

**AEON CO. (M) BHD.**  
(Incorporated in Malaysia)  
(Company No. 198401014370 (126926-H))

**QUARTERLY REPORT FOR THE  
FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

AEON CO. (M) BHD.  
(Incorporated in Malaysia)  
(Company No. 198401014370 (126926 - H))

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**ANNOUNCEMENT**

The Board of Directors of Aeon Co. (M) Bhd. (“Aeon” or “the Company”) presents the following unaudited condensed consolidated financial statements for the third quarter ended 30 September 2022 which should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Individual Quarter		Cumulative Period	
	Quarter ended 30 September		Period ended 30 September	
	2022 RM'm	2021 RM'm	2022 RM'm	2021 RM'm
Revenue	982.0	750.6	3,079.3	2,638.3
Total operating expenses	(943.7)	(757.9)	(2,849.2)	(2,520.6)
Other operating income	8.1	6.1	21.0	14.5
<b>Profit/(Loss) from operations</b>	<b>46.4</b>	<b>(1.2)</b>	<b>251.1</b>	<b>132.2</b>
Interest expense				
- Lease interest	(24.0)	(26.9)	(74.0)	(80.1)
- Interest charges	(4.3)	(5.4)	(13.4)	(15.7)
	(28.3)	(32.3)	(87.4)	(95.8)
Interest income	0.6	0.1	2.1	0.4
Share of results of associates	-	(0.1)	-	(0.4)
<b>Profit/(Loss) before tax</b>	<b>18.7</b>	<b>(33.5)</b>	<b>165.8</b>	<b>36.4</b>
Tax expense	(7.8)	14.8	(79.5)	(22.1)
<b>Profit/(Loss) for the period</b>	<b>10.9</b>	<b>(18.7)</b>	<b>86.3</b>	<b>14.3</b>
Basic earnings per ordinary share (sen) (Note B11)	0.78	(1.33)	6.15	1.02

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Individual Quarter		Cumulative Period	
	Quarter ended		Period ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'm	RM'm	RM'm	RM'm
<b>Profit/(Loss) for the period</b>	10.9	(18.7)	86.3	14.3
<b>Other comprehensive income:</b>				
(Loss)/gain on fair value of other investments	(1.3)	3.5	(0.1)	1.7
<b>Total comprehensive income/(loss) for the period</b>	9.6	(15.2)	86.2	16.0

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	30 September 2022 RM'm	31 December 2021 RM'm
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,976.4	3,108.2
Intangible assets	55.3	63.0
Right-of-use assets	1,374.5	1,501.2
Investment in associates	0.7	0.7
Other investments	63.2	63.3
Other assets	17.6	18.0
Deferred tax assets	167.5	168.3
	4,655.2	4,922.7
<b>Current assets</b>		
Inventories	596.1	601.2
Contract assets	16.4	14.5
Receivables, deposits and prepayments	110.4	130.8
Current tax recoverable	0.7	-
Cash and cash equivalents	165.3	193.6
	888.9	940.1
<b>TOTAL ASSETS</b>	<b>5,544.1</b>	<b>5,862.8</b>

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

	30 September 2022 RM'm	31 December 2021 RM'm
<b>EQUITY AND LIABILITIES</b>		
Share capital	702.0	702.0
Reserves	1,084.8	1,040.7
<b>TOTAL EQUITY</b>	1,786.8	1,742.7
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	269.4	327.8
Lease liabilities	1,769.5	1,888.9
Payables and accruals	13.3	19.6
Other liabilities	22.3	22.3
	2,074.5	2,258.6
<b>Current liabilities</b>		
Contract liabilities	76.7	92.5
Borrowings	247.8	400.5
Lease liabilities	163.1	176.1
Payables and accruals	1,195.2	1,165.7
Current tax liability	-	26.7
	1,682.8	1,861.5
<b>TOTAL LIABILITIES</b>	3,757.3	4,120.1
<b>TOTAL EQUITY AND LIABILITIES</b>	5,544.1	5,862.8

