

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(RM'000)	Note	3 MONTHS ENDED		6 MONTHS ENDED	
		30.6.2022 (unaudited)	30.6.2021 (unaudited)	30.6.2022 (unaudited)	30.6.2021 (unaudited)
Revenue		700,389	225,749	1,511,103	452,457
Expenses		(674,720)	(262,575)	(1,440,560)	(483,496)
Other operating income	13	27,982	8,139	35,442	17,222
Profit / (loss) from operations		53,651	(28,687)	105,985	(13,817)
Finance costs		(24,446)	(20,208)	(47,658)	(38,452)
Share of results of associates		(61)	4,792	3,630	9,014
Share of results of joint ventures		(1,043)	5,871	(2,089)	10,736
Profit / (loss) before tax		28,101	(38,232)	59,868	(32,519)
Income tax expense	15	(17,142)	(1,467)	(34,938)	(3,255)
Profit / (loss) for the financial period		10,959	(39,699)	24,930	(35,774)
Other comprehensive income / (loss) for the financial period, net of tax:					
Item that may be reclassified subsequently to profit or loss					
- currency translation differences		(1,111)	(730)	216	94
Total comprehensive income / (loss) for the financial period, net of tax		9,848	(40,429)	25,146	(35,680)
Profit / (loss) for the financial period attributable to:					
Equity holders of the Company		14,103	(32,416)	28,136	(27,214)
Non-controlling interests		(3,144)	(7,283)	(3,206)	(8,560)
		10,959	(39,699)	24,930	(35,774)
Total comprehensive income / (loss) for the financial period attributable to:					
Equity holders of the Company		12,992	(33,146)	28,352	(27,127)
Non-controlling interests		(3,144)	(7,283)	(3,206)	(8,553)
		9,848	(40,429)	25,146	(35,680)
Earnings / (loss) per share attributable to the ordinary equity holders of the Company (sen)	23				
- Basic		0.32	(0.73)	0.63	(0.61)
- Diluted		0.32	(0.73)	0.63	(0.61)

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(RM'000)	As at 30.6.2022 (unaudited)	As at 31.12.2021 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	692,112	704,207
Investment properties	1,487,025	1,478,255
Right-of-use assets	32,641	38,322
Inventories	2,048,966	1,951,952
Associates	463,786	473,897
Joint ventures	285,037	287,126
Long term loan and receivables	225,404	225,653
Amount due from joint ventures	80,956	80,010
Lease receivables	1,030	1,637
Intangible assets	213,021	215,661
Deferred tax assets	96,385	97,293
	<u>5,626,363</u>	<u>5,554,013</u>
Current assets		
Inventories	883,618	857,676
Trade and other receivables	1,259,174	1,424,636
Amount due from associates and joint ventures	22,674	20,400
Contract assets	737,584	643,387
Lease receivables	1,238	1,257
Tax recoverable	11,561	22,723
Financial assets at fair value through profit or loss	113,183	102,659
Deposits, cash and bank balances	583,841	578,707
	<u>3,612,873</u>	<u>3,651,445</u>
TOTAL ASSETS	<u><u>9,239,236</u></u>	<u><u>9,205,458</u></u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

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

(RM'000)	As at 30.6.2022 (unaudited)	As at 31.12.2021 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	4,356,106	4,356,106
Retained earnings	146,251	160,529
Other reserves	(7,599)	(3,958)
	<u>4,494,758</u>	<u>4,512,677</u>
Non-controlling interests	18,363	27,813
Total equity	<u>4,513,121</u>	<u>4,540,490</u>
Non-current liabilities		
Post-employment benefit obligations	17,940	17,406
Long term borrowings	1,465,213	1,453,625
Long term liabilities	378,049	366,789
Government grant	129,496	130,063
Deferred tax liabilities	73,898	73,703
Contract liabilities	140,258	140,258
Lease liabilities	27,784	31,001
Provision for restoration costs	865	840
	<u>2,233,503</u>	<u>2,213,685</u>
Current liabilities		
Trade and other payables	1,854,791	1,772,535
Current tax liabilities	32,498	23,533
Short term borrowings	574,296	478,572
Contract liabilities	15,991	128,518
Lease liabilities	7,185	9,099
Other liabilities	7,543	38,863
Provision for restoration costs	308	163
	<u>2,492,612</u>	<u>2,451,283</u>
Total liabilities	<u>4,726,115</u>	<u>4,664,968</u>
TOTAL EQUITY AND LIABILITIES	<u><u>9,239,236</u></u>	<u><u>9,205,458</u></u>
Net assets per share attributable to the equity holders of the Company (sen)	<u>100.6</u>	<u>101.0</u>

The condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

C. CONSOLIDATED STATEMENT OF CASH FLOWS

(RM'000)	6 MONTHS ENDED	
	30.6.2022 (unaudited)	30.6.2021 (unaudited)
Operating activities		
Cash receipts from customers	1,522,243	491,197
Cash paid to suppliers and employees	(1,525,750)	(585,593)
Cash used in operations	(3,507)	(94,396)
Bank service charges paid	(1,968)	(1,385)
Net taxes paid	(10,927)	(13,429)
Net cash used in operating activities	(16,402)	(109,210)
Investing activities		
Dividend received	13,537	12,528
Non-equity investments	(5,266)	31,831
Net cash generated from investing activities	8,271	44,359
Financing activities		
Dividend paid to equity holders	(52,515)	(19,717)
Proceeds from borrowings	387,624	488,942
Repayment of borrowings	(280,390)	(478,866)
Finance costs paid	(41,866)	(39,936)
Withdrawal/(Pledge) of restricted cash	40,256	(1,783)
Net cash generated from/(used in) financing activities	53,109	(51,360)
Net increase/(decrease) in cash and cash equivalent	44,978	(116,211)
Cash and cash equivalents at beginning of the financial period	479,863	431,287
Foreign currency translation difference on opening balance	413	146
Cash and cash equivalent at end of financial period	525,254	315,222

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

(RM'000)	6 MONTHS ENDED	
	30.6.2022 (unaudited)	30.6.2021 (unaudited)
Bank balances and deposits	583,841	426,130
Less: Bank balances and deposits held as security value	(58,587)	(110,908)
	525,254	315,222

The condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(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 period	-	-	28,136	28,136	(3,206)	24,930
Other comprehensive income						
Currency translation differences	-	216	-	216	-	216
Post-employment benefit obligations	-	(3,857)	3,857	-	-	-
Total comprehensive income / (loss)	-	(3,641)	31,993	28,352	(3,206)	25,146
Transaction with owners						
Acquisition of balance equity in a subsidiary	-	-	(1,596)	(1,596)	1,596	-
Dividends paid for financial year ended - 31 December 2021	-	-	(44,675)	(44,675)	(7,840)	(52,515)
Total transaction with owners	-	-	(46,271)	(46,271)	(6,244)	(52,515)
As at 30 June 2022 (unaudited)	4,356,106	(7,599)	146,251	4,494,758	18,363	4,513,121

(RM'000)	<u>OTHER RESERVES</u>			<u>Total</u>
	<u>Other Reserves</u>	<u>Currency Translation Reserves</u>	<u>Retirement Benefit Reserves</u>	
As at 1 January 2022	1,666	210	(5,834)	(3,958)
Other comprehensive income				
Currency translation differences	-	216	-	216
Post-employment benefit obligations	-	-	(3,857)	(3,857)
Total comprehensive income	-	216	(3,857)	(3,641)
As at 30 June 2022 (unaudited)	1,666	426	(9,691)	(7,599)

