



**MAH SING GROUP BERHAD**

**Registration No.: 199101019838 (230149-P)**

**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 September 2023**

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Registration No.: 199101019838 (230149-P)

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## **Interim Financial Report - 30 September 2023**

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**MAH SING GROUP BERHAD** (199101019838 (230149-P))

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****As at 30 September 2023***(The figures have not been audited)*

	AS AT 30/09/2023 RM'000	(AUDITED) AS AT 31/12/2022 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
<i>Property, plant and equipment</i>	398,703	392,485
<i>Prepaid lease payments</i>	3,272	3,196
<i>Right-of-use assets</i>	50,574	57,576
<i>Investment properties</i>	180,880	180,880
<i>Land held for property development</i>	1,904,759	1,838,717
<i>Intangible assets</i>	4,324	5,021
<i>Deferred tax assets</i>	213,497	206,754
	<b>2,756,009</b>	<b>2,684,629</b>
<b>Current Assets</b>		
<i>Property development costs</i>	790,301	1,017,090
<i>Inventories</i>	537,123	674,322
<i>Land held for sale</i>	-	46,614
<i>Trade and other receivables</i>	815,613	809,235
<i>Contract assets</i>	559,199	501,962
<i>Contract cost assets</i>	79,169	66,117
<i>Current tax assets</i>	9,115	10,140
<i>Deposits, cash and bank balances and investment in short-term funds</i>	865,374	579,580
	<b>3,655,894</b>	<b>3,705,060</b>
<b>TOTAL ASSETS</b>	<b>6,411,903</b>	<b>6,389,689</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Ordinary Equity Holders of the Company</b>		
<i>Share capital</i>	1,776,057	1,776,057
<i>Reserves</i>	12,092	11,637
<i>Retained earnings</i>	1,848,706	1,770,989
	<b>3,636,855</b>	<b>3,558,683</b>
<b>Non-Controlling Interests</b>	<b>35,513</b>	<b>28,482</b>
<b>Total Equity</b>	<b>3,672,368</b>	<b>3,587,165</b>
<b>Non-Current Liabilities</b>		
<i>Medium term notes</i>	1,000,552	1,001,136
<i>Term loans</i>	303,623	254,575
<i>Long term and deferred payables</i>	93,192	70,643
<i>Deferred tax liabilities</i>	35,275	44,160
	<b>1,432,642</b>	<b>1,370,514</b>
<b>Current Liabilities</b>		
<i>Trade and other payables</i>	1,002,186	1,198,121
<i>Contract liabilities</i>	225,310	114,158
<i>Term loans</i>	11,510	74,784
<i>Short term borrowings</i>	24,522	20,996
<i>Current tax liabilities</i>	43,365	23,951
	<b>1,306,893</b>	<b>1,432,010</b>
<b>Total Liabilities</b>	<b>2,739,535</b>	<b>2,802,524</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,411,903</b>	<b>6,389,689</b>
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	<b>1.50</b>	<b>1.47</b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

