

Condensed consolidated statement of profit or loss and other comprehensive income
For the financial period ended 30 September 2023

| | Current 3 months ended 30 September | | Cumulative 6 months ended 30 September | |
|--|---|----------------|--|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Revenue | 33,545 | 25,366 | 59,639 | 44,151 |
| Cost of sales | (31,884) | (24,110) | (56,706) | (42,105) |
| Gross profit | 1,661 | 1,256 | 2,933 | 2,046 |
| Other income | 10,355 | 398 | 10,471 | 1,421 |
| Administrative and other operating expenses | (3,641) | (3,752) | (6,701) | (7,537) |
| Net (loss)/gain on impairment of financial instruments and contract assets | 412 | (287) | (475) | (335) |
| Results from operating activities | 8,787 | (2,385) | 6,228 | (4,405) |
| Interest income | 71 | 978 | 169 | 1,435 |
| Interest expense | (982) | (612) | (1,941) | (1,194) |
| Net interest expense | (911) | 366 | (1,772) | 241 |
| Share of (loss)/profit of equity-accounted investment, net of tax | (7) | 45 | (7) | 93 |
| Net profit/(loss) before tax | 7,869 | (1,974) | 4,449 | (4,071) |
| Taxation | (138) | (230) | (247) | (476) |
| Net profit/(loss) after tax | 7,731 | (2,204) | 4,202 | (4,547) |
| Profit/(Loss) per share attributable to ordinary shareholders | | | | |
| EPS - Basic (sen) | 7.76 | (2.21) | 4.22 | (4.56) |
| EPS - Diluted (sen) | N/A | N/A | N/A | N/A |

(The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.)



Condensed consolidated statement of changes in equity

For the financial period ended 30 September 2023

| | Attributable to owners of the Company | | | Total RM'000 |
|---|---|----------------------------------|--|-----------------|
| | Non-distributable Share capital RM'000 | Translation Reserve RM'000 | Distributable Retained profits RM'000 | |
| At 1 April 2023 (Audited) | 122,338 | 7 | 97,001 | 219,346 |
| Total comprehensive profit for the period | - | - | 4,202 | 4,202 |
| At 30 September 2023 (Unaudited) | <u>122,338</u> | <u>7</u> | <u>101,203</u> | <u>223,548</u> |
| At 1 April 2022 (Audited) | 122,338 | 7 | 99,337 | 221,682 |
| Total comprehensive loss for the year | - | - | (2,336) | (2,336) |
| At 31 March 2023 (Audited) | <u>122,338</u> | <u>7</u> | <u>97,001</u> | <u>219,346</u> |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

Condensed consolidated statement of financial position
As At 30 September 2023

| | At 30 September 2023 RM'000 (Unaudited) | At 31 March 2023 RM'000 (Audited) |
|---|---|---|
| Assets | | |
| Property, plant and equipment | 11,660 | 12,595 |
| Investment properties | 130,336 | 132,238 |
| Inventories | 2,140 | 2,140 |
| Investment in associates | 1,805 | 1,811 |
| Investment in joint ventures | 908 | 908 |
| Deferred tax assets | 114 | 17 |
| Total non-current assets | 146,963 | 149,709 |
| Inventories | 3,146 | 4,035 |
| Trade and other receivables | 244,244 | 236,014 |
| Contract assets | 28,342 | 31,999 |
| Tax recoverable | 106 | 683 |
| Cash and cash equivalents | 8,819 | 16,619 |
| | 284,657 | 289,350 |
| Assets classified as held for sales | - | 2,029 |
| Total current assets | 284,657 | 291,379 |
| Total assets | 431,620 | 441,088 |
| Equity | | |
| Share capital | 122,338 | 122,338 |
| Translation reserve | 7 | 7 |
| Retained earnings | 101,203 | 97,001 |
| Total equity attributable to owners of the Company | 223,548 | 219,346 |
| Liabilities | | |
| Borrowings | 751 | 1,045 |
| Deferred tax liabilities | 435 | 454 |
| Total non-current liabilities | 1,186 | 1,499 |
| Trade and other payables | 118,659 | 156,011 |
| Contract liabilities | 21,494 | 8,061 |
| Borrowings | 65,974 | 54,896 |
| Current tax payable | 759 | 1,275 |
| Total current liabilities | 206,886 | 220,243 |
| Total liabilities | 208,072 | 221,742 |
| Total equity and liabilities | 431,620 | 441,088 |
| Net assets per share (RM) | 2.2434 | 2.2013 |

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.)