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

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

(RM'000)	<u>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</u>				Non-controlling Interests	Total Equity
	Share Capital	Other Reserves	Retained Earnings	Total		
As at 1 January 2021	4,331,702	5,211	213,721	4,550,634	10,112	4,560,746
Comprehensive income / (loss)						
Profit / (loss) for the financial year	-	-	15,834	15,834	(9,116)	6,718
Other comprehensive income / (loss)						
Currency translation differences	-	(802)	-	(802)	7	(795)
Post-employment benefits obligation	-	2	(2)	-	-	-
Total comprehensive income / (loss)	-	(800)	15,832	15,032	(9,109)	5,923
Transactions with owners						
Share-based payment transaction	-	(8,369)	996	(7,373)	-	(7,373)
Acquisition of balance equity in subsidiaries	-	-	(25,900)	(25,900)	25,900	-
Acquisition of a subsidiary	-	-	-	-	910	910
Issue of shares	-					
- Dividend reinvestment plan	24,404	-	-	24,404	-	24,404
Dividends paid for financial year ended	-					
- 31 December 2020	-	-	(44,120)	(44,120)	-	(44,120)
Total transactions with owners	24,404	(8,369)	(69,024)	(52,989)	26,810	(26,179)
As at 31 December 2021 (audited)	4,356,106	(3,958)	160,529	4,512,677	27,813	4,540,490

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)**

(RM'000)	OTHER RESERVES				Total
	Other Reserves	Currency Translation Reserves	Share Scheme Reserves	Retirement Benefit Reserves	
As at 1 January 2021	1,666	1,012	8,369	(5,836)	5,211
Other comprehensive (loss) / income					
Currency translation differences	-	(802)	-	-	(802)
Post-employment benefits obligation	-	-	-	2	2
Total comprehensive (loss) / income	-	(802)	-	2	(800)
Transactions with owners					
Share-based payment transaction	-	-	(8,369)	-	(8,369)
Total transactions with owners	-	-	(8,369)	-	(8,369)
As at 31 December 2021 (audited)	<u>1,666</u>	<u>210</u>	<u>-</u>	<u>(5,834)</u>	<u>(3,958)</u>

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**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 2021.

Below are the applicable new standards and amendments to standards and interpretations which came into effect in the current financial year beginning on 1 January 2022:

- (1) Amendments to MFRS 9 'Fees in the 10% test for derecognition of financial liabilities'
- (2) Amendments to MFRS 3 'Reference to Conceptual Framework'
- (3) Amendments to MFRS 116 'Proceeds before intended use'
- (4) Amendments to MFRS 137 'Onerous contracts—cost of fulfilling a contract'
- (5) Amendments to MFRS 16 'Leases' Illustrative Example 13

The adoption of the above Amendments to the MFRSs does 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.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**E. NOTES TO THE REPORT (cont'd)****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 period ended 30 June 2022:

Borrowings

Repayment of Sukuk Murabahah:

Issuance No	Series No	Issue Date	Maturity Date	Nominal Value	Tenor
2	1	12 April 2021	13 April 2022	RM200,000,000	1 year

Issuance of Sukuk Murabahah:

Issuance No	Series No	Issue Date	Maturity Date	Nominal Value	Tenor
4	1	13 April 2022	14 April 2023	RM200,000,000	1 year

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

7. DIVIDENDS

The Company paid a first and final single tier dividend in respect of the financial year ended 31 December 2021 of 1.00 sen per ordinary share, amounting to RM44,675,095 on 20 May 2022.

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



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
6 months ended 30.6.2022					
Total revenue	336,799	1,379,815	22,996	84,929	1,824,539
Inter-segment revenue	(4,895)	(227,466)	(2,241)	(78,834)	(313,436)
External revenue	331,904	1,152,349	20,755	6,095	1,511,103
Segment profit	43,183	55,733	1,834	2,535	103,285
Unallocated corporate expenses					(4,467)
Finance income					7,167
Finance costs					(47,658)
Share of results of associates and joint ventures	5,505	(3,964)	-	-	1,541
Profit before tax					59,868



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

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
6 months ended 30.6.2021					
Total revenue	287,050	295,615	19,510	80,738	682,913
Inter-segment revenue	(12,131)	(139,191)	(1,653)	(77,481)	(230,456)
External revenue	274,919	156,424	17,857	3,257	452,457
Segment profit / (loss)	16,458	(32,982)	560	(632)	(16,596)
Unallocated corporate expenses					(3,951)
Finance income					6,730
Finance costs					(38,452)
Share of results of associates and joint ventures	6,481	13,269	-	-	19,750
Loss before tax					(32,519)

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**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

There was no material event subsequent to the end of the financial quarter ended 30 June 2022 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 for the financial quarter under review.