**For the financial period ended 30 September 2023**

*(The figures have not been audited)*

	3 months ended		Period ended		
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000	
Revenue	<b>644,260</b>	671,116	<b>1,931,937</b>	1,646,354	
Cost of sales	<b>(504,656)</b>	(531,761)	<b>(1,513,739)</b>	(1,272,674)	
<b>Gross profit</b>	<b>139,604</b>	139,355	<b>418,198</b>	373,680	
Other income	<b>8,229</b>	16,030	<b>22,211</b>	39,060	
Selling and marketing expenses	<b>(12,696)</b>	(14,988)	<b>(40,294)</b>	(45,221)	
Administrative and other expenses	<b>(46,484)</b>	(45,444)	<b>(134,999)</b>	(129,526)	
<b>Results from operating activities</b>	<b>88,653</b>	94,953	<b>265,116</b>	237,993	
Finance income	<b>1,681</b>	719	<b>5,389</b>	1,512	
Finance costs	<b>(14,284)</b>	(15,316)	<b>(43,669)</b>	(43,340)	
<b>Net finance costs</b>	<b>(12,603)</b>	(14,597)	<b>(38,280)</b>	(41,828)	
Profit before tax	<b>76,050</b>	80,356	<b>226,836</b>	196,165	
Income tax expense	<b>(24,502)</b>	(29,800)	<b>(69,826)</b>	(58,911)	
<b>Profit for the period</b>	<b>51,548</b>	50,556	<b>157,010</b>	137,254	
Profit attributable to:					
Equity holders of the Company	<b>50,016</b>	47,056	<b>150,548</b>	133,270	
Non-controlling interests	<b>1,532</b>	3,500	<b>6,462</b>	3,984	
	<b>51,548</b>	50,556	<b>157,010</b>	137,254	
Earnings per share attributable to ordinary equity holders of the Company:					
- Basic (sen)	Note B12(a)	<b>2.06</b>	1.94	<b>6.20</b>	4.57
- Diluted (sen)	Note B12(b)	<b>2.06</b>	1.94	<b>6.20</b>	4.57

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**For the financial period ended 30 September 2023**

*(The figures have not been audited)*

	<b>3 months ended</b>		<b>Period ended</b>	
	<b>30/09/2023</b>	<b>30/09/2022</b>	<b>30/09/2023</b>	<b>30/09/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the period</b>	<b>51,548</b>	50,556	<b>157,010</b>	137,254
<b>Other comprehensive income</b>				
<b><i>Item that may be reclassified subsequently to profit or loss:</i></b>				
Foreign currency translation difference for foreign operations	<b>(185)</b>	220	<b>720</b>	343
Other comprehensive income for the period	<b>(185)</b>	220	<b>720</b>	343
<b>Total comprehensive income for the period</b>	<b>51,363</b>	50,776	<b>157,730</b>	137,597
Total comprehensive income attributable to:				
Equity holders of the Company	<b>49,895</b>	47,193	<b>151,003</b>	133,480
Non-controlling interests	<b>1,468</b>	3,583	<b>6,727</b>	4,117
	<b>51,363</b>	50,776	<b>157,730</b>	137,597

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the financial period ended 30 September 2023**

(The figures have not been audited)

	Attributable to ordinary equity holders of the Company							Total Equity RM'000
	Non-distributable			Distributable		Perpetual Securities RM'000	Non- controlling interests RM'000	
	Share capital RM'000	Exchange fluctuation reserve RM'000	Equity Component of Convertible Sukuk RM'000	Retained earnings RM'000	Total RM'000			
<b>9 months ended 30 September 2023</b>								
Balance at 1/1/2023	1,776,057	5,883	5,754	1,770,989	3,558,683	-	28,482	3,587,165
Amount recognised directly in equity:								
Profit for the financial period	-	-	-	150,548	150,548	-	6,462	157,010
Other comprehensive income	-	455	-	-	455	-	265	720
Total comprehensive income for the period	-	455	-	150,548	151,003	-	6,727	157,730
Dividends for the financial year ended 31 December 2022	-	-	-	(72,831)	(72,831)	-	-	(72,831)
Issue of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	304	304
<b>Balance at 30/09/2023</b>	<b>1,776,057</b>	<b>6,338</b>	<b>5,754</b>	<b>1,848,706</b>	<b>3,636,855</b>	<b>-</b>	<b>35,513</b>	<b>3,672,368</b>
<b>9 months ended 30 September 2022</b>								
Balance at 1/1/2022	1,776,057	6,151	5,754	1,682,370	3,470,332	645,212	21,831	4,137,375
Amount recognised directly in equity:								
Profit for the financial period	-	-	-	133,270	133,270	-	3,984	137,254
Other comprehensive income	-	210	-	-	210	-	133	343
Total comprehensive income for the period	-	210	-	133,270	133,480	-	4,117	137,597
Dividends for the financial year ended 31 December 2021	-	-	-	(64,334)	(64,334)	-	-	(64,334)
Redemption of Perpetual Securities	-	-	-	(4,788)	(4,788)	(645,212)	-	(650,000)
Distribution paid to holders of Perpetual Securities	-	-	-	(22,364)	(22,364)	-	-	(22,364)
<b>Balance at 30/09/2022</b>	<b>1,776,057</b>	<b>6,361</b>	<b>5,754</b>	<b>1,724,154</b>	<b>3,512,326</b>	<b>-</b>	<b>25,948</b>	<b>3,538,274</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 30 September 2023**