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Non-distributable		Distributable	Total equity RM'm
	Share capital RM'm	Fair value reserve RM'm	Retained earnings RM'm	
<b>At 1 January 2022</b>	702.0	62.2	978.5	1,742.7
Total comprehensive income for the period	-	(0.1)	86.3	86.2
Final dividend in respect of year ended 31 December 2021	-	-	(42.1)	(42.1)
<b>At 30 September 2022</b>	<u>702.0</u>	<u>62.1</u>	<u>1,022.7</u>	<u>1,786.8</u>
<b>At 1 January 2021</b>	702.0	54.7	914.3	1,671.0
Total comprehensive income for the period	-	1.7	14.3	16.0
Final dividend in respect of year ended 31 December 2020	-	-	(21.1)	(21.1)
<b>At 30 September 2021</b>	<u>702.0</u>	<u>56.4</u>	<u>907.5</u>	<u>1,665.9</u>

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

	30 September 2022 RM'm	30 September 2021 RM'm
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	165.8	36.4
Adjustments for:		
Depreciation and amortisation	333.1	351.3
Other non-cash items	2.9	0.9
Interest expense	87.4	95.8
Interest income	(2.1)	(0.4)
Dividend income	(0.9)	(0.9)
Operating profit before changes in working capital	586.2	483.1
Changes in working capital	27.2	(192.9)
Cash generated from operations	613.4	290.2
Tax paid	(106.1)	(24.9)
<b>Net cash generated from operating activities</b>	507.3	265.3
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment and intangible assets	(73.6)	(41.0)
Proceeds from disposal of property, plant and equipment	1.0	1.8
Dividend received	0.9	0.9
Interest received	2.1	0.4
<b>Net cash used in investing activities</b>	(69.6)	(37.9)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	(125.4)	(118.8)
Net repayment of borrowings	(211.1)	(34.6)
Interest paid	(87.4)	(95.8)
Dividend paid	(42.1)	(21.1)
<b>Net cash used in financing activities</b>	(466.0)	(270.3)
<b>Net change in cash and cash equivalents</b>	(28.3)	(42.9)
<b>Cash and cash equivalents at 1 January</b>	193.6	71.4
<b>Cash and cash equivalents at 30 September</b>	165.3	28.5

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134**

**1 Basis of Preparation**

The unaudited quarterly report has been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting”, Paragraph 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“Bursa Securities Listing Requirements”) and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021.

**2 Significant Accounting Policies**

The accounting policies and methods adopted for the unaudited condensed financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following Amendments to Standards during the current financial period:

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*, Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*, Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*, Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*, Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* and Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

Malaysian Accounting Standards Board had issued the following amendments and new standards which are effective for the following financial years:

(i) Financial year 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 – Classification of Liabilities as Current or Non-current and 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*

(ii) Effective date yet to be confirmed:

- Amendments 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 Company plans to apply the abovementioned accounting standards, interpretation and amendments in the respective financial years when the above accounting standards, interpretation and amendments become effective where applicable.



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**3 Seasonal/Cyclical Factors**

The operations of the Company typically experience higher customer count, transaction value and sales during weekends, public holidays, school holidays and festive seasons.

**4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

There were no items affecting the assets, liability, equity, net income or cash flows that were unusual because of their nature, size or incidence for the financial period ended 30 September 2022.

**5 Material Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the financial period ended 30 September 2022.

**6 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period ended 30 September 2022, other than as disclosed in this quarterly report.

**7 Dividends Paid**

There was no dividend paid for the financial period ended 30 September 2022.

**8 Events Subsequent to the end of reporting period**

There were no material events subsequent to the balance sheet date to be disclosed in the financial statements for the financial period ended 30 September 2022.

**9 Effects of Changes in the Composition of the Company**

There were no changes in the composition of the Company for the financial period ended 30 September 2022.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**10 Operating Segments**

The operating segments analysis is as follows:

	Retailing		Property Management Services		Total	
	Period ended		Period ended		Period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm
Revenue	2,621.9	2,244.9	457.4	393.4	3,079.3	2,638.3
Segmental profit	170.2	41.4	166.6	137.2	336.8	178.6
Less: Unallocated expenses					(85.7)	(46.4)
Profit from operations					251.1	132.2
Interest expense						
- Lease interest					(74.0)	(80.1)
- Interest charges					(13.4)	(15.7)
Interest income					2.1	0.4
Share of results of associates					-	(0.4)
Profit before tax					165.8	36.4
Tax expense					(79.5)	(22.1)
Profit for the period					86.3	14.3

**11 Revenue**

	Quarter ended		Period ended	
	30 September 2022 RM'm	30 September 2021 RM'm	30 September 2022 RM'm	30 September 2021 RM'm
Sale of goods	724.1	586.5	2,261.6	2,020.6
Net commission from concessionaire sales	88.7	33.9	321.7	181.8
Property management services	157.8	119.2	463.3	398.4
Others	11.4	11.0	32.7	37.5
	982.0	750.6	3,079.3	2,638.3

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**12 Related Party Transactions**

During the current quarter under review and up to the date of this announcement, the Company did not enter into any Related Party Transactions or Recurrent Related Party Transactions of a revenue or trading nature that had not been included or exceeded the estimated value by 10% or more of the total aggregate amount which had been mandated by the shareholders during the Annual General Meeting held on 19 May 2022.