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(RM'000)	As at 30.6.2022	As at 31.12.2021
Performance guarantees extended to third parties *	958,404	972,924

* 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 on the performance guarantees pending determination of the dispute between the parties via Arbitration. The Arbitration process commenced in 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

Included in Other Operating Income for the financial quarter under review was RM18.0 million being the value of the remaining balance of land injected into Seri Iskandar Development Corporation Sdn Bhd ("SIDEK").

Save as disclosed, there were no other 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 JUNE 2022

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		6 MONTHS ENDED	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
Depreciation of:				
- investment properties	(3,080)	(2,978)	(6,159)	(5,956)
- property, plant and equipment	(6,518)	(4,602)	(13,665)	(9,208)
(Amortisation) / recognition of:				
- order book	(905)	(470)	(1,889)	(1,113)
- right-of-use assets	(1,804)	(4,489)	(4,999)	(9,112)
- government grant	284	286	568	431
- patent	(306)	(306)	(611)	(611)

15. INCOME TAX EXPENSE

(RM'000)	3 MONTHS ENDED		6 MONTHS ENDED	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
In Malaysia				
Current tax	(15,550)	(4,066)	(32,807)	(10,945)
(Under) / Over provision in prior years	(833)	492	(833)	1,156
Deferred tax	(995)	1,828	(1,826)	6,237
	<u>(17,378)</u>	<u>(1,746)</u>	<u>(35,466)</u>	<u>(3,552)</u>
Foreign				
Current tax	(130)	22	(178)	5
Deferred tax	366	257	706	292
	<u>236</u>	<u>279</u>	<u>528</u>	<u>297</u>
Income tax expense	<u>(17,142)</u>	<u>(1,467)</u>	<u>(34,938)</u>	<u>(3,255)</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

There were no corporate proposals announced that are yet to be completed at the date of this report.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**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 30.6.2022			
Secured	1,465,213	424,296	1,889,509
Unsecured	-	150,000	150,000
	1,465,213	574,296	2,039,509
As at 30.6.2021			
Secured	1,235,170	560,374	1,795,544
Unsecured	-	150,000	150,000
	1,235,170	710,374	1,945,544

The net increase of RM94.0 million in the Group's borrowings compared to 30 June 2021 was mainly due to two issuances of Sukuk Murabahah of RM600.0 million on 18 October 2021 and RM200.0 million on 13 April 2022 as further described in Note 6. The proceeds were used for the repayment of other project financing and working capital facilities amounting to approximately RM506.0 million.

As at 30 June 2022, the borrowings consisted of:

Secured term loans

- (a) Financing facility of RM217.8 million for the Group's working capital;
- (b) Sukuk Murabahah Program totaling RM1,409.5 million, comprising RM1,400.0 million principal and RM9.5 million accrued profits, for the Group's working capital; and
- (c) Other project loans of RM262.2 million for the Group's on-going property development 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 June 2022 were denominated in Ringgit Malaysia. The weighted average interest rate as at 30 June 2022 was 4.37% per annum (30 June 2021: 3.83%).

The Group's Net Gearing as at 30 June 2022 was 0.30 times (30 June 2021: 0.28 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 JUNE 2022

E. NOTES TO THE REPORT (cont'd)

19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 MONTHS ENDED		VARIANCE (Value / %)	6 MONTHS ENDED		VARIANCE (Value / %)
(RM'000)	30.6.2022	30.6.2021		30.6.2022	30.6.2021	
Revenue	700,389	225,749	474,640 210%	1,511,103	452,457	1,058,646 234%
Operating profit / (loss)	53,651	(28,687)	82,338 287%	105,985	(13,817)	119,802 867%
Profit / (loss) before interest and tax	49,494	(31,589)	81,083 257%	98,818	(20,547)	119,365 581%
Profit / (loss) before tax	28,101	(38,232)	66,333 174%	59,868	(32,519)	92,387 284%
Profit / (loss) after tax	10,959	(39,699)	50,658 128%	24,930	(35,774)	60,704 170%
Total profit / (loss) attributable to equity holders of the Company	14,103	(32,416)	46,519 144%	28,136	(27,214)	55,350 203%