*(The figures have not been audited)*

	<b>9 months ended 30/09/2023 RM'000</b>	9 months ended 30/09/2022 RM'000
<b>Operating Activities</b>		
Profit before tax	226,836	196,165
Adjustments for:		
Non-cash items	30,154	50,971
Non-operating items	36,406	42,467
Operating profit before changes in working capital	<u>293,396</u>	289,603
Net change in property development costs	375,145	299,451
Net change in land held for sales	46,614	-
Net change in inventories	138,440	133,633
Net change in receivables	45,013	(207,690)
Net change in contract assets	(57,237)	(41,968)
Net change in contract cost assets	(13,052)	(7,430)
Net change in payables	(108,115)	(64,902)
Net change in contract liabilities	111,152	130,900
Cash from operations	<u>831,356</u>	531,597
Interest received	8,804	3,022
Finance cost paid	(17,133)	(16,786)
Net tax paid	(64,990)	(55,276)
Net cash from operating activities	<u>758,037</u>	462,557
<b>Investing Activities</b>		
Additions to property, plant and equipment	(30,136)	(36,439)
Additions to land held for property development	(44,992)	(35,466)
Advances to an associate company	-	(5)
Acquisition of land	(268,549)	(75,129)
Payment of balance consideration on acquisition of a subsidiary company	(7,500)	(7,500)
Proceeds from disposal of property, plant and equipment	641	132
Subscription of shares in an associate company	-	-*
Net cash used in investing activities	<u>(350,536)</u>	(154,407)
<b>Financing Activities</b>		
Dividends paid to shareholders of the Company	(72,831)	(64,334)
Distribution paid to holders of Perpetual Securities	-	(22,364)
Net repayment of borrowings	(12,251)	(44,615)
Payment of Medium Term Notes interest	(34,933)	(34,926)
Redemption of Perpetual Securities	-	(650,000)
Repayment of lease liabilities	(5,392)	(6,393)
Issue of shares by subsidiaries to non-controlling shareholders	304	-
Withdrawal/(Placement) of deposits with licensed banks pursuant to banking facilities (Placement)/Withdrawal of deposits in Sinking Fund Account, Security and Principal Accounts, Finance Service Reserve Accounts, Escrow Account, Project Accounts and Trustees' Reimbursement Accounts	10,642	(34)
Net cash used in financing activities	<u>(60,984)</u>	444,401
	<u>(175,445)</u>	(378,265)
Net changes in cash and cash equivalents	232,056	(70,115)
Effect of exchange rate changes	39	187
Fair value adjustment on investment in short-term funds	3,097	-
Cash and cash equivalents at beginning of the financial period	480,370	512,090
Cash and cash equivalents at end of the financial period	<u>715,562</u>	442,162

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the financial period ended 30 September 2023 (continued)**

*(The figures have not been audited)*

Cash and cash equivalents at the end of the financial period comprise the followings:

	<b>9 months ended 30/09/2023 RM'000</b>	9 months ended 30/09/2022 RM'000
Investment in short-term funds	<b>312,896</b>	190,970
Cash and bank balances	<b>544,900</b>	304,674
Deposits with licensed banks	<b>7,578</b>	5,281
Bank overdrafts	<b>(1,204)</b>	-
	<b>864,170</b>	500,925
Less: Deposits in Security and Principal Accounts and Financial Service Reserve Accounts	<b>(146,922)</b>	(47,694)
Less: Deposits in Project Accounts	-	(8,230)
Less: Deposits with licensed banks pursuant to banking facilities	<b>(1,654)</b>	(2,776)
Less: Deposits in Trustees' Reimbursement Accounts	<b>(32)</b>	(63)
	<b>715,562</b>	442,162

\* Represents subscription of shares in an associated company of RM49

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.