Condensed consolidated statement of cash flows
For the financial period ended 30 September 2023

| | Current period to date | |
|--|--|--|
| | 30 September 2023 RM'000 (unaudited) | 30 September 2022 RM'000 (unaudited) |
| Cash flows from operating activities | | |
| Profit/(Loss) before tax | 4,449 | (4,071) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,204 | 1,294 |
| Depreciation of investment property | 450 | 553 |
| Net loss on impairment of financial instrument and contract assets | 475 | 307 |
| Gain on disposal of property, plant and equipment | (146) | (1,076) |
| Gain on disposal of investment properties | (9,875) | - |
| Property, plant and equipment written off | 1 | - |
| Share of loss/(profit) of equity-accounted investments, net of tax | 7 | (93) |
| Interest expense | 1,941 | 1,601 |
| Interest income | (169) | (1,435) |
| Operating loss before changes in working capital | <u>(1,663)</u> | <u>(2,918)</u> |
| Changes in working capital: | | |
| Inventories | 889 | 1,667 |
| Receivables, deposits and prepayments | (5,048) | 23,858 |
| Payables and accruals | (23,919) | (33,035) |
| Cash used in operations | <u>(29,741)</u> | <u>(10,428)</u> |
| Income taxes paid | (303) | (501) |
| Interest paid | (1,882) | (1,484) |
| Interest received | 169 | 1,435 |
| Net cash used in operating activities | <u>(31,757)</u> | <u>(10,978)</u> |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (74) | (1,948) |
| Sales proceeds from disposal of plant and equipment | 147 | 960 |
| Sales proceeds from disposal of investment property | 13,354 | - |
| Net cash from/(used in) investing activities | <u>13,427</u> | <u>(988)</u> |
| Cash flows from financing activities | | |
| Interest paid | (59) | (117) |
| Net proceeds from borrowings | 11,549 | 13,007 |
| Repayment of finance lease liabilities | (960) | (1,694) |
| Net cash generated from financing activities | <u>10,530</u> | <u>11,196</u> |
| Net decrease in cash and cash equivalents | (7,800) | (770) |
| Cash and cash equivalents at beginning of financial period | 16,619 | 17,886 |
| Cash and cash equivalents at end of financial period | <u>8,819</u> | <u>17,116</u> |
| Cash & bank balance | 3,220 | 11,111 |
| Deposits with licensed banks (excluding deposits pledged) | 5,599 | 6,005 |
| | <u>8,819</u> | <u>17,116</u> |

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.)

Notes to the interim financial report – 30 September 2023

A1 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia, IAS 34: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements are unaudited and should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023.

A2 Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 March 2023 except for the following:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendment to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosure – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendment to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the amendments is not expected to have any material financial impacts to the current and prior year financial statements of the Group.

A3 Auditors’ report

There was no qualification on the audited financial statements for the financial year ended 31 March 2023.

A4 Seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A5 Unusual items due to their nature, size or incidence

There were no unusual items for the period ended 30 September 2023.

A6 Changes in estimates

Not applicable.

A7 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and period ended 30 September 2023.

A8 Dividends paid

No dividend was paid for the current quarter and period ended 30 September 2023.

A9 Segmental information

Segmental information is presented in respect of the Group's business segment. Inter-segment pricing is determined based on negotiated terms.

Current quarter ("2Q 2024") against preceding year corresponding quarter ("2Q 2023")

| | Current Year Quarter | Preceding Year Corresponding Quarter | Changes | |
|---------------------------|------------------------------|--|---------|---------|
| | 30 September 2023 Revenue | 30 September 2022 Revenue | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Trading | 20,077 | 12,538 | 7,539 | 60.1 |
| Property development | 1,746 | 571 | 1,175 | 205.8 |
| Construction | 14,675 | 12,770 | 1,905 | 14.9 |
| Investment property | 647 | 738 | (91) | (12.3) |
| Other services | 216 | 371 | (155) | (41.8) |
| | 37,361 | 26,988 | 10,373 | 38.4 |
| Inter-segment elimination | (3,816) | (1,622) | (2,194) | (135.3) |
| | 33,545 | 25,366 | 8,179 | 32.2 |