In the six months ended 30 June 2022, the Group recorded revenue and profit before tax of RM1,511.1 million and RM59.9 million respectively, compared to revenue of RM452.5 million and a loss before tax of RM32.5 million recorded in the corresponding period in 2021. The improved performance was mainly due to more normalised operations after two years of COVID-19 disruptions, which resulted in increased revenue and profit recognition from construction progress. The Group's stronger performance was further aided by the consolidation and construction progress of the LRT3 project company Setia Utama LRT3 Sdn Bhd ("SULSB"), despite shortages in labour supply and key building materials; and Other Operating Income of RM18 million being the value of the remaining balance of land injected into SIDEDEC as described in Note 13.

During first half of 2022, whilst Malaysia had transitioned to the COVID-19 endemic phase from 1 April 2022, construction operations continued to face disruptions in its supply chain, which led to a shortage of workers and essential building materials.

Operating profits were mainly derived from the LRT3 project, which reached physical construction progress of 74% and financial progress of 67% at the end of June 2022. Additional contributions also came from the sale of completed unsold inventory and on-going property development projects, namely Sentral Suites in KL Sentral, the 9 Seputeh mixed residential developments in Jalan Klang Lama and Alstonia in Bukit Rahman Putra.

The Group's 27.94% equity owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd, contributed a combined profit after tax of RM8.0 million to the Group compared with RM9.4 million in the preceding financial quarter ended 30 June 2021.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

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		6 MONTHS ENDED	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
<u>Revenue</u>				
Property development & investment	145,308	142,757	331,904	274,919
Engineering, construction & environment	539,813	71,990	1,152,349	156,424
Facilities management & parking	11,304	8,967	20,755	17,857
Others	3,964	2,035	6,095	3,257
	<u>700,389</u>	<u>225,749</u>	<u>1,511,103</u>	<u>452,457</u>
(RM'000)	3 MONTHS ENDED		6 MONTHS ENDED	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
<u>Profit / (loss)</u>				
Property development & investment	22,121	3,340	43,183	16,458
Engineering, construction & environment	30,051	(31,337)	55,733	(32,982)
Facilities management & parking	(349)	127	1,834	560
Others	478	(5,043)	2,535	(632)
	<u>52,301</u>	<u>(32,913)</u>	<u>103,285</u>	<u>(16,596)</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 RM331.9 million in the first six months of 2022. The 21% increase was largely due to improved operating conditions compared to the corresponding period in 2021, which was impacted by the different phases of Movement Control Orders and mandated lockdowns, the closure of foreign borders and construction site closures that affected construction progress. There was also an encouraging growth in property sales in Q2 2022 as the economy re-opened and began to normalise, however this was limited to sales from the domestic market, and the sales to foreign purchasers remained almost non-existent.

The main revenue contributors were the Group's on-going property development projects, namely Sentral Suites in KL Sentral, the 9 Seputeh mixed residential development in Jalan Klang Lama and Alstonia in Bukit Rahman Putra. Recurring rental income from the Group's investment properties, such as Celcom Tower in PJ Sentral Garden City, also contributed to the revenue recognised by the Division.

The Division also saw a 162% increase in operating profit in the first half of 2022 compared to the corresponding period in 2021, largely as a result of its on-going property development projects achieving higher construction progress. As at 30 June 2022, two of the Group's largest property development projects, Sentral Suites and TRIA 9 Seputeh, reached construction progress of 75% and 80% respectively, and will continue to contribute revenue and profits as sales improve and construction progresses.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

E. NOTES TO THE REPORT (cont'd)

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

(i) Property Development & Investment (cont'd)

In addition, profit for the year was also bolstered by a RM18 million contribution recorded under Other Operating Income being the value of the remaining balance of land injected into SIDEC.