## **A Explanatory notes**

### **A1 Basis of preparation**

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* and with International Accounting Standard 14 *Interim Financial Reporting* and applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2022. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

The significant accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2022 save for the adoption of the following:

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

The adoption of the above MFRS and amendments to MFRSs does not have any material impact on the financial statements of the Group.

### **A2 Seasonal or cyclical factors**

The operations of the Group were not significantly affected by any seasonal or cyclical factors during the financial period under review.

### **A3 Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period under review.

### **A4 Changes in estimates**

There were no material change in estimates for the financial period under review.

### **A5 Debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buybacks, share cancellations, share held as treasury and resale of treasury shares during the financial period under review.

### **A6 Dividends paid**

On 21 September 2023, the Company paid a first and final single-tier dividend of 3 sen per ordinary share which amounted to RM72,830,636 in respect of the financial year ended 31 December 2022.

**A7 Segment reporting**

Period ended 30 September 2023

	Property RM'000	Manufacturing RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	1,562,242	328,129	41,566	-	1,931,937
Inter-segment	-	-	140,222	(140,222)	-
	<u>1,562,242</u>	<u>328,129</u>	<u>181,788</u>	<u>(140,222)</u>	<u>1,931,937</u>
<b>RESULTS</b>					
Operating profit/(loss)	259,718	(5,449)	10,847	-	265,116
Interest income					5,389
Finance costs					(43,669)
Profit before tax					<u>226,836</u>
Income tax expense					(69,826)
Profit for the period					<u>157,010</u>

Period ended 30 September 2022

	Property RM'000	Manufacturing RM'000	Investment Holding & Others RM'000	Elimination RM'000	Consolidated RM'000
<b>REVENUE</b>					
External revenue	1,296,526	326,097	23,731	-	1,646,354
Inter-segment	-	-	151,898	(151,898)	-
	<u>1,296,526</u>	<u>326,097</u>	<u>175,629</u>	<u>(151,898)</u>	<u>1,646,354</u>
<b>RESULTS</b>					
Operating profit/(loss)	247,505	(14,014)	4,502	-	237,993
Interest income					1,512
Finance costs					(43,340)
Profit before tax					<u>196,165</u>
Income tax expense					(58,911)
Profit for the period					<u>137,254</u>

**A8 Material subsequent events**

Save as disclosed in B6, there were no material events subsequent to the reporting date up to 22 November 2023, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**A9 Related party transactions**

01/01/2023  
to  
30/09/2023  
RM'000

Transactions with companies in which a Director of the company has interests:

(i) Rental paid to a Company in which a Director of the Company has interest	1,153
(ii) Maintenance services rendered by a company in which the Directors are family members of a Director of the Company	<u>141</u>

Transactions with non-controlling interests:

(i) Interest payable to non-controlling shareholders of subsidiary companies	125
(ii) Advisory fee paid to a non-controlling shareholder of a subsidiary company	<u>63</u>

**A10 Changes in the composition of the Group**

There were no change in the composition of the Group during the current financial period except for the following:-

- (i) On 2 May 2023, Vital Routes Sdn Bhd, a wholly-owned subsidiary of the Company, subscribed for 6,000 new ordinary shares in Grow Innovations Sdn Bhd ("**GI**") at an issue price of RM1. As a result, GI became a 60%-owned subsidiary of the Group.
- (ii) On 7 August 2023, Nova Legend Development Sdn Bhd ("**NLDSB**"), a wholly-owned subsidiary of the Company had incorporated a new subsidiary known as Mah Sing South Sea Industrial Development Sdn Bhd ("**MSSS**"), with paid-up share capital of RM2 comprising 2 new ordinary shares.

