

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(RM'000)	Note	3 MONTHS ENDED		3 MONTHS ENDED	
		31.3.2023 (unaudited)	31.3.2022 (unaudited)	31.3.2023 (unaudited)	31.3.2022 (unaudited)
Revenue		742,241	810,714	742,241	810,714
Expenses		(705,995)	(765,840)	(705,995)	(765,840)
Other operating income	13	11,685	7,460	11,685	7,460
Profit from operations		47,931	52,334	47,931	52,334
Finance costs		(27,852)	(23,212)	(27,852)	(23,212)
Share of results of associates		1,804	3,691	1,804	3,691
Share of results of joint ventures		(1,333)	(1,046)	(1,333)	(1,046)
Profit before tax		20,550	31,767	20,550	31,767
Income tax expense	15	(11,970)	(17,796)	(11,970)	(17,796)
Profit for the financial period		8,580	13,971	8,580	13,971
Other comprehensive income for the financial period, net of tax:					
Item that may be reclassified subsequently to profit or loss					
- currency translation differences		(421)	1,327	(421)	1,327
Total comprehensive income for the financial period, net of tax		8,159	15,298	8,159	15,298
Profit for the financial period attributable to:					
Equity holders of the Company		8,473	14,033	8,473	14,033
Non-controlling interests		107	(62)	107	(62)
		8,580	13,971	8,580	13,971
Total comprehensive income for the financial period attributable to:					
Equity holders of the Company		8,052	15,360	8,052	15,360
Non-controlling interests		107	(62)	107	(62)
		8,159	15,298	8,159	15,298
Earnings per share attributable to the ordinary equity holders of the Company (sen)	23				
- Basic		0.19	0.31	0.19	0.31
- Diluted		0.19	0.31	0.19	0.31

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

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(RM'000)	As at 31.3.2023 (unaudited)	As at 31.12.2022 (audited)
ASSETS		
Non-current assets		
Property, plant and equipment	718,701	699,151
Investment properties	1,530,313	1,534,900
Right-of-use assets	46,829	79,734
Inventories	2,039,278	2,026,405
Associates	471,795	458,092
Joint ventures	281,227	282,560
Long term loan and receivables	221,421	239,639
Amount due from joint ventures	79,455	80,793
Intangible assets	193,231	194,796
Deferred tax assets	95,784	85,240
	<u>5,678,034</u>	<u>5,681,310</u>
Current assets		
Inventories	723,122	785,196
Trade and other receivables	1,395,819	1,328,267
Amount due from associates and joint ventures	23,032	21,595
Contract assets	1,058,174	805,609
Lease receivables	54	136
Tax recoverable	16,548	12,260
Financial assets at fair value through profit or loss	32,231	60,627
Deposits, cash and bank balances	854,622	533,640
	<u>4,103,602</u>	<u>3,547,330</u>
TOTAL ASSETS	<u>9,781,636</u>	<u>9,228,640</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)**

(RM'000)	As at 31.3.2023 (unaudited)	As at 31.12.2022 (audited)
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	4,356,106	4,356,106
Retained earnings	191,437	182,964
Other reserves	(8,318)	(7,897)
	<u>4,539,225</u>	<u>4,531,173</u>
Non-controlling interests	5,646	5,539
Total equity	<u>4,544,871</u>	<u>4,536,712</u>
Non-current liabilities		
Post-employment benefit obligations	18,053	17,780
Long term borrowings	1,670,857	1,215,946
Long term liabilities	392,283	386,962
Government grant	128,572	128,928
Deferred tax liabilities	62,662	62,841
Contract liabilities	140,258	140,258
Lease liabilities	30,659	41,032
Provision for restoration costs	903	890
	<u>2,444,247</u>	<u>1,994,637</u>
Current liabilities		
Trade and other payables	1,829,837	1,765,046
Current tax liabilities	29,609	34,558
Short term borrowings	906,912	840,780
Contract liabilities	11,192	41,000
Lease liabilities	7,490	8,364
Other liabilities	7,478	7,543
	<u>2,792,518</u>	<u>2,697,291</u>
Total liabilities	<u>5,236,765</u>	<u>4,691,928</u>
TOTAL EQUITY AND LIABILITIES	<u><u>9,781,636</u></u>	<u><u>9,228,640</u></u>
Net assets per share attributable to the equity holders of the Company (sen)	<u>101.6</u>	<u>101.4</u>