The Group's 27.94% equity owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd, contributed a combined profit after tax of RM8.0 million to the Group compared with RM9.4 million in the preceding financial quarter ended 30 June 2021.

(ii) Engineering, Construction & Environment

The Engineering, Construction & Environment Division recorded Revenue of RM1,152.3 million in the first six months of 2022 compared to RM156.4 million in the corresponding period. The increase was mainly due to improved operating conditions compared to the corresponding period in 2021, which was impacted by the different phases of Movement Control Orders and mandated lockdowns, the closure of foreign borders and construction site closures that affected construction progress and the consolidation of the LRT3 project company SULSB, which took MRCB's ownership to 100% and allowed the Group to recognise 100% of the revenues and profits from the project in the current financial year.

Apart from the LRT3 project, which was impacted by disruptions in its supply chain leading to a shortage of workers and essential building materials, the Division's revenue was also contributed by the construction progress of the Menara KWSP at Kwasa Damansara, Damansara-Shah Alam Elevated Highway Package CB2 ("DASH"), Mass Rapid Transit 2 Package V210 ("MRT2"), Sungai Besi-Ulu Kelang Elevated Expressway Package CA2 ("SUKU") and the PR1MA Brickfields Project.

The Division's operating profit of RM55.7 million in the six months to 30 June 2022 was also largely due to the LRT3 project, which reached physical construction progress of 74% and financial progress of 67% as at 30 June 2022.

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

	CURRENT QUARTER	IMMEDIATE PRECEDING QUARTER	VARIANCE (Value / %)
(RM'000)	30.6.2022	31.3.2022	
Revenue	700,389	810,714	(110,325) / (14%)
Operating profit	53,651	52,334	1,317 / 3%
Profit before interest and tax	49,494	49,324	170 / 0%
Profit before tax	28,101	31,767	(3,666) / (12%)
Profit after tax	10,959	13,971	(3,012) / (22%)
Total profit attributable to equity holders of the Company	14,103	14,033	70 / 1%

The Group recorded revenue and profit before taxation of RM700.4 million and RM28.1 million respectively, in the quarter ended 30 June 2022, compared to revenue of RM810.7 million and profit before taxation of RM31.8 million recorded in the preceding quarter ended 31 March 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**E. NOTES TO THE REPORT (cont'd)****20. FINANCIAL REVIEW FOR THE QUARTER UNDER REVIEW COMPARED WITH THE IMMEDIATE PRECEDING QUARTER (cont'd)**

The lower revenue recorded in the current quarter compared to the preceding quarter was mainly due to lower revenue recognition from the LRT3 project, which was impacted by disruptions in its supply chain leading to a shortage of workers and essential building materials, and slowing down construction progress.

The profit before taxation for both quarters remained comparable.

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 at 30 June 2022, the Group's Property Development & Investment Division saw an increasing trend in sales and sold RM250.1 million worth of properties from its completed and on-going developments.

Of the Group's residential projects currently in development, Sentral Suites has achieved a sales rate of 83%, TRIA in 9 Seputeh has achieved a sales rate of 49% and Alstonia in Bukit Rahman Putra a sales rate of 39%. The Division will continue to focus its marketing efforts on its residential development projects, namely Sentral Suites in KL Sentral (GDV: RM1,535 million), TRIA in 9 Seputeh (GDV: RM939 million) and Alstonia in Bukit Rahman Putra (GDV: RM248 million), as well as the remaining completed unsold units in VIVO Residences in 9 Seputeh, Kalista Park Homes in Bukit Rahman Putra, and the remaining 3 units at 1060 Carnegie in Melbourne, Australia. Of the Group's completed developments, as at 30 June 2022, VIVO Residences in 9 Seputeh had achieved a sales rate of 84% and Kalista in Bukit Rahman Putra 88%. In Melbourne, while 1 unit was sold in Q2 2022, 2 units achieved financial settlement resulting in a total of 173 units having achieved financial settlement as at 30 June 2022, out of a total of 176 units available for sale.