On 19 September 2023, NLDSB and Jastamax Sdn Bhd (a wholly-owned subsidiary of the Company) had further subscribed for an additional 499,998 and 200,000 new ordinary shares, respectively, while the non-controlling interests had subscribed 300,000 ordinary shares. Each share was issued at a price of RM1. As a result, the effective interest of the Group in MSSS had reduced to 70% of the enlarged paid-up capital of MSSS.

**A11 Changes in contingent liabilities or contingent assets**

There were no contingent assets. Contingent liabilities of the Group are as follows:

30/09/2023  
RM'000  
212,803

Bank guarantees issued in favour of third parties

The Group has adopted the provisions of Paragraph 92 of MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* pursuant to the non-disclosure of the financial effect in relation to the disputed liquidated ascertained damages.

The Group is relying on its solicitors view that the Group has good chance to succeed in the litigation proceedings and therefore no provisions have been made by the Group at this juncture.

**A12 Capital commitments**

30/09/2023  
RM'000

Contractual commitment for the acquisition of development land	421,321
Commitment for acquisition of property, plant and equipment:	
- Approved and contracted for	<u>12,189</u>
	<u>433,510</u>

**A13 Operating lease commitments**

**As Lessor - for the lease of investment properties and commercial properties**

The Group lease out its investment properties and commercial properties under non-cancellable operating leases. The tenure of these leases ranges between 1 to 6 years with option to renew upon expiry except for certain commercial properties. Certain of the leases include contingent rental arrangements computed based on sales achieved by tenants.

The future minimum lease rental receivables under non-cancellable leases as at reporting date are as follow:-

30/09/2023  
RM'000

Less than one year	5,214
One to three years	3,470
	<u>8,684</u>

**B Explanatory notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1 Review of Group performance**

For the third quarter ended 30 September 2023, the Group recorded revenue of RM644.3 million and profit before tax ("PBT") of RM76.1 million. For the nine-month period ended 30 September 2023, the Group recorded revenue and PBT of RM1.93 billion and RM226.8 million respectively as compared to RM1.65 billion and RM196.2 million a year ago. This represents 17.3% and 15.6% improvement in revenue and PBT compared to the preceding year's corresponding period.

The Group's balance sheet remains healthy with cash and bank balances and investment in short-term funds of approximately RM865.4 million as at 30 September 2023.

The analysis of the performance for each operating segment for the current financial period are as follows:

**Property development**

For the period ended 30 September 2023, the property development segment recorded an operating profit of RM259.7 million on the back of revenue of RM1.56 billion, which were 4.9% and 20.5% higher than the operating profit and revenue recorded a year ago. The higher revenue and operating profit were mainly driven by higher property sales and progressive revenue recognition from ongoing construction progress.

The development projects that were the key earnings contributors include *M Vertica* in Cheras, *M Arisa* in Sentul, *M Luna* in Kepong, *Meridin East* in Johor Bahru, *M Oscar* in Sri Petaling, *M Adora* in Wangsa Melawati, *M Senyum* in Salak Tinggi and *Southville City* in Bangi. Other projects which also contributed include *M Astra* in Setapak, *M Aruna* and *M Panora* in Rawang, *Southbay City* and *Ferringhi Residence* in Penang, *Sierra Perdana*, *Meridin @ Medini* and *Mah Sing i-Parc* in Johor.

The Group's property sales for the nine-month period ended 30 September 2023 increased 14.4% to RM1.8 billion as compared with RM1.57 billion (excluding land sales of RM115 million) in the same period last year.

**Manufacturing**

The manufacturing segment's revenue grew slightly by 0.6% to RM328.1 million in the current period ended 30 September 2023 compared with RM326.1 million in the preceding year's corresponding period. Operating loss narrowed by 61.1% to RM5.4 million compared with RM14.0 million in the preceding year's corresponding period due to the Group's ongoing effort on cost management and cost optimisation measures to improve productivity and efficiency of its gloves operation.