A9 Segmental information (continued)
Current quarter (“2Q 2024”) against preceding year corresponding quarter (“2Q 2023”) (continued)

| | Current Year Quarter | Preceding Year Corresponding Quarter | Changes | |
|--|--|--|---------|---------|
| | 30 September 2023 Profit/(Loss) before tax | 30 September 2022 Profit/(Loss) before tax | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Trading | 916 | (589) | 1,505 | 255.5 |
| Property development | 438 | (73) | 511 | 700.0 |
| Construction | (1,444) | (1,273) | (171) | (13.4) |
| Investment property | 9,714 | 203 | 9,511 | NM |
| Other services | (486) | (106) | (380) | (358.5) |
| | 9,138 | (1,838) | 10,976 | 597.2 |
| Interest income | 71 | 978 | (907) | (92.7) |
| Interest expense | (982) | (612) | (370) | (60.5) |
| Share of (loss)/profit of equity-accounted investments | (7) | 45 | (52) | (115.6) |
| Unallocated other expenses | (351) | (547) | 196 | 35.8 |
| | 7,869 | (1,974) | 9,843 | 498.6 |

NM Not Meaningful

Current year to date (“YTD 2024”) against preceding year to date (“YTD 2023”)

| | 6 months ended | 6 months ended | Changes | |
|---------------------------|---------------------------|---------------------------|---------|---------|
| | 30 September 2023 Revenue | 30 September 2022 Revenue | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Trading | 41,960 | 24,525 | 17,435 | 71.1 |
| Property development | 1,746 | 2,399 | (653) | (27.2) |
| Construction | 20,121 | 17,819 | 2,302 | 12.9 |
| Investment Property | 1,331 | 1,508 | (177) | (11.7) |
| Other services | 484 | 696 | (212) | (30.5) |
| | 65,642 | 46,947 | 18,695 | 39.8 |
| Inter-segment elimination | (6,003) | (2,796) | (3,207) | (114.7) |
| | 59,639 | 44,151 | 15,488 | 35.1 |

Current year to date (“YTD 2024”) against preceding year to date (“YTD 2023”) (continued)

| | 6 months ended | 6 months ended | Changes | |
|--|--|--|---------|---------|
| | 30 September 2023 Profit/(Loss) before tax | 30 September 2022 Profit/(Loss) before tax | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Trading | 44 | (843) | 887 | 105.2 |
| Property development | 330 | (77) | 407 | 528.6 |
| Construction | (2,641) | (3,089) | 448 | 14.5 |
| Investment Property | 9,860 | 480 | 9,380 | NM |
| Other services | (766) | (75) | (691) | (921.3) |
| | 6,827 | (3,604) | 10,431 | 289.4 |
| Interest income | 169 | 1,435 | (1,266) | (88.2) |
| Interest expense | (1,941) | (1,194) | (747) | (62.6) |
| Share of (loss)/profit of equity-accounted investments | (7) | 93 | (100) | (107.5) |
| Unallocated other expenses | (599) | (801) | 202 | 25.2 |
| | 4,449 | (4,071) | 8,520 | 209.3 |

A10 Valuation of property, plant and equipment

There was no amendment to the valuation of property & plant and equipment brought forward to the current quarter as compared with the previous year annual financial statements.

A11 Event subsequent to the balance sheet date

There was no material event subsequent to the balance sheet date except for the corporate proposals as disclosed in Note B6.

A12 Changes in composition of the Group

There was no change in the composition of the Group for the current quarter and period ended 30 September 2023.

A13 Changes in contingent liabilities

The Group has no contingent liabilities except for the following: -

As at 30 September 2023
RM'000

Guarantees and contingencies relating to the
borrowings of subsidiaries (unsecured)

18,520

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A14 Significant Related Party Transactions

The Group has significant related party transactions with companies in which certain directors of the Company have interest, as follows: -

**6 months ended
30 September 2023
RM'000**

**With companies in which certain
Directors of the Company, have interests:**

| | |
|---|-------|
| Ekovest Berhad and its subsidiaries, jointly controlled and associate companies | 5,267 |
| Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies | 134 |
| Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies | 21 |
| PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies | 2,349 |
| | ===== |

B1 Detailed analysis of the performance of all operating segments of the Group in 2Q 2024