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

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**C. CONSOLIDATED STATEMENT OF CASH FLOWS**

(RM'000)	3 MONTHS ENDED	
	31.3.2023 (unaudited)	31.3.2022 (unaudited)
Operating activities		
Cash receipts from customers	438,263	828,192
Cash paid to suppliers and employees	(622,875)	(871,248)
Cash used in operations	(184,612)	(43,056)
Bank service charges paid	(2,180)	(1,106)
Net taxes paid	(32,545)	(9,490)
Net cash used in operating activities	(219,337)	(53,652)
Investing activities		
Dividend received	11,220	13,512
Non-equity investments	32,676	40,369
Net cash generated from investing activities	43,896	53,881
Financing activities		
Proceeds from borrowings	645,057	179,775
Repayment of borrowings	(127,465)	(19,954)
Finance costs paid	(21,155)	(16,981)
Withdrawal of restricted cash	(214,659)	(177,650)
Net cash generated from/(used in) financing activities	281,778	(34,810)
Net increase/(decrease) in cash and cash equivalent	106,337	(34,581)
Cash and cash equivalents at beginning of the financial period	465,598	479,863
Foreign currency translation difference on opening balance	(13)	4,769
Cash and cash equivalent at end of financial period	571,922	450,051

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

(RM'000)	3 MONTHS ENDED	
	31.3.2023 (unaudited)	31.3.2022 (unaudited)
Bank balances and deposits	854,622	726,545
Less: Bank balances and deposits held as security value	(282,700)	(276,494)
	571,922	450,051

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

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(RM'000)	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY					Total Equity
	Share Capital	Other Reserves	Retained Earnings	Total	Non-controlling Interests	
As at 1 January 2023	4,356,106	(7,897)	182,964	4,531,173	5,539	4,536,712
Comprehensive income						
Profit / (loss) for the financial period	-	-	8,473	8,473	107	8,580
Other comprehensive loss						
Currency translation differences	-	(421)	-	(421)	-	(421)
Total comprehensive income / (loss)	-	(421)	8,473	8,052	107	8,159
Transaction with owners						
Total transaction with owners	-	-	-	-	-	-
As at 31 March 2023 (unaudited)	<u>4,356,106</u>	<u>(8,318)</u>	<u>191,437</u>	<u>4,539,225</u>	<u>5,646</u>	<u>4,544,871</u>

(RM'000)	OTHER RESERVES			Total
	Other Reserves	Currency Translation Reserves	Retirement Benefit Reserves	
As at 1 January 2023	1,666	128	(9,691)	(7,897)
Other comprehensive income				
Currency translation differences	-	(421)	-	(421)
Total comprehensive income	-	(421)	-	(421)
As at 31 March 2023 (unaudited)	<u>1,666</u>	<u>(293)</u>	<u>(9,691)</u>	<u>(8,318)</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

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

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

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

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

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**D. NOTES TO THE REPORT****1. BASIS OF PREPARATION**

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

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

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

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

2. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

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

3. SEASONAL OR CYCLICAL FLUCTUATIONS

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

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

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

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS REPORTED

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

6. CHANGES IN DEBT AND EQUITY SECURITIES

The following are the changes in debt securities for the Company during the financial period ended 31 March 2023:

Borrowings

Issuance of Sukuk Murabahah:

Issuance No	Series No	Issue Date	Maturity Date	Nominal Value	Tenor
5	1	28 February 2023	28 February 2026	RM200,000,000	3 years
5	2	28 February 2023	28 February 2027	RM150,000,000	4 years
5	3	28 February 2023	28 February 2029	RM100,000,000	6 years

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



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

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

7. DIVIDENDS

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

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



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
3 months ended 31.3.2023					
Total revenue	269,568	560,587	15,791	40,428	886,374
Inter-segment revenue	(1,601)	(102,090)	(3,511)	(36,931)	(144,133)
External revenue	267,967	458,497	12,280	3,497	742,241
Segment profit / (loss)	33,317	7,221	(113)	4,321	44,746
Unallocated corporate expenses					(2,277)
Finance income					5,462
Finance costs					(27,852)
Share of results of associates and joint ventures	471	-	-	-	471
Profit before tax					20,550



UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

E. NOTES TO THE REPORT (cont'd)

8. SEGMENTAL REPORTING (cont'd)

(RM'000)	Property Development & Investment	Engineering, Construction & Environment	Facilities Management & Parking	Others	Total
3 months ended 31.3.2022					
Total revenue	190,185	725,364	10,211	44,091	969,851
Inter-segment revenue	(3,589)	(112,828)	(760)	(41,960)	(159,137)
External revenue	186,596	612,536	9,451	2,131	810,714
Segment profit	21,062	25,682	2,183	2,057	50,984
Unallocated corporate expenses					(1,660)
Finance income					3,010
Finance costs					(23,212)
Share of results of associates and joint ventures	2,638	7	-	-	2,645
Profit before tax					31,767

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**E. NOTES TO THE REPORT (cont'd)****9. VALUATIONS OF PROPERTY, PLANT & EQUIPMENT**

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

10. MATERIAL EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

There was no material event subsequent to the end of the financial quarter ended 31 March 2023 that has not been reflected in this report.

11. CHANGES IN THE COMPOSITION OF THE GROUP

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

12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(RM'000)	As at 31.3.2023	As at 31.12.2022
Performance guarantees extended to third parties *	948,716	963,215

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

There were no material contingent assets to be disclosed.

13. OTHER OPERATING INCOME

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

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

E. NOTES TO THE REPORT (cont'd)

14. PROFIT / (LOSS) FROM OPERATIONS

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

(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Depreciation of:				
- investment properties	(3,314)	(3,079)	(3,314)	(3,079)
- property, plant and equipment	(9,602)	(7,147)	(9,602)	(7,147)
(Amortisation) / recognition of:				
- order book	(1,328)	(984)	(1,328)	(984)
- right-of-use assets	(2,608)	(3,195)	(2,608)	(3,195)
- government grant	356	284	356	284
- patent	(243)	(306)	(243)	(306)

15. INCOME TAX EXPENSE

(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
In Malaysia				
Current tax	(23,906)	(17,257)	(23,906)	(17,257)
Over provision in prior years	1,184	-	1,184	-
Deferred tax	9,282	(831)	9,282	(831)
	<u>(13,440)</u>	<u>(18,088)</u>	<u>(13,440)</u>	<u>(18,088)</u>
Foreign				
Current tax	-	(48)	-	(48)
Deferred tax	1,470	340	1,470	340
	<u>1,470</u>	<u>292</u>	<u>1,470</u>	<u>292</u>
Income tax expense	<u>(11,970)</u>	<u>(17,796)</u>	<u>(11,970)</u>	<u>(17,796)</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 31 MARCH 2023**E. NOTES TO THE REPORT (cont'd)****17. GROUP BORROWINGS**

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

(RM'000)	Long term	Short term	Total
As at 31.3.2023			
Secured	1,670,857	756,912	2,427,769
Unsecured	-	150,000	150,000
	1,670,857	906,912	2,577,769
As at 31.3.2022			
Secured	1,464,211	480,140	1,944,351
Unsecured	-	150,000	150,000
	1,464,211	630,140	2,094,351

The net increase of RM483.4 million in the Group's borrowing compared to 31 March 2022 was mainly due to the issuance of Sukuk Murabahah of RM450.0 million on 28 February 2023 as described in Note 6. The proceeds were used for the repayment of other project financing and working capital. In addition, further drawdowns and repayments of project financing were made according to the progress of the Group's projects.

As at 31 March 2023, the borrowings consisted of:

Secured term loans

- Financing facility of RM224.9 million for the Group's working capital;
- Sukuk Murabahah Program totaling RM1,864.0 million, comprising RM1,850.0 million principal and RM14.0 million accrued profits, for the Group's working capital; and
- Other project loans of RM338.9 million for the Group's on-going property developments and construction projects.

Unsecured short-term loans

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

The Group's borrowings as at 31 March 2023 were denominated in Ringgit Malaysia. The weighted average interest rate as at 31 March 2023 was 4.71% per annum (31 March 2022: 4.21%).