Revenue and operating profit in the Property Development & Investment Division will continue to be progressively recognised in line with construction progress in 2022 and beyond. Sentral Suites and TRIA have both reached 75% and 80% construction progress respectively, while Alstonia has reached 39% construction progress as at 30 June 2022, and these three developments will continue to contribute revenue and profits as construction progresses.

The Company's immediate priorities in 2022 remain on enhancing cashflow by monetising its inventory of unsold completed stock, which stood at RM349.0 million on 30 June 2022, and looks forward to improved sales from foreign buyers with the opening of borders, particularly for our VIVO 9 Seputeh development and St Regis units.

In the meantime, the Group will continue to closely monitor conditions in the broader economy and property market, revising its strategies and financial targets accordingly, including reviewing its future launches if conditions dictate.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

E. NOTES TO THE REPORT (cont'd)

21. PROSPECTS (cont'd)

(i) Property Development & Investment (cont'd)

With interests in 1,105.25 acres of urban land with a GDV of RM33 billion, the Group has a sustainable supply of long-term land for future projects. The Division has cumulative unbilled sales of RM706.7 million, which will be recognised progressively over the construction period of the development projects:

On-going Property Development Projects	Construction Progress (%)	Unbilled Sales (RM'Mil)
Sentral Suites	75%	464.7
TRIA, 9 Seputeh	80%	186.8
Alstonia, Bukit Rahman Putra	39%	46.3
Amaryllis, SIDEC	53%	8.9
TOTAL		706.7

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

(ii) Engineering, Construction & Environment

The Engineering, Construction & Environment Division continues to actively tender for more 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 tenders stood at RM35 million as at 30 June 2022, after many previous project tenders were indefinitely postponed due to the pandemic. However, the tender book does not include project proposals submitted that are undergoing direct negotiations, for example the Shah Alam Stadium project and flood mitigation solutions, or the MRT3 project, which is still in the tender process. As at 30 June 2022, the external client order book stood at RM27.2 billion, while the unbilled portion was RM18.4 billion. This long-term order book will ensure that the Division has a steady pipeline of contracts to sustain its business over the very long term, including the LRT3 project, which is due to be completed in 2024, and has achieved physical construction progress of 74% and financial progress of 67% as at 30 June 2022.

Major Construction Projects	Contract Value (RM'Mil)	Completion* (%)
LRT 3	11,372	67%
Bukit Jalil Sentral	10,957	0%
Kwasa Utama C8	2,667	100%**
MRT2 Package V210	497	92%
DASH	400	89%
Muara Sg. Pahang (Phase 3)	380	0%
SUKE	317	78%
PR1MA Brickfields	276	31%
Others	373	
Total	27,239	

* Denotes financial progress.

** Refers only to the portion that has been awarded and is on-going. The remaining RM2.5 billion of the total contract value has not yet been awarded.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

E. NOTES TO THE REPORT (cont'd)

22. VARIANCE ON FORECAST PROFIT/PROFIT GUARANTEE

Not applicable.

23. EARNINGS PER SHARE (EPS)

Basic EPS

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

	3 MONTHS ENDED		6 MONTHS ENDED	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
Net profit / (loss) for the financial period attributable to the owners of the parent (RM'000)	14,103	(32,416)	28,136	(27,214)
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,425,223	4,467,510	4,425,223
Basic EPS (sen)	0.32	(0.73)	0.63	(0.61)

Diluted EPS

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

	3 MONTHS ENDED		6 MONTHS ENDED	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
Net profit / (loss) for the financial period attributable to the owners of the parent (RM'000)	14,103	(32,416)	28,136	(27,214)
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,425,223	4,467,510	4,425,223
- Adjustment for warrants B ('000)	-	-	-	-
- Adjustment for ordinary shares not yet granted under Restricted Share Plan ('000)	-	(1,062)	-	10,239
	4,467,510	4,424,161	4,467,510	4,435,462
Diluted EPS (sen)	0.32	(0.73)	0.63	(0.61)

Warrants B were not included in the calculation for the financial period under review because the fair value of the issued ordinary shares as at 30 June 2022 was lower than warrant B's exercise price. Accordingly, there is no bonus element in the outstanding shares for the purpose of computing the dilution.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**E. NOTES TO THE REPORT (cont'd)****24. TRADE RECEIVABLES**Exposure to credit risk, credit quality and collateral

Given the varied nature of the Group's customer base, the following analysis of trade receivables by type of customers are considered the most appropriate disclosure of credit concentration.

