



# **GABUNGAN AQRs BERHAD**

201001028608 (912527-A)  
(Incorporated in Malaysia)

## **INTERIM FINANCIAL STATEMENTS FOR THE FIFTH QUARTER ENDED**

**31 MARCH 2024**

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21 May 2024



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FIFTH QUARTER ENDED 31 MARCH 2024**

	INDIVIDUAL QUARTER	CUMULATIVE QUARTER
	CURRENT YEAR QUARTER 3 months 31 March 2024 RM'000	CURRENT YEAR TO DATE 15 months 31 March 2024 RM'000
Revenue	66,960	376,048
Cost of sales	(52,043)	(310,800)
Gross profit	14,917	65,248
Other income	1,360	9,393
Operating costs	(7,000)	(35,078)
Finance cost	(3,276)	(14,722)
Share of profit/(loss) of an associate	203	1,106
Share of profit/(loss) of a joint venture	30	847
Profit before tax	6,234	26,794
Tax expense	(3,073)	(9,980)
Profit for the financial period	3,161	16,814
Other comprehensive income, net of tax	-	-
Total comprehensive income for the financial period	3,161	16,814
Attributable to:		
Owners of the parent	3,175	16,909
Non-controlling interests	(14)	(95)
	3,161	16,814
Earnings per ordinary share attributable to equity holders of the Company (sen) :		
- Basic	0.58	3.12
- Diluted	0.58	3.12

There is no comparative for the condensed consolidated statement of profit or loss and other comprehensive income for the 15 months interim period ended 31 March 2024, due to change in the financial year end from 31 December to 30 June.

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2024**

	(UNAUDITED) AS AT 31 March 2024 RM'000	(AUDITED) AS AT 31 December 2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	24,523	25,505
Investment properties	29,719	31,002
Investment in a joint venture	1,129	882
Investment in an associate	5,024	4,153
Deferred tax assets	1,696	3,206
Intangible assets	27,355	27,355
	<u>89,446</u>	<u>92,103</u>
<b>Current assets</b>		
Inventories	312,504	318,950
Trade and other receivables	132,483	142,120
Contract assets	576,376	660,229
Other investment	711	1,389
Current tax assets	260	522
Short term funds	176	168
Cash and bank balances	119,948	150,165
	<u>1,142,458</u>	<u>1,273,543</u>
<b>TOTAL ASSETS</b>	<u><b>1,231,904</b></u>	<u><b>1,365,646</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	355,613	355,613
Treasury shares	(1,427)	(1,427)
Retained earnings	162,482	145,573
	<u>516,668</u>	<u>499,759</u>
<b>Non-controlling interests</b>	1,718	1,813
<b>TOTAL EQUITY</b>	<u>518,386</u>	<u>501,572</u>
<b>Non-current liabilities</b>		
Borrowings	4,198	408
Lease liabilities	4,744	1,171
Deferred tax liabilities	1,634	1,971
	<u>10,576</u>	<u>3,550</u>
<b>Current liabilities</b>		
Trade and other payables	412,335	519,172
Contract liabilities	12,088	37,044
Borrowings	167,223	264,031
ICP/IMTN Programme	104,470	38,628
Lease liabilities	1,072	1,213
Current tax liabilities	5,754	436
	<u>702,942</u>	<u>860,524</u>
<b>TOTAL LIABILITIES</b>	<u>713,518</u>	<u>864,074</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,231,904</b></u>	<u><b>1,365,646</b></u>
Net assets per share attributable to owners of the parent (RM)	<u>0.95</u>	<u>0.92</u>

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 notes.

21 May 2024

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIFTH QUARTER ENDED 31 MARCH 2024**

	----- ATTRIBUTABLE TO OWNERS OF THE PARENT -----					
	-----Non-distributable-----		Distributable		Non-	Total
	Share	Treasury	Retained	Total	controlling-	equity
	capital	shares	earnings		interests	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 1 January 2023	355,613	(1,427)	145,573	499,759	1,813	<b>501,572</b>
Profit for the financial period / Total comprehensive income for the period	-	-	16,909	16,909	(95)	<b>16,814</b>
	-	-	16,909	16,909	(95)	<b>16,814</b>
Balance as at 31 March 2024	355,613	(1,427)	162,482	516,668	1,718	<b>518,386</b>

There is no comparative for the condensed consolidated statement of changes in equity for the 15 months interim period ended 31 March 2024, due to change in the financial year end from 31 December to 30 June.