**Investment holding & others**

Revenue for the investment holding and other segments comprise mainly interest income from the deposit of funds, revenue from trading of building materials and hotel operation.

**B2 Material change in quarterly results compared with the immediate preceding quarter**

There was no major fluctuation in the Group's current quarter PBT of RM76 million as compared to the immediate preceding quarter of RM75 million.

### B3 Prospects for the current financial year

The Group registered new property sales of RM600 million for the third quarter ended 30 September 2023, bringing the nine months cumulative sales to RM1.8 billion. Unbilled sales position has grown to RM2.42 billion, providing future revenue visibility. The Group's unique positioning in the affordable segment alongside with its highly differentiated product offering, known as "Luxury You Can Afford", has ensured repeated success at project launches. Further to recent launches of M Nova in Kepong in August 2023, Phase 3A of M Senyum in Salak Tinggi and M Minori in Johor Bahru in October 2023, upcoming new launches in the pipeline include future phases of M Senyum in Salak Tinggi, Meridin East in Johor Bahru, M Residence in Rawang and M Sinar, Southville City in Bangi. The Group also looks forward to the maiden launches of M Terra in Puchong, M Tiara in Johor Bahru and M Zenya in Kepong that have recorded strong registration of interests.

Encouraged by the resilient performance of the M-series projects, the Group will continue to pursue more acquisitions to develop affordable residential homes as well as to expand its industrial development portfolio. Further to the four new land acquisitions earlier in the year, the Group entered into a joint venture collaboration in September 2023 to offer one-stop service solution for foreign businesses looking to set up manufacturing base in Malaysia. The joint venture is expected to open up more opportunities for the Group to fuel its industrial development portfolio growth. During the quarter, the Company rewarded and paid RM72.8 million to shareholders in the form of dividends, representing the 17th year of uninterrupted dividend payout record at minimum 40% of annual profit.

Looking ahead, the Group will maintain discipline on execution for continued momentum in revenue and earnings delivery. Armed with a healthy financial profile, demand driven property portfolio and operational efficiency, the Group should continue to deliver above industry Return on Equity and future growth in performance.

### B4 Profit forecast

Not applicable as the Group has not issued profit forecast or profit guarantee in a public document.

### B5 Income tax expense

	3 months ended		Period ended	
	30/09/2023 RM'000	30/09/2022 RM'000	30/09/2023 RM'000	30/09/2022 RM'000
Estimated income tax payable:				
Current financial period	14,390	37,318	80,250	70,848
Under/(Over) provision of income tax in prior years	5,204	(373)	5,204	(420)
	<b>19,594</b>	36,945	<b>85,454</b>	70,428
Deferred tax				
Current financial period	10,610	(5,643)	(8,680)	(10,015)
Under provision of income tax in prior years	(5,702)	(1,502)	(6,948)	(1,502)
	<b>4,908</b>	(7,145)	<b>(15,628)</b>	(11,517)
	<b>24,502</b>	29,800	<b>69,826</b>	58,911

The Group's effective tax rate for the current quarter and current financial period were higher than the statutory tax rate of 24% mainly due to certain non-tax deductible expenses and non-recognition of deferred tax assets arising from certain loss-making entities.

## B6 Status of corporate proposals

The following corporate proposals as announced by the Company have not been completed as at 22 November 2023 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report):

- a) On 5 July 2010, the Company's wholly-owned subsidiary, Grand Prestige Development Sdn Bhd ("**Grand Prestige**") entered into a Joint Venture Agreement ("**JVA**") with Medan Damai Sdn Bhd ("**Medan Damai**") for the joint development of a piece of residential land in Mukim Petaling, Daerah Petaling, Negeri Selangor Darul Ehsan with a total gross area of approximately 13.2 acres (net aggregate area of 7.59 acres) ("**Kinrara Land**"). Under the terms of the JVA, Medan Damai shall grant Grand Prestige the exclusive rights to continue with the sales and development of the Kinrara Land in return for an entitlement sum of RM35,403,863.85.

