59

Note:

(1) The basis of preparation of the unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD (3RD) QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023⁽¹⁾

	← Distributable →				
	Share Capital RM'000	Retained Profits RM'000	Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2022	136,444	309,061	445,505	5,494	450,999
(Loss)/profit for the financial year, representing total comprehensive (expenses)/income for the financial year	-	(3,378)	(3,378)	785	(2,593)
Contributions by and distribution to owners of the Company: - Dividends paid by the subsidiary to non-controlling interests	-	-	-	(2,000)	(2,000)
Balance at 31.12.2022 (Audited)	<u>136,444</u>	<u>305,683</u>	<u>442,127</u>	<u>4,279</u>	<u>446,406</u>
Balance at 1.1.2023	136,444	305,683	442,127	4,279	446,406
Profit for the financial period, representing total comprehensive income for the financial period	-	3,471	3,471	2,257	5,728
Balance at 30.9.2023 (Unaudited)	<u>136,444</u>	<u>309,154</u>	<u>445,598</u>	<u>6,536</u>	<u>452,134</u>

Notes:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD (3RD) QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023⁽¹⁾

	Unaudited 30.9.2023 RM'000	Audited 31.12.2022 RM'000
Cash flows from/(for) operating activities		
Profit before taxation	11,849	6,048
Adjustments for:-		
Depreciation of:		
- property, plant and equipment	1,080	1,549
- right-of-use assets	511	812
Impairment losses:		
- trade receivables	77	3,331
- other receivables	1,292	717
Finance costs	11,743	16,565
Accretion of fair value on non-current trade receivables	(17,992)	(25,383)
Gain on disposal of property, plant and equipment	(1)	(87)
Gain on lease modification	-	(5)
Reversal of impairment losses under MFRS 9		
- trade receivables	(1,322)	(9)
Property, plant and equipment written off	17	48
Finance income	(905)	(993)
Operating profit before working capital changes	<u>6,349</u>	<u>2,593</u>
Decrease/(Increase) in inventories	11,320	(10,642)
Decrease/(Increase) in contract assets	85,837	(44,857)
Decrease in trade and other receivables	28,758	62,113
(Decrease)/Increase in trade and other payables	(4,923)	20,292
Increase/(Decrease) in contract liabilities	<u>25,732</u>	<u>(5,935)</u>
Cash from operations	153,073	23,564
Income tax paid	<u>(7,539)</u>	<u>(12,906)</u>
Net cash from operating activities	<u>145,534</u>	<u>10,658</u>
Cash flows from/(for) investing activities		
Finance income received	905	993
(Placement)/withdrawal of pledged fixed deposits and with tenure more than 3 months	(2,178)	4,731
Proceeds from disposal of property, plant and equipment	-	87
Additions to properties held for future development	(4,940)	(3,880)
Purchase of property, plant and equipment	<u>(172)</u>	<u>(1,302)</u>
Net cash (for)/from investing activities	<u>(6,385)</u>	<u>629</u>

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THIRD (3RD) QUARTER FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023⁽¹⁾ (CONT'D)

	Unaudited	Audited
	30.9.2023	31.12.2022
	RM'000	RM'000
Cash flows from/(for) financing activities		
Dividends paid to non-controlling interests shareholders of a subsidiary	-	(2,000)
Drawdown of borrowings	30,062	40,396
Finance cost paid	(11,743)	(16,565)
Repayment of borrowings	(144,864)	(39,024)
Net cash for financing activities	<u>(126,545)</u>	<u>(17,193)</u>
Net increase/(decrease) in cash and cash equivalents	12,604	(5,906)
Cash and cash equivalents at beginning of financial period/year	<u>71,958</u>	<u>77,864</u>
Cash and cash equivalents at end of financial period/year	<u>84,562</u>	<u>71,958</u>
Cash and cash equivalents comprise:		
Fixed deposits placed with licensed banks	37,751	41,940
Cash and bank balances	70,641	52,314
Bank overdrafts	(4,281)	(4,925)
	<u>104,111</u>	<u>89,329</u>
Less: Fixed deposits pledged to licensed banks and with tenure more than 3 months	(19,549)	(17,371)
	<u>84,562</u>	<u>71,958</u>

Notes:

- (1) The basis of preparation of the unaudited Condensed Consolidated Statement of Cash Flow is disclosed in Note A1 and should be read together with the audited financial statements for the financial year ended 31 December 2022 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 2022 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 2022.

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 have been issued by the Malaysian Accounting Standard Board (“MASB”) and effective during the financial year:-

	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17 Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of the above accounting standards, amendments and interpretations is not expected to have any material impact on the Group’s financial statements.

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

A2. Summary of Significant Accounting Policies (Cont'd)

Standards issued but not yet effective

The Group has not adopted the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standards Board which are not yet effective for the Group. The Group intends to adopt the below mentioned new standards and amendments to standards when they become effective.