The Group's Net Gearing as at 31 March 2023 was 0.37 times (31 March 2022: 0.29 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 31 MARCH 2023**E. NOTES TO THE REPORT (cont'd)****19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE**

(RM'000)	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	3 MONTHS ENDED		VARIANCE (Value / %)	3 MONTHS ENDED		VARIANCE (Value / %)
	31.3.2023	31.3.2022		31.3.2023	31.3.2022	
Revenue	742,241	810,714	(68,473) (8%)	742,241	810,714	(68,473) (8%)
Operating profit	47,931	52,334	(4,403) (8%)	47,931	52,334	(4,403) (8%)
Profit before interest and tax	42,469	49,324	(6,855) (14%)	42,469	49,324	(6,855) (14%)
Profit before tax	20,550	31,767	(11,217) (35%)	20,550	31,767	(11,217) (35%)
Profit after tax	8,580	13,971	(5,391) (39%)	8,580	13,971	(5,391) (39%)
Total profit attributable to equity holders of the Company	8,473	14,033	(5,560) (40%)	8,473	14,033	(5,560) (40%)

The Group recorded lower revenue and profit before tax of RM742.2 million and RM20.6 million respectively in the financial quarter ended 31 March 2023, compared to revenue of RM810.7 million and profit before tax of RM31.8 million in the corresponding financial quarter in 2022. The revenue and profit before tax in the period under review decreased by 8% and 35% respectively, mainly due to the completion of Damansara-Shah Alam Elevated Highway Package CB2 project in 2022.

The much lower contribution from the Engineering, Construction & Environment Division was partially offset by the Property Development & Investment Division, which recorded a higher contribution during the period, mainly due to the construction completion of the Sentral Suites development project in March 2023, and where the vacant possession of the completed units will commence in stages from April 2023 onwards.

The Group's 27.94% equity owned Sentral REIT and associated company, Sentral REIT Management Sdn Bhd ("SRM"), contributed a combined profit after tax of RM2 million to the Group compared with RM3.9 million in the corresponding financial quarter ended 31 March 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

E. NOTES TO THE REPORT (cont'd)

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

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

(RM'000)	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
<u>Revenue</u>				
Property development & investment	267,967	186,596	267,967	186,596
Engineering, construction & environment	458,497	612,535	458,497	612,535
Facilities management & parking	12,280	9,451	12,280	9,451
Others	3,497	2,131	3,497	2,131
	<u>742,241</u>	<u>810,713</u>	<u>742,241</u>	<u>810,713</u>
(RM'000)	3 MONTHS ENDED		12 MONTHS ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
<u>Profit / (loss)</u>				
Property development & investment	33,317	21,062	33,317	21,062
Engineering, construction & environment	7,221	25,682	7,221	25,682
Facilities management & parking	(113)	2,183	(113)	2,183
Others	4,321	2,057	4,321	2,057
	<u>44,746</u>	<u>50,984</u>	<u>44,746</u>	<u>50,984</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 RM267.9 million and operating profit of RM33.3 million in the financial quarter ended 31 March 2023. The 44% increase in revenue and 58% increase in operating profit in financial quarter under review compared to the corresponding period in 2022 was contributed by the Group's property development projects, Sentral Suites in KL Sentral, TRIA 9 Seputeh mixed residential development in Jalan Klang Lama and Alstonia in Bukit Rahman Putra.

Sentral Suites project achieved 100% construction progress in March 2023 and the handover of vacant possession of the completed units to purchasers will commence in stages from April 2023 onwards. TRIA 9 Seputeh and Alstonia reached construction progress of 96% and 61% respectively as at 31 March 2023.

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 Group's investment holding in Sentral REIT and SRM contributed a combined profit after tax of RM2 million to the Group compared to RM3.9 million in the corresponding period in 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**E. NOTES TO THE REPORT (cont'd)****19. FINANCIAL REVIEW FOR CURRENT QUARTER AND FINANCIAL YEAR TO DATE (cont'd)****(ii) Engineering, Construction & Environment**

The Engineering, Construction & Environment Division recorded revenue of RM458.5 million, a decrease of 25% in the period under review compared to RM612.5 million in the corresponding period ended 31 March 2022.