Current quarter (“2Q 2024”) against preceding year corresponding quarter (“2Q 2023”)

| | Individual Period (2 nd Quarter) | | Changes | |
|--|---|--|---------|---------|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Amount | % |
| | 30 September 2023 RM'000 | 30 September 2022 RM'000 | RM'000 | |
| Revenue | 33,545 | 25,366 | 8,179 | 32.2 |
| Gross profit | 1,661 | 1,256 | 405 | 32.2 |
| Result from operating activities | 8,787 | (2,385) | 11,172 | 468.4 |
| Share of (loss)/profit of equity-accounted investments, net of tax | (7) | 45 | (52) | (115.6) |
| Net profit/(loss) before tax | 7,869 | (1,974) | 9,843 | 498.6 |
| Net profit/(loss) after tax | 7,731 | (2,204) | 9,935 | 450.8 |
| Profit/(Loss) attributable to Owners of the Company | 7,731 | (2,204) | 9,935 | 450.8 |

For 2Q 2024, the Group recorded revenue of RM33.545 million, representing an increase of 32.2% as compared to revenue of RM25.366 million for 2Q 2023, mainly due to higher contribution from the trading sector. The Group recorded a higher profit before tax of RM7.869 million in 2Q 2024 as compared to a loss before tax RM1.974 million in 2Q 2023, mainly due to recognition of one-off gain of RM9.875 million for the disposal of investment properties, particularly the property disclosed in note B6(1).

B1 Detailed analysis of the performance of all operating segments of the Group in 2Q 2024 (continued)

Current quarter (“2Q 2024”) against preceding year corresponding quarter (“2Q 2023”) (continued)

The performance of the respective operating business sector for the 2Q 2024 under review as compared to the 2Q 2023 are analysed as follows:

Trading

The revenue increased by RM7.539 million or 60.1% to RM20.077 million in 2Q 2024 as compared to RM12.538 million in 2Q 2023, mainly due to higher demand for building materials for an infrastructure project in Johor Bahru. The sector reported a profit before tax of RM0.916 million in 2Q 2024 as compared to loss before tax of RM0.589 million in 2Q 2023 mainly due to higher sales volume recorded and the reversal of net impairment loss of RM0.412 million on its receivables in 2Q 2024.

Property development

Revenue for 2Q 2024 has increased by RM1.175 million to RM1.746 million as compared to the 2Q 2023 of RM0.571 million mainly due to more completed units sold in 2Q 2024. Accordingly, the profit before tax increased by RM0.511 million to RM0.438 million in 2Q 2024 as compared to loss before tax of RM0.073 million in 2Q 2023.

Construction

The construction sector registered a higher revenue of RM14.675 million in 2Q 2024 as compared to RM12.770 million in 2Q 2023 mainly due to higher percentage of work done for its on-going construction projects. Despite an increase in revenue, the sector recorded a loss before tax of RM1.444 million in the 2Q 2024 as compared to a loss before tax of RM1.273 million in the 2Q 2023 mainly due to lower profit margin on its current on-going projects in 2Q 2024.

Investment property

The sector recorded a slightly lower revenue of RM0.647 million in 2Q 2024 as compared to RM0.738 million in 2Q 2023. The sector reported a profit before tax of RM9.714 million in 2Q 2024 as compared to profit before tax of RM0.203 million in 2Q 2023 mainly due to one-off gain on disposal of investment properties amounted to RM9.875 million.

Other services

In 2Q 2024, revenue has decreased from RM0.371 million to RM0.216 million as compared to 2Q 2023 mainly due to lower income contribution from the landscape maintenance work. This sector reported a loss before tax of RM0.486 million in 2Q 2024 as compared to RM0.106 million in 2Q 2023 mainly due to higher upkeep of plant and machinery cost included in 2Q 2024.

Current year to date (“YTD 2024”) against preceding year corresponding period (“YTD 2023”)

| | Individual Period (2 nd Quarter) | | Changes | |
|--|---|-------------------------------------|---------|---------|
| | Current Year To-Date | Preceding Year Corresponding Period | Amount | % |
| | 30 September 2023 RM'000 | 30 September 2022 RM'000 | RM'000 | |
| Revenue | 59,639 | 44,151 | 15,488 | 35.1 |
| Gross profit | 2,933 | 2,046 | 887 | 43.4 |
| Result from operating activities | 6,228 | (4,405) | 10,633 | 241.4 |
| Share of (loss)/profit of equity-accounted investments, net of tax | (7) | 93 | (100) | (107.5) |
| Profit/(Loss) before tax | 4,449 | (4,071) | 8,520 | 209.3 |
| Profit/(Loss) after tax | 4,202 | (4,547) | 8,749 | 192.4 |
| Profit/(Loss) attributable to Owners of the Company | 4,202 | (4,547) | 8,749 | 192.4 |

For the YTD 2024, the Group recorded a revenue of RM59.639 million, an increase of RM15.488 million or 35.1% from RM44.151 million in YTD 2023. The increase in revenue was mainly due to higher revenue contribution by the trading sector. The Group also recorded a profit before tax of RM4.449 million in YTD 2024 as compared to a loss before tax of RM4.071 million in YTD 2023 mainly due to one-off gain of RM9.875 million from the disposal of investment properties.