	Effective Date
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 2022.

A4. Seasonal or cyclical factors

The Group's performance has 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

There was no payment of dividend during the year.

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

A9. Segmental information

	Construction RM'000	Concession and Facility Management RM'000	Utility Services RM'000	Property Development RM'000	Others RM'000	Consolidation Adjustments RM'000	Total RM'000
30.9.2023							
Revenue							
External revenue	83,761	11,824	8,074	109,466	-	-	213,125
Inter-segment revenue	63,784	2,909	1,326	(2,088)	6,390	(72,321)	-
	<u>147,545</u>	<u>14,733</u>	<u>9,400</u>	<u>107,378</u>	<u>6,390</u>	<u>(72,321)</u>	<u>213,125</u>
Results							
Segment (loss)/profit	(356)	2,555	2,476	12,093	937	(11,372)	6,333
Accretion of fair value on non-current trade receivables	-	17,992	-	-	-	-	17,992
Impairment losses:							
- trade receivable	-	-	-	(77)	-	-	(77)
- other receivable	(1,292)	-	-	-	-	-	(1,292)
Depreciation:							
- property, plant and equipment	(775)	(48)	(376)	(122)	-	241	(1,080)
- right-of-use assets	(511)	-	-	-	-	-	(511)
Finance income	88	442	92	232	51	-	905
Finance costs	(464)	(7,639)	(44)	(6,072)	(39)	2,515	(11,743)
Reversal of impairment losses	543	765	14	-	-	-	1,322
Profit/(Loss) before taxation	<u>(2,767)</u>	<u>14,067</u>	<u>2,162</u>	<u>6,054</u>	<u>949</u>	<u>(8,616)</u>	<u>11,849</u>
Income tax expense	-	(3,850)	(26)	(1,918)	(327)	-	(6,121)
Profit/(Loss) after taxation	<u>(2,767)</u>	<u>10,217</u>	<u>2,136</u>	<u>4,136</u>	<u>622</u>	<u>(8,616)</u>	<u>5,728</u>
Assets							
Segment assets	116,009	511,994	17,591	227,319	22,949	(6,930)	888,932
Unallocated asset: Current tax assets							7,534
Consolidated total assets							<u>896,466</u>
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	65	2	27	80	-	-	174
- inventories - properties held for future development	-	-	-	4,940	-	-	4,940
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,940</u>	<u>-</u>	<u>-</u>	<u>4,940</u>
Liabilities							
Segment liabilities	100,477	170,585	4,105	92,507	1,790	(1,574)	367,890
Unallocated liabilities:							
- Deferred tax liabilities							74,121
- Current tax liabilities							2,321
Consolidated total liabilities							<u>444,332</u>

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

A9. Segmental information

	Construction RM'000	Concession and Facility Management RM'000	Utility Services RM'000	Property Development RM'000	Others RM'000	Consolidation Adjustments RM'000	Total RM'000
30.9.2022							
Revenue							
External revenue	83,014	11,829	3,295	80,848	-	-	178,986
Inter-segment revenue	73,405	2,764	440	1,813	6,390	(84,812)	-
	<u>156,419</u>	<u>14,593</u>	<u>3,735</u>	<u>82,661</u>	<u>6,390</u>	<u>(84,812)</u>	<u>178,986</u>
Results							
Segment profit	6,443	2,892	1,128	14,167	3,154	(21,138)	6,646
Accretion of fair value on non-current trade receivables	-	19,185	-	-	-	-	19,185
Impairment losses	(95)	(194)	-	(2,011)	-	-	(2,300)
Depreciation:							
- property, plant and equipment	(734)	(131)	(362)	(88)	-	145	(1,170)
- right-of-use assets	(721)	-	-	(18)	-	-	(739)
Finance income	107	369	19	37	49	-	581
Finance costs	(420)	(8,295)	-	(5,525)	(63)	2,145	(12,158)
Profit before taxation	4,580	13,826	785	6,562	3,140	(18,848)	10,045
Income tax expense	-	(3,848)	(152)	(2,950)	(220)	92	(7,078)
Profit after taxation	<u>4,580</u>	<u>9,978</u>	<u>633</u>	<u>3,612</u>	<u>2,920</u>	<u>(18,756)</u>	<u>2,967</u>
Assets							
Segment assets	122,075	548,554	14,476	259,920	19,218	(8,710)	955,533
Unallocated asset: Current tax assets							5,514
Consolidated total assets							<u>961,047</u>
Additions to non-current assets other than financial instruments:							
- property, plant and equipment	194	-	378	675	-	-	1,247
- inventories - properties held for future development	-	-	-	4,405	-	-	4,405
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,405</u>	<u>-</u>	<u>-</u>	<u>4,405</u>
Liabilities							
Segment liabilities	103,990	200,694	3,519	122,119	2,873	(2,107)	431,088
Unallocated liabilities:							
- Deferred tax liabilities							76,415
- Current tax liabilities							1,578
Consolidated total liabilities							<u>509,081</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

There were no material events subsequent to the end of the financial 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 30 September 2023.