**13 Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or contingent assets since the last audited financial statements for the financial year ended 31 December 2021.

**14 Capital Commitments**

Capital commitments not provided for in the financial statements as at 30 September 2022 are as follows:

	30 September 2022 RM'm	31 December 2021 RM'm
Property, plant and equipment		
Contracted but not provided for and not payable	34.9	38.7

**15 Fair value measurements**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART A – EXPLANATORY NOTES PURSUANT TO  
MALAYSIAN FINANCIAL REPORTING STANDARD 134 (continued)**

**15 Fair value measurements (continued)**

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

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	
<b>30 September 2022</b>							
<b>Financial Asset</b>							
Investment in quoted equities	63.2	-	-	-	-	-	63.2
<b>Financial Liabilities</b>							
Borrowings	-	-	-	-	-	(512.3)	(517.2)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
	RM'm	RM'm	RM'm	RM'm	RM'm	RM'm	
<b>31 December 2021</b>							
<b>Financial Asset</b>							
Investment in quoted equities	63.3	-	-	-	-	-	63.3
<b>Financial Liabilities</b>							
Borrowings	-	-	-	-	-	(723.5)	(728.3)

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS**

**1 Review of Performance**

- a. Performance of the current quarter (Third Quarter FY22) against the corresponding quarter (Third Quarter FY21)

	Quarter Ended 30 September 2022 RM'm	Quarter Ended 30 September 2021 RM'm	Changes %
Revenue by segment:			
Retail business	826.2	632.9	30.5%
Property management services	155.8	117.7	32.4%
Total Revenue	982.0	750.6	30.8%
Profit/(Loss) from operations	46.4	(1.2)	> 100%
Profit/(Loss) before tax	18.7	(33.5)	> 100%

For the current quarter, the Company registered a total revenue of RM982.0 million, 30.8% higher as compared to corresponding quarter of RM750.6 million.

Retail business recorded revenue at RM826.2 million, is 30.5% higher compared to corresponding quarter of RM632.9 million. The increase in revenue is mainly due to economic re-opening coupled with the opening of national borders.

Revenue from the property management services segment at RM155.8 million, is 32.4% higher compared to corresponding quarter of RM117.7 million. The growth was contributed by higher sales commission and temporary space rental received in line with consumers' sentiment in returning to physical malls.

The Company registered a profit before tax of RM18.7 million for the quarter, as compared to a loss before tax in the corresponding quarter of RM33.5 million, contributed by abovementioned revenue increase.

- b. Performance of the current quarter (Third Quarter FY22) against the preceding quarter (Second Quarter FY22)

	Current Quarter 30 September 2022 RM'm	Preceding Quarter 30 June 2022 RM'm	Changes %
Revenue by segment:			
Retail business	826.2	938.3	-11.9%
Property management services	155.8	157.2	-0.9%
Total Revenue	982.0	1,095.5	-10.4%
Profit from operations	46.4	121.3	-61.7%
Profit before tax	18.7	92.3	-79.7%

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**1 Review of Performance (continued)**

- b. Performance of the current quarter (Third Quarter FY22) against the preceding quarter (Second Quarter FY22) (continued)

For the current quarter, the Company registered a total revenue of RM982.0 million, 10.4% lower compared to preceding quarter of RM1,095.5 million.

Retail business recorded revenue at RM826.2 million, is lower by 11.9% compared to preceding quarter of RM938.3 million. The decline was mainly due to preceding quarter's revenue surge contributed by festivities and opening of national borders.

Revenue from the property management services segment at RM155.8 million, is lower by 0.9% compared to preceding quarter of RM157.2 million. The slight decline in property management services revenue was due to higher temporary space rental in preceding quarter contributed by festivities.

The Company's profit before tax for the current quarter of RM18.7 million was lower by 79.7% compared to preceding quarter of RM92.3 million, mainly due to decline in revenue offset by decline in operating costs.