The performance of the respective operating business segments for the YTD 2024 under review as compared to the YTD 2023 are analysed as follow:

Trading

The trading sector reported a higher revenue of RM41.960 million in YTD 2024 as compared to RM24.525 million in YTD 2023 mainly due to higher demand for building materials for an infrastructure project in Johor Bahru. Correspondingly, this sector reported a profit before tax of RM0.044 million in YTD 2024 as compared with the loss before tax of RM0.843 million in the YTD 2023.

Property development

The property development sector registered a lower revenue of RM1.746 million in YTD 2024 as compared to RM2.399 million in YTD 2023, mainly due to lesser completed units sold in YTD 2024. This sector recorded a profit before tax of RM0.330 million in YTD 2024 as compared with a loss before tax RM0.077 million in YTD 2023 mainly due to recognition of unwinding discount of RM0.407 million in YTD 2023 as opposed to none in YTD 2024.

Construction

The construction sector registered higher revenue of RM20.121 million in YTD 2024 as compared to RM17.819 million in YTD 2023. The sector recorded a lesser loss before tax of RM2.641 million in YTD 2024 as compared with loss before tax of RM3.089 million in YTD 2023 mainly due to lower overhead incurred in YTD 2024.

Investment property

The investment property sector recorded lower revenue of RM1.331 million in YTD 2024 as compared to RM1.508 million in YTD 2023, mainly due to rebate on rental rate given to a tenant on YTD 2024. The sector also recorded a higher profit before tax of RM9.860 million in YTD 2024 as compared to profit before tax of RM0.480 million in YTD 2023, mainly due to recognition of one-off gain on disposal of investment properties of RM9.875 million in YTD 2024.

**Current year to date (“YTD 2024”) against preceding year corresponding period (“YTD 2023”)
(continued)**

Other services

The decrease in revenue from RM0.696 million in YTD 2023 to RM0.484 million in YTD 2024 was mainly due to lower income contribution from the landscape maintenance work. This sector recorded a higher loss before tax of RM0.766 million in YTD 2024 as compared to loss before tax of RM0.075 million in YTD 2023 as YTD 2023 results inclusive of a one-off gain on disposal of plant and machinery of RM1.076 million.

B2 Comparison with preceding quarter results

Current quarter (“2Q 2024”) against immediate preceding quarter (“1Q 2024”)

| | Current Quarter | Immediate Preceding Quarter | Changes | |
|--|-------------------|-----------------------------|---------|---------|
| | 30 September 2023 | 30 June 2023 | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Revenue | 33,545 | 26,094 | 7,451 | 28.6 |
| Gross profit | 1,661 | 1,272 | 389 | 30.6 |
| Result from operating activities | 8,787 | (2,559) | 11,346 | 443.4 |
| Share of (loss)/profit of equity-accounted investments, net of tax | (7) | - | (7) | (100.0) |
| Net profit/(loss) before tax | 7,869 | (3,420) | 11,289 | 330.1 |
| Net profit/(loss) after tax | 7,731 | (3,529) | 11,260 | 319.1 |
| Profit/(Loss) attributable to Owners of the Company | 7,731 | (3,529) | 11,260 | 319.1 |

| | Current Quarter | Immediate Preceding Quarter | Changes | |
|---------------------------|-------------------|-----------------------------|---------|--------|
| | 30 September 2023 | 30 June 2023 | Amount | % |
| | Revenue | Revenue | Amount | % |
| | RM'000 | RM'000 | RM'000 | |
| Trading | 20,077 | 21,883 | (1,806) | (8.3) |
| Property development | 1,746 | - | 1,746 | 100.0 |
| Construction | 14,675 | 5,446 | 9,229 | 169.5 |
| Investment property | 647 | 683 | (36) | (5.3) |
| Other services | 516 | 268 | 248 | 92.5 |
| | 37,361 | 28,280 | 9,081 | 32.1 |
| Inter-segment elimination | (3,816) | (2,186) | (1,630) | (74.6) |
| | 33,545 | 26,094 | 7,451 | 28.6 |