The bulk of the Division's revenue was contributed by the LRT3 project, Muara Sg Pahang Phase 3 (Package 3) and the PR1MA Brickfields construction projects.

The Division's operating profit of RM7.2 million was largely due to the LRT3 project, which achieved physical construction progress of 84%.

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

	CURRENT QUARTER	IMMEDIATE PRECEDING QUARTER	VARIANCE (Value / %)
(RM'000)	31.3.2023	31.12.2022	
Revenue	742,241	833,939	(91,698) / (11%)
Operating profit	47,931	63,039	(15,108) / (24%)
Profit before interest and tax	42,469	55,912	(13,443) / (24%)
Profit before tax	20,550	37,748	(17,198) / (46)%
Profit after tax	8,580	13,112	(4,532) / (35)%
Total profit attributable to equity holders of the Company	8,473	13,018	(4,545) / (35)%

In the quarter ended 31 March 2023, the Group recorded revenue and profit before taxation of RM742.2 million and RM20.5 million respectively, compared to revenue of RM833.9 million and profit before taxation of RM37.7 million in the preceding quarter ended 31 December 2022.

The lower revenue and profit before taxation recorded in current quarter compared to the preceding quarter was mainly due to completion of Damansara-Shah Alam Elevated Highway Package CB2 projects in the fourth quarter of 2022.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**E. NOTES TO THE REPORT (cont'd)****21. PROSPECTS**

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

(i) Property Development & Investment

As at 31 March 2023, the Group's Property Development & Investment Division sold RM85.1 million worth of properties from its completed and on-going developments.

Of the Group's residential projects currently in development, TRIA in 9 Seputeh has achieved a sales rate of 60% and Alstonia in Bukit Rahman Putra 55%. The Division will continue to focus its marketing efforts on its residential development projects, namely 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 the recently completed Sentral Suites development, VIVO Residences in 9 Seputeh, and Kalista Park Homes in Bukit Rahman Putra.

Of the Group's completed residential developments, as at 31 March 2023, the recently completed Sentral Suites in KL Sentral had achieved sales of 85%, VIVO Residences in 9 Seputeh 84% and Kalista in Bukit Rahman Putra 91%.

Revenue and operating profit in the Property Development & Investment Division will continue to be progressively recognised in line with construction progress and from the sale of completed units in 2023 and beyond. TRIA and Alstonia had both reached 96% and 61% construction progress respectively and will continue to be the core contributors to the Division's revenue and profits as construction and sales progress in 2023.

On 12 April 2023, the Group launched VISTA in the Gold Coast, Australia, a 51-storey residential development which comprises 280 apartment units with a GDV of AUD391 million, and construction is expected to begin by the end of 2023. Other projects in the pipeline include Residensi Tujuh in Kwasa Sentral, a 573-unit high rise residential building (GDV of RM329 million) targeted for launch in 2023; and the Ipoh Raya Integrated Park in Perak, a 6-phase 810.57-acre integrated logistics/industrial park, which will continue to be actively marketed to large multi-national corporations looking to locate their manufacturing and logistics operations in Malaysia. The Group will also begin development of The Symphony Centre, its maiden project in New Zealand featuring a 21-storey mixed development with a GDV of NZD452 million and the refurbishment of Bledisloe House, also in New Zealand, with a GDV of NZD137 million in 2024.

The Company's immediate priorities moving forward remain on enhancing cashflow by monetising its inventory of unsold completed stock, which stood at RM379.0 million on 31 March 2023, and looks forward to improved sales from foreign buyers with the opening of borders, particularly for our Sentral Suites, VIVO 9 Seputeh developments and our St Regis residential units.

With interests in 1,153 acres of land with a GDV of RM33 billion, the Group has a sustainable supply of long-term land for future projects. The Division has cumulative unbilled sales of RM220.3 million as at 31 March 2023, which will be recognised progressively over the construction period of the development projects:

On-going Property Development Projects	Construction Progress (%)	Unbilled Sales (RM'Mil)
TRIA, 9 Seputeh	96%	167.0
Alstonia, Bukit Rahman Putra	61%	39.7
Amaryllis, SISEC	95%	2.1
Lilium, SISEC	15%	11.5
TOTAL		220.3

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**E. NOTES TO THE REPORT (cont'd)****21. PROSPECTS (cont'd)****(i) Property Development & Investment (cont'd)**