- c. Performance of the current period (YTD September 2022) against the corresponding period (YTD September 2021)

	Period Ended 30 September 2022 RM'm	Period Ended 30 September 2021 RM'm	Changes %
Revenue by segment:			
Retail business	2,621.9	2,244.9	16.8%
Property management services	457.4	393.4	16.3%
Total Revenue	3,079.3	2,638.3	16.7%
Profit from operations	251.1	132.2	89.9%
Profit before tax	165.8	36.4	>300%

For the current period, the Company registered a total revenue of RM3,079.3 million, 16.7% higher as compared to corresponding quarter of RM2,638.3 million.

Retail business recorded revenue at RM2,621.9 million, is 16.8% higher compared to corresponding quarter of RM2,244.9 million. The revenue growth is mainly from increase in Softline and Hardline sales, attributed largely to economic re-opening coupled with opening of national borders.

Revenue from the property management services segment at RM457.4 million, is 16.3% higher compared to corresponding quarter of RM393.4 million. The growth was contributed by higher sales commission and temporary space rental received in line with consumers' sentiment in returning to physical malls.

The Company registered a profit before tax of RM165.8 million for the period, more than tripled compared to the corresponding period of RM36.4 million, contributed by increase in revenue and gross margin.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**2 Prospects for the Financial Year Ending 31 December 2022 (FY2022)**

Global supply chain challenges compounded by unprecedented environmental and economic disruptions amidst increasing consumer demands, continue to create inflationary pressures globally.

To ensure sustainable operations and business performances, the Company will actively manage the pricing and supply chain strategy in order to offer value in consumers spending and demand needs in light of ongoing inflation concerns. The Company will continue to focus on developing our Aeon Living Zone to integrate both online and offline shopping engagement experiences, advance the offering related to health and wellness, as well as to deepen its customer engagement and experience via its Aeon loyalty program and iAeon app.

The Company will also continue to leverage its ecosystem especially in partnering and collaborating with its tenant partners, suppliers and AEON group of companies to optimise the value from customer demand, customer experience, to mitigate the supply chain risk and to buffer against global inflationary pressures.

**3 Profit Forecast/Profit Guarantee**

Not applicable as the Company did not publish any profit forecast or profit guarantee.

**4 Tax expense**

Tax expense comprises:

	Quarter ended		Period ended	
	30 September 2022 RM'm	30 September 2021 RM'm	30 September 2022 RM'm	30 September 2021 RM'm
Current tax expense	7.0	(14.8)	78.7	22.1
Deferred tax expense	0.8	-	0.8	-
	7.8	(14.8)	79.5	22.1

The Company's effective tax rate is higher than the statutory tax rate mainly due to expenses not deductible for tax purposes.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**5 Notes to the Statement of Profit or Loss**

	Quarter ended		Period ended	
	30 September 2022 RM'm	30 September 2021 RM'm	30 September 2022 RM'm	30 September 2021 RM'm
Profit before tax is arrived at after charging/(crediting):				
Depreciation and amortisation	70.0	72.7	211.2	224.6
Depreciation of right of use assets	40.1	42.3	121.9	126.7
Interest expense				
- lease interest	24.0	26.9	74.0	80.1
- interest charges	4.3	5.4	13.4	15.7
(Reversal of impairment)/Impairment				
loss on trade receivables	6.9	1.1	3.5	2.1
Fixed assets written off	0.2	0.2	1.0	1.6
Interest income	(0.6)	(0.1)	(2.1)	(0.4)
Dividend income	(0.9)	(0.9)	(0.9)	(0.9)

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

**6 Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the date of this report.

**7 Borrowings and Debt Securities**

	As at 30 September 2022		
	Long term RM denomination (RM'm)	Short term RM denomination (RM'm)	Total borrowings RM denomination (RM'm)
<b>Unsecured</b>			
Term loan	69.4	77.8	147.2
Islamic Medium-Term Notes/ Commercial Papers	200.0	170.0	370.0
	269.4	247.8	517.2



QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**7 Borrowings and Debt Securities (continued)**

	As at 30 September 2021		
	Long term RM denomination (RM'm)	Short term RM denomination (RM'm)	Total borrowings RM denomination (RM'm)
<b>Unsecured</b>			
Term loan	147.2	55.7	202.9
Revolving credit facilities	-	226.0	226.0
Islamic Medium-Term Notes/ Commercial Papers	-	470.0	470.0
	147.2	751.7	898.9

- (i) The term loans are unsecured, bear interest ranging from 2.99% to 3.03% (2021: 2.99% to 4.39%) per annum and are repayable on quarterly basis up to 29 July 2024.
- (ii) There is no unsecured revolving credit outstanding as at 30 September 2022 (2021: 2.20% per annum).
- (iii) The unsecured Islamic Commercial Papers and Islamic Medium Term Note bear interest rate of 3.15% to 3.65% (2021: 2.14% to 2.38%) per annum.