The JVA is pending fulfilment by Medan Damai of certain obligations pertaining to the development components.

- b) On 19 June 2023, the wholly-owned subsidiaries of the Group, Mestika Bistari Sdn Bhd, Grand Prestige Development Sdn Bhd and Elite Park Development Sdn Bhd had entered into three inter-conditional sale and purchase agreements ("**SPAs**") with Petaling Garden Sdn Bhd for the Proposed Acquisition of 500 acres in total area of land located in Mukim Beranang, Daerah Ulu Langat Selangor for a purchase consideration of RM392,040,000 ("**Proposed Acquisition**") comprising:
- (i) 440 acres being part of all that piece of freehold land held under Geran 46222, Lot 41, Mukim Beranang, Daerah Ulu Langat, Negeri Selangor measuring approximately 745 acres in area; and
- (ii) all that piece of freehold land held under Geran 9403, Lot 1807, Mukim Beranang, Daerah Ulu Langat, Negeri Selangor measuring approximately 60 acres in area.

The completion of the Proposed Acquisition is pending the fulfilment of the conditions precedent of the SPAs.

- c) On 6 July 2023, the Company's wholly-owned subsidiary, Star Residence Sdn Bhd had entered into a joint venture agreement ("**JVA**") with Liberty Triangle Sdn Bhd to undertake a development of two pieces of land in Mukim Batu, Daerah Kuala Lumpur, measuring approximately 4.88 acres for a total consideration of RM85,300,000.

This JVA is pending fulfillment of parties obligations in accordance with the terms thereof.

## B7 Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 30 September 2023 were as follows:

<u>Secured</u>	Short term RM'000	Long term RM'000	Total RM'000
Medium term notes	-	1,000,552	1,000,552
Term loans	11,510	303,623	315,133
Short term borrowings	24,522	-	24,522
Hire purchase	629	2,005	2,634
	<b>36,661</b>	<b>1,306,180</b>	<b>1,342,841</b>

The currency profile of borrowings and debt securities is as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Ringgit Malaysia	26,759	1,306,180	1,332,939
Indonesian Rupiah	9,902	-	9,902
	<b>36,661</b>	<b>1,306,180</b>	<b>1,342,841</b>

## **B8 Material litigation**

On 25 October 2019, the Company's wholly owned subsidiary, Elite Park Development Sdn Bhd ("**EPD**") had through its solicitors filed and served Statement of Claim against Zulhikple Abu Bakar ("**ZAB**") claiming for the following as a result of a breach of the Consultancy Agreement dated 9 June 2015 ("**Consultancy Agreement**") entered between EPD and ZAB whereby ZAB was to provide amongst others, value engineering services to the original foundation and structural designs ("**Services**") for the buildings in the project erected on Lot 24673 (PT 2105), Bandar Kundang, Mukim Rawang, Daerah Gombak, Selangor ("**Development**"):

- (i) A total sum of damages of RM40,670,557.81 and/or alternatively for damages to be assessed; and
- (ii) Interest at the rate of 5% or any other rate as the Court deems fit and proper on the judgement sum calculated from the date of judgement until the date of final settlement and costs.

On 27 November 2019, ZAB has filed a statement of defence and counterclaim against EPD alleging amongst others:

- (i) Unlawful termination of the Consultancy Agreement;
- (ii) EPD pay to ZAB a total sum of RM114,088.23 being ZAB's outstanding fee under the Consultancy Agreement; and
- (iii) General damages to be assessed.