B2 Comparison with preceding quarter results (continued)

Current quarter (“2Q 2024”) against immediate preceding quarter (“1Q 2024”) (continued)

| | Current Quarter | Immediate Preceding Quarter | Changes | |
|--|--------------------------|-----------------------------|---------|---------|
| | 30 September 2023 | 30 June 2023 | Amount | % |
| | Profit/(Loss) before tax | Profit/(Loss) before tax | | |
| | RM'000 | RM'000 | RM'000 | |
| Trading | 916 | (872) | 1,788 | 205.0 |
| Property development | 438 | (108) | 546 | 505.6 |
| Construction | (1,444) | (1,197) | (247) | (20.6) |
| Investment property | 9,714 | 145 | 9,569 | NM |
| Other services | (486) | (279) | (207) | (74.2) |
| | 9,138 | (2,311) | 11,449 | 495.4 |
| Interest income | 71 | 98 | (27) | (27.6) |
| Interest expense | (982) | (959) | (23) | (2.4) |
| Share of (loss)/profit of equity-accounted investments, net of tax | (7) | - | (7) | (100.0) |
| Unallocated other expenses | (351) | (248) | (103) | (41.5) |
| | 7,869 | (3,420) | 11,289 | 330.1 |

The Group reported higher revenue of RM33.545 million in 2Q 2024 as compared to RM26.094 million in 1Q 2024, mainly due to higher contribution from construction sector. During the 2Q 2024, the Group recorded a one-off gain of RM9.875 million from disposal of investment properties. Accordingly, the Group reported profit before tax of RM7.869 million in 2Q 2024 as compared to loss before tax of RM3.420 million in 1Q 2024.

B3 Prospects

The Board expects the economic outlook to remain challenging in near term amid the on-going inflation, rising interest rate as well as weakening Ringgit, which are affecting the construction industry. Given the challenging business environment, we expect the financial performance for the construction and trading sector for the financial year ending 31 March 2024 may be adversely impacted. However, the Board anticipates that this adverse impact will be mitigated with the gain to be arising from the property development division upon the expected completion of a SPA by 4Q 2024 on the disposal of a piece of freehold vacant commercial land located at Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan for a total cash consideration of RM 8.08 million.

The Board is mindful of the competition and operation risk that could impact on its financial results and will continue to take all proactive measures to ensure the existing business remains sustainable, resilient and focused on delivering and completing all its projects in hand within the budgeted cost and on agreed time frame.

The Group will continue to pursue potential business opportunities to replenish its order book. As at 30 September 2023, the Group's order book for the construction sector stood at RM263 million.

B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

B5 Taxation

| | Current quarter ended 30 September 2023 RM '000 | 6 months ended 30 September 2023 RM '000 |
|-------------------|--|---|
| Income tax | | |
| Current provision | 255 | 364 |
| Deferred tax | (117) | (117) |
| | 138 | 247 |
| | 138 | 247 |

The Group's effective tax rate for the financial period ended 30 September 2023 was higher than the prima facie tax rate mainly due to the losses incurred by certain subsidiaries and disallowable expenses.

B6 Status of corporate proposals

- 1) The wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 30 March 2023 entered into a sale and purchase agreement ("SPA") with Sin Siang Hin (M) Sdn. Bhd., for the disposal of all that piece of freehold commercial land with a single storey building erected thereon, held under H.S.(D) 102446, PT 17588, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 4,065 in square meters for a total cash consideration of RM11.9 million.

The disposal was completed on 7 August 2023.

For details, please refer to the announcement dated 30 March 2023 and 7 August 2023 respectively.

- 2) On 27 September 2023 whereby the Company had on even date received a letter dated 27 September 2023 ("**Proposal Letter**") from Tan Sri Dato' Lim Kang Hoo ("**TSDLKH**"), a major shareholder of the Company and the Group Executive Chairman and a major shareholder of Ekovest, requesting the Company to consider participating in a reorganisation, rationalisation and merger proposal comprising, amongst others, the proposed merger of the construction and construction-related businesses of Ekovest and Knusford through the acquisition of the entire issued share capital of Ekovest Construction Sdn Bhd ("**ECSB**") (i.e. a wholly-owned subsidiary of Ekovest, being the existing construction arm of Ekovest) by Knusford ("**Proposed Knusford-ECSB Merger**").