**8 Changes in Material Litigation**

On 2 March 2021, the Company received a legal suit from Betanaz Properties Sdn. Bhd. (“Plaintiff”). The Plaintiff alleged that the Company did not comply with its obligations under the Tenancy Agreement dated 24 August 2017 (“Tenancy Agreement”) to fulfill the conditions precedent under the Tenancy Agreement and had wrongfully terminated the Tenancy Agreement. The Plaintiff is seeking for, among others, the following reliefs:

- (i) Rental payment payable to the Plaintiff for the tenancy period between 1 April 2020 to 17 December 2021 and for the initial term of ten (10) years of the lease amounting to a total sum of RM59,302,302.97; or
- (ii) Expenditure incurred by the Plaintiff for the project, including but not limited to site clearance and earthworks, consultancy fees, financing costs and other incidental costs arising from the banking facilities and others costs amounting to RM18,936,207.76.

On 29 March 2021, the Company filed and served its defense against the Plaintiff. Further, the Company, as the plaintiff, filed a counterclaim against Betanaz Properties Sdn. Bhd. as the first defendant, and Ahmad Zaki Resources Berhad (“AZRB”) as the second defendant due to the non-fulfillment of the conditions precedent on the part of the defendants prior to the expiry of the respective conditional periods and the Tenancy Agreement and Commercial Agreement dated 24 August 2017 had been rendered void due to the expiry of the conditional periods on 23 October 2020 and 23 January 2020 respectively.

The Company is claiming, among others, the return or payment of approximately RM2,303,087.00 being the consultation fees for the project from the Plaintiff as first defendant and approximately RM28,415,094.44 being the contribution towards the construction of the bridge connecting Bandar Kuantan to Bandar Putra, Tanjung Lumpur, Pahang (“Bridge”), from AZRB as the second defendant.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE BURSA SECURITIES LISTING REQUIREMENTS (continued)**

**8 Changes in Material Litigation (continued)**

AZRB further filed the application to strike out the Company’s counterclaim against AZRB on 7 May 2021 and on 22 October 2021, the High Court allowed AZRB’s application to strike out the Company’s counterclaim against AZRB on the basis that the bridge across the Kuantan River, connecting Bandar Kuantan to Bandar Putra, Tanjung Lumpur (“Bridge”) was completed and the Company’s counterclaim is not sustainable.

On 26 October 2021, the Company filed and served the Notice of Appeal against the decision of the High Court judge and the hearing date is fixed on 9 May 2022.

Pursuant to the Company’s appeal against the High Court’s decision to allow AZRB’s application to strike out the Company’s counterclaim against AZRB on 9 May 2022, the Court of Appeal has decided in favor of the Company, and as a result, AZRB will be reinstated as a party to the Company’s counterclaim as the second defendant in the trial for the Main Suit, which is fixed on 20 to 21 May 2024 and 13 to 14 June 2024, respectively. Subsequently on 13 June 2022, the Court agreed to bring forward the trial dates for the Main Suit to 6 to 7 July 2023 and 3 to 4 August 2023, respectively.

Based on the advice by the Company’s legal counsel, the Directors are of the view that the abovementioned general damages sought by the Plaintiff are contradictory to the Rules of Court as the same should not have been quantified as if it were special damages. Hence, provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

**9 Dividend**

No dividend was proposed or declared for the financial period ended 30 September 2022.

**10 Qualification of Audit Report of the Preceding Annual Financial Statements**

There was no qualification on audit report of the preceding annual financial statements.

**11 Earnings Per Share**

	Quarter ended		Period ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Profit attributable to the owners for the period (RM’m)	10.9	(18.7)	86.3	14.3
Weighted average number of ordinary shares in issue (’m)	1,404	1,404	1,404	1,404
Basic earnings per ordinary share (sen)	0.78	(1.33)	6.15	1.02

Diluted earnings per share is not applicable for the Company.