On 15 July 2020, EPD had through its solicitors filed and served the Amended Writ and Amended Statement of Claim against ZAB and two other defendants namely, Pembinaan Infrastruktur OKH Sdn Bhd ("**OKH**") for breach of contract in failing amongst others, to provide material and workmanship of the quality and standard pursuant to a letter of award dated 28 November 2014 and a Standard Form PAM 2006 Contract entered into between EPD and OKH to build and construct buildings in the project erected on the Development, and Lonpac Insurance Berhad ("**LONPAC**") for breach of an insurance policy issued by LONPAC in favour of EPD as beneficiary under a Contractors' All Risk Policy in failing to pay to EPD for damages and/or losses suffered by EPD in the Development in the same legal proceedings.

The solicitors of EPD are of the view that EPD has good grounds to succeed in its claims against ZAB, OKH and LONPAC. It is preliminary at this stage to ascertain the potential recoverable amount. Trial dates have been moved to 13 May 2024 to 16 May 2024, 20 May 2024, 21 May 2024, 20 June 2024, 21 June 2024, 24 June 2024 to 27 June 2024.

Save for the above and as disclosed in A11, the Group was not engaged in any material litigation as at 22 November 2023, being the latest practicable date which is not earlier than 7 days from the date of issuance of this Interim Financial Report.

**B9 Derivatives financial instrument**

As at 30 September 2023, there were no outstanding foreign currency forward contracts.

**B10 Additional disclosures pursuant to para 16, Part A, Appendix 9B of Bursa Malaysia Securities Berhad Listing Requirements**

	<b>3 months ended 30/09/2023 RM'000</b>	<b>Period ended 30/09/2023 RM'000</b>
(Allowance)/Reversal of allowance for impairment loss on financial assets	(1,172)	189
Allowance for impairment on inventories	(100)	(100)
Bad debts recovered	2	3
Depreciation and amortisation	(10,591)	(31,196)
Gain on redemption of financial assets at fair value through profit or loss	1,848	3,911
Impairment of intangible assets	(339)	(697)
Inventories written off	(257)	(632)
Insurance income	-	28
Net foreign exchange gain	196	1,501
Property, plant and equipment written off	(93)	(475)

Other than the items above which have been included in profit or loss, there were no impairment of assets or exceptional items which may have an effect on the results for the current financial period ended 30 September 2023.

**B11 Dividend proposed**

No dividend has been proposed for the nine-months ended 30 September 2023.



## B12 Earnings per share

### (a) Basic earnings per share

The basic earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial period by the weighted average number of ordinary shares in issue.

	3 months ended		Period ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Net profit for the period (RM'000)	50,016	47,056	150,548	133,270
Distribution paid to holders of perpetual Sukuk (RM'000)	-	-	-	(22,364)
Net profit for the period attributable to ordinary equity holders (RM'000)	50,016	47,056	150,548	110,906
Weighted average number of ordinary shares in issue ('000)	2,427,688	2,427,688	2,427,688	2,427,688
Basic earnings per share (sen)	2.06	1.94	6.20	4.57

### (b) Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial period by the weighted average number of ordinary shares that would have been in issue assuming full conversion of Convertible Sukuk, adjusted for the number of such ordinary shares that would have been issued at fair value.

	3 months ended		Period ended	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Net profit for the period attributable to ordinary equity holders (RM'000)	50,016	47,056	150,548	110,906
Weighted average number of ordinary shares in issue ('000)	2,427,688	2,427,688	2,427,688	2,427,688
Weighted average number of ordinary shares deemed issued at no consideration ('000)				
- Convertible Sukuk	5,332	*	*	*
Adjusted weighted average number of ordinary shares ('000)	2,433,020	2,427,688	2,427,688	2,427,688
Diluted earnings per share (sen)	2.06	1.94	6.20	4.57

\*The effects of potential ordinary shares arising from the conversion of Convertible Sukuk is anti-dilutive and accordingly is excluded from the diluted earnings per share computation above.

## B13 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

## B14 Comparative figures

Comparative figures, where applicable, have been modified to conform to the current year presentation.

BY ORDER OF THE BOARD

YANG BAO LING  
THAM WAI YING

Kuala Lumpur  
29 November 2023