Following thereto, the Board of Directors of Knusford ("**Board**") wishes to announce that the Company had on 27 October 2023 entered into a binding heads of merger agreement ("**Heads of Merger Agreement**") with Ekovest to exclusively explore and negotiate further on the Proposed Knusford-ECSB Merger via the proposed acquisition by Knusford of the entire equity interest in ECSB from Ekovest for an indicative purchase consideration of RM450 million ("**Purchase Consideration**"), which was arrived at on a willing-buyer, willing-seller basis, after taking into account the audited net assets of ECSB as at 30 June 2023.

For details, please refer to the announcement dated 29 September 2023 and 27 October 2023 respectively.

B7 Group borrowings

| | As at 30 September 2023 | | |
|---------------------------|-------------------------|-------------------|----------------------------|
| | Non-current RM'000 | Current RM'000 | Total borrowings RM'000 |
| Secured | | | |
| Hire purchase liabilities | 728 | 1,312 | 2,040 |
| Lease liabilities | 23 | 14 | 37 |
| Revolving credits | - | 24,507 | 24,507 |
| Banker acceptance | - | 15,141 | 15,141 |
| Unsecured | | | |
| Revolving credits | - | 25,000 | 25,000 |
| | 751 | 65,974 | 66,725 |

| | As at 31 March 2023 | | |
|---------------------------|-----------------------|-------------------|----------------------------|
| | Non-current RM'000 | Current RM'000 | Total borrowings RM'000 |
| Secured | | | |
| Hire purchase liabilities | 1,034 | 1,780 | 2,814 |
| Lease liabilities | 11 | 17 | 28 |
| Revolving credits | - | 24,507 | 24,507 |
| Banker acceptance | - | 3,592 | 3,592 |
| Unsecured | | | |
| Revolving credits | - | 25,000 | 25,000 |
| | 1,045 | 54,896 | 55,941 |

The borrowing is mainly for the purpose of working capital requirement.

B8 Changes in material litigation

There is no material litigation pending from 31 March 2023 (being the date of the last annual statement of financial position) to 18 November 2023 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) in which the Group is engaged either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the company or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

B9 Dividends declared

No interim dividend has been declared for the current quarter and period ended 30 September 2023.

B10 Loss per share

| | Current quarter ended 30 September 2023 | Preceding year corresponding quarter ended 30 September 2022 | Cumulative 6 months ended 30 September 2023 | Cumulative 3 months ended 30 September 2022 |
|--|--|---|--|--|
| Profit/(Loss) for the period attributable to owners of the Parent (RM'000) | 7,731 | (2,204) | 4,202 | (4,547) |
| Weighted average number of ordinary shares in issue ('000) | 99,645 | 99,645 | 99,645 | 99,645 |
| Basic earnings/(loss) per share (sen) | 7.76 | (2.21) | 4.22 | (4.56) |
| Diluted earnings per share (sen) | N/A | N/A | N/A | N/A |

B11 Notes to the statement of profit or loss and other comprehensive income

| | Current quarter ended 30 September 2023 RM'000 | Cumulative 3 months ended 30 September 2023 RM'000 |
|--|---|---|
| Profit/(Loss) before tax is arrived at after (crediting)/charging: | | |
| Interest income | (71) | (169) |
| Other income including investment income | (334) | (450) |
| Interest expense | 982 | 1,941 |
| Depreciation and amortisation | 815 | 1,654 |
| Net impairment (gain)/loss on receivables | (412) | 475 |
| Property, plant and equipment written off | 1 | 1 |
| Gain on disposal of property, plant and equipment | (146) | (146) |
| Gain on disposal of investment properties | (9,875) | (9,875) |

B12 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical financial assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liabilities, either directly or indirectly.

Level 3 – Inputs for the financial asset or liabilities that are not based on observable market data.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

| | Level 1 | Level 2 | Level 3 | Total fair value | Carrying amount |
|------------------------------|----------------|----------------|----------------|-------------------------|------------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| 30 September 2023 | | | | | |
| Financial liabilities | | | | | |
| Hire-purchase liabilities | - | - | 2,118 | 2,118 | 2,040 |
| 31 March 2023 | | | | | |
| Financial liabilities | | | | | |
| Hire-purchase liabilities | - | - | 2,943 | 2,943 | 2,814 |