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

(ii) Engineering, Construction & Environment

The Engineering, Construction & Environment Division continues to actively tender for more large infrastructure contracting projects to replenish its order book, but there have been very few new large infrastructure construction projects put out to tender. The Division's open tenders currently stand at RM30 billion. The tender book does not include project tenders already won but where the project's value has yet to be confirmed, such as the Shah Alam Stadium rebuilding/refurbishment project. As at 31 March 2023, the external client order book stood at RM26.4 billion, while the unbilled portion was RM17.0 billion. This long-term order book will ensure that the Division has a steady pipeline of construction contracts to sustain its business over the very long term, including the LRT3 project, which is due to be completed in 2024, and had achieved physical construction progress of 84%.

Major Construction Projects	Contract Value (RM'Mil)	Financial Progress (%)
LRT 3	11,427	78%
Bukit Jalil Sentral	10,957	0%
Kwasa Utama C8	2,655	0%*
Muara Sg. Pahang Phase 3 (Package 3)	380	5%
SUKE (Package CA2)	317	86%
PR1MA Brickfields	276	63%
Others	372	
Total	26,384	

* Refers only to the portion not yet awarded.

22. VARIANCE ON FORECAST PROFIT/PROFIT GUARANTEE

Not applicable.

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**E. NOTES TO THE REPORT (cont'd)****23. EARNINGS PER SHARE (EPS)****Basic EPS**

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Net profit for the financial period attributable to the owners of the parent (RM'000)	8,473	14,033	8,473	14,033
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510	4,467,510	4,467,510
Basic EPS (sen)	0.19	0.31	0.19	0.31

Diluted EPS

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

	3 MONTHS ENDED		3 MONTHS ENDED	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Net profit for the financial period attributable to the owners of the parent (RM'000)	8,473	14,033	8,473	14,033
Weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510	4,467,510	4,467,510
- Adjustment for warrants B ('000)	-	-	-	-
- Adjustment for ordinary shares not yet granted under Restricted Share Plan ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	4,467,510	4,467,510	4,467,510	4,467,510
Diluted EPS (sen)	0.19	0.31	0.19	0.31

Warrants B were not included in the calculation for the financial year under review because the fair value of the issued ordinary shares as at 31 March 2023 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 31 MARCH 2023**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 31.3.2023	As at 31.12.2022
Property development	147,085	156,252
Property investment	19,135	18,899
Engineering, construction & environment	924,857	867,783
Facilities management & parking	3,715	3,917
Others	5,539	3,072
	1,100,331	1,049,923
Retention sums for contracts included in trade receivables under engineering, construction & environment	663,867	663,867

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 31 March 2023 was RM43.5million (31 December 2022: RM42.8 million).

(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 31 MARCH 2023

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 31 March 2023 and 31 December 2022 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)
31.3.2023					
Not past due	994	-	-	-	994
Past due					
- less than three months	3,255	(251)	-	-	3,004
- between three to six months	1,930	(68)	-	-	1,862
- between six months and one year	1,043	(409)	-	-	634
- more than one year	15,628	(12,920)	-	-	2,708
	<u>22,850</u>	<u>(13,648)</u>	<u>-</u>	<u>-</u>	<u>9,202</u>
31.12.2022					
Not past due	438	-	-	-	438
Past due					
- less than three months	370	-	-	-	370
- between three to six months	-	-	-	-	-
- between six months and one year	-	-	-	-	-
- more than one year	22,008	(13,401)	-	-	8,607
	<u>22,816</u>	<u>(13,401)</u>	<u>-</u>	<u>-</u>	<u>9,415</u>

UNAUDITED REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**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 31 March 2023 reconcile to the opening loss allowances as follows:

(RM'000)	As at 31.3.2023	As at 31.12.2022
Opening loss allowance as at 1 January	13,401	13,370
Impairment loss recognised	1,248	987
Impairment loss reversed	(528)	(124)
Impairment loss written off	(473)	(832)
As at 31 March 2023 / 31 December 2022	<u>13,648</u>	<u>13,401</u>

Kuala Lumpur
29 May 2023

By Order of the Board

Mohd Noor Rahim Yahaya
Company Secretary