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 30.9.2023
RM'000

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

90,196

A14. Capital commitments

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

A15. Related party transactions

There were no significant related party transactions as at the date of this interim report.

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 higher revenue of RM75.7 million in current quarter as compared to RM41.1 million in the preceding year corresponding quarter. The Group recorded a profit before tax of RM3.3 million in the current quarter as compared to a loss before tax of RM3.1 million in the corresponding quarter last year. The higher profit before tax for the current quarter was mostly due to higher revenue registered from the progress of construction and developments projects in the current quarter.

Results for financial year-to-date

The Group recorded a higher revenue of RM213.1 million for the current financial period as compared to RM179.0 million for the previous financial period. The Group recorded a higher profit before tax of RM11.8 million for the current financial period as compared to RM10.0 million in the previous financial period mainly attributable to higher revenue registered by the Group's property development and utilities segments in the current financial period.

B2. Comparison with immediate preceding quarter's results

The Group registered a higher revenue of RM75.7 million for the current financial quarter as compared to RM70.7 million in the preceding quarter. The Group recorded a profit before tax of RM3.3 million in the current quarter as compared to a profit before tax of RM5.6 million in the preceding quarter. The lower profit before tax for the current quarter was mainly due to the absence of facilitation fund in respect of a government affordable home projects.

B3. Commentary on prospects

The outlook for the property and construction sector has remained challenging with the volatile material prices. The Company will undertake necessary prudent measures to mitigate the impact in order to improve the Group's financial performance.

Despite the Group's construction order book which stands at approximately RM563 million and with continuous tendering for new jobs, the Board expects the performance of the construction segment to continue to be affected by the challenging operating environment of high material costs and labour shortage.

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

The property development segment is expected to contribute significantly for the financial year 2023 with the completion of Antara Residence Project and the Selindung Ulu Yam Project, the latter being a project under Rumah Selangorku ("RSKU") and PPAM affordable housing programme, and the progress of Rumah Idaman affordable homes project in Bukit Jelutong. The Group targets to launch the Rumah Idaman affordable homes projects in Kwasa Damansara with Gross Development Value of approximately RM440 million during first half of 2024. This segment has a total unbilled sale of RM143 million which is expected to be booked in as revenue over the next 2 years.

The Board of Directors is optimistic about the Group's ability to achieve satisfactory performance for financial year 2023.

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

	Current Quarter 30.9.2023 RM'000	Year-To- Date 30.9.2023 RM'000
Malaysian income tax		
- current year	3,397	6,932
- underprovision in prior years	367	367
Deferred tax asset	<u>(632)</u>	<u>(1,178)</u>
	<u>3,132</u>	<u>6,121</u>
Effective tax rates ⁽¹⁾	N/A	51.66%

Note:

- (1) The Group's effective tax rate for the financial year-to-date is higher than the statutory tax rate mainly due to certain expenses not being deductible for tax purpose from Property Development Companies, higher taxable income from collection of Availability Charges from Concession Projects and losses recorded by certain subsidiaries which cannot be recognised as deferred tax assets.

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 30 September 2023 are as follows:

	Unaudited As at 30.9.2023 RM'000
Current:	
Lease liabilities	692
Islamic financing / Term loan	13,315
Bonds	20,000
Bank overdraft	4,281
	<hr/>
	38,288
Non-current:	
Lease liabilities	1,817
Islamic financing / Term loan	103,265
Bonds	60,000
	<hr/>
	165,082
	<hr/>
Total	203,370
	<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. (Loss)/earnings per share

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

	Quarter Ended		Year-To-Date	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
(Loss)/profit attribute to owners of the Company (RM'000)	(115)	(4,797)	3,471	1,893
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) ⁽¹⁾	(0.02)	(0.64)	0.46	0.25
Diluted EPS (sen) ^{(1) & (2)}	(0.02)	(0.64)	0.46	0.25

Notes:

- (1) The basic (loss)/earnings per share is computed based on (loss)/profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue as at 30 September 2023.
- (2) Diluted (loss)/earnings per share is equivalent to the basic earnings per share of the Company for the individual quarter ended 30 September 2023 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

	Current Quarter	Year-To-Date
	30.9.2023	30.9.2023
	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Depreciation :		
- property, plant and equipment	361	1,080
- right-of-use asset	200	511
Impairment losses :		
- trade receivable	-	77
- other receivable	1,292	1,292
Finance cost	3,173	11,743
Accretion of fair value on non-current trade receivables	(5,895)	(17,992)
Finance income	(405)	(905)
Reversal of impairment losses	(931)	(1,322)

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.