(RM'000)	As at 30.6.2022	As at 31.12.2021
Property development	132,055	115,534
Property investment	22,506	22,846
Engineering, construction & environment	726,475	909,619
Facilities management & parking	4,086	4,560
Others	4,139	2,848
	<u>889,261</u>	<u>1,055,407</u>
Retention sums for contracts included in trade receivables under engineering, construction & environment	<u>679,436</u>	<u>688,329</u>

Impairment losses

(a) Property development

Generally, property units sold are progressively invoiced and settled by end-buyers' financiers posing minimal credit risk. The Group experiences a low risk of default from its property development activities as sales of development units are made to a large number of property purchasers with end financing facilities from reputable end-financiers, and the ownership and rights to the properties revert to the Group in the event of default. In view of that, the Group has not recognised any further impairment losses in respect of trade receivables arising from its property development.

(b) Engineering, construction & environment

The Group is exposed to significant concentration of credit risk to a few customers, mainly consisting of Government-linked Companies ("GLCs"). The expected credit loss rate on the amounts outstanding from GLCs are determined subsequent to considering the capacity of the GLCs in meeting their contractual cash flow obligations in the near term and the economic and business conditions in the longer term.

The closing allowances for trade receivables of the engineering, construction and environmental segment as at 30 June 2022 was RM49.3 million (31 December 2021: RM49.3 m).

(c) Property investment and facilities management & parking

The Group applies MFRS 9 'Financial Instruments' simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables in its property investment and facilities management & parking segments.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

E. NOTES TO THE REPORT (cont'd)

24. TRADE RECEIVABLES (cont'd)

Impairment losses (cont'd)

(c) Property investment and facilities management & parking (cont'd)

The loss allowances as at 30 June 2022 and 31 December 2021 were determined as follows for trade receivables in the property investment and facilities management & parking segments:

The ageing of trade receivables of the Group arising from the property investment and facilities management & parking segments as at the end of the financial quarter under review were as follows:

	Gross (RM'000)	Individual impairment (RM'000)	Expected loss rate (%)	Collective impairment (RM'000)	Net (RM'000)
30.6.2022					
Not past due	326	-	-	-	326
Past due					
- less than three months	3,738	-	-	-	3,738
- between three to six months	1,269	(191)	-	-	1,078
- between six months and one year	1,758	(637)	-	-	1,121
- more than one year	19,501	(12,685)	-	-	6,816
	<u>26,592</u>	<u>(13,513)</u>	<u>-</u>	<u>-</u>	<u>13,079</u>
31.12.2021					
Not past due	512	-	-	-	512
Past due					
- less than three months	4,277	(201)	-	-	4,076
- between three to six months	4,100	(381)	-	-	3,719
- between six months and one year	4,503	(568)	-	-	3,935
- more than one year	14,014	(12,220)	-	-	1,794
	<u>27,406</u>	<u>(13,370)</u>	<u>-</u>	<u>-</u>	<u>14,036</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**E. NOTES TO THE REPORT (cont'd)****24. TRADE RECEIVABLES (cont'd)**Impairment losses (cont'd)

(c) Property investment and facilities management & parking (cont'd)

The closing allowances for the Group's trade receivables in the property investment and facilities management & parking segments as at 30 June 2022 reconcile to the opening loss allowances as follows:

(RM'000)	As at 30.6.2022	As at 31.12.2021
Opening loss allowance as at 1 January	13,370	8,876
Impairment loss recognised	459	4,906
Impairment loss reversed	(316)	(362)
Impairment loss written off	-	(50)
As at 30 June 2022 / 31 December 2021	<u>13,513</u>	<u>13,370</u>

Kuala Lumpur
30 August 2022

By Order of the Board

Mohd Noor Rahim Yahaya
Company Secretary