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 notes.

21 May 2024



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIFTH QUARTER ENDED 31 MARCH 2024**

**Cumulative Period**  
**Ended**  
**31 March 2024**  
**RM'000**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Profit before tax	26,794
Adjustments for :	
Depreciation of property, plant and equipment	7,612
Fair value loss/(gain) on:	
- Other investment	679
Reversal of impairment losses of trade and other receivables	(4,276)
Gain on disposal of investment properties	(254)
Loss on disposal of property, plant and equipment	(92)
Gain on lease modification	58
Impairment losses on:	
- Trade and other receivable	2,510
Interest expense	14,722
Interest income	(3,694)
Share of profit of an associate	(1,106)
Share of profit of a joint venture	(847)
Operating profit before changes in working capital	42,106
Changes in working capital:	
Inventories	6,446
Trade and other receivables	95,255
Trade and other payables	(130,768)
Cash generated from/(used in) operating activities	13,039
Interest paid	(12,965)
Interest received	3,694
Tax paid	(2,982)
Tax refunded	48
Net cash generated from / (used in) operating activities	834

**CASH FLOWS FROM INVESTING ACTIVITIES**

Dividend received from associate	235
Dividend received from joint venture	600
Purchase of property, plant and equipment	(1,226)
Proceeds from disposals of investment properties	307
Proceeds from disposals of property, plant and equipment	105
Withdrawals of fixed deposits pledged	26,844
Net cash generated from investing activities	26,865

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of lease liabilities	(2,130)
Drawdowns of term loans	11,018
Repayments of term loans	(84,722)
Drawdowns of revolving credits	20,000
Repayment of revolving credits	(500)
Drawdown of ICP/IMTN programme	65,842
Net cash (used in)/generated from financing activities	9,508

**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS**

	37,207
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**CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD**

	(172,536)
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**CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD**

	<b>(135,329)</b>
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Cash and cash equivalents at the end of the financial period comprise the following:

	<b>As at</b>
	<b>31 March 2024</b>
	<b>RM'000</b>
Cash and bank balances	10,293
Fixed deposits with licensed banks	109,655
Short term funds	176
	120,124
Less : Bank overdrafts included in borrowings	(75,148)
Trade line with facilities included in borrowings	(70,650)
Fixed deposits pledged	(109,655)
Total cash and cash equivalents	<b>(135,329)</b>

There is no comparative for the condensed consolidated statement of cash flows for the 15 months interim period ended 31 March 2024, due to change in the financial year end from 31 December to 30 June.

**GABUNGAN AQRS BERHAD****(Company No: 201001028608 (912527-A))****(Incorporated in Malaysia)****Quarterly Unaudited Results of the Group for the Fifth Quarter ended 31 March 2024****A Explanatory Notes in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting****A1. Change in Financial Year End**

As announced on 26 April 2023, the Group has changed its financial year end from 31 December 2023 to 30 June 2024. Accordingly, the current financial period covers a period of eighteen (18) months from 1 January 2023 to 30 June 2024.

**A2. Basis of Preparation**

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the interim financial statements 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 year ended 31 December 2022.

**A3. Significant Accounting Policies**

The significant accounting policies adopted by the Group for the unaudited condensed interim financial statements are consistent with those adopted for the Group audited financial statements for the financial year ended 31 December 2022, except for the adoption of the following amendments to MFRSs effective 1 January 2024:

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

The adoption of the above amendments and annual improvements to MFRSs is not expected to have any material impact on the interim financial statements of the Group.

**Standards issued but not yet effective**

The following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective to the Group.

**Effective for financial periods beginning on or after 1 January 2025**

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – *Lack of Exchangeability*

**Effective dates of these Amendments to Standards has been deferred, and yet to be announced**

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in Associates and Joint Ventures – *Sales or Contribution of Assets between an Investor and its Associates or Joint Venture*

**A4. Qualification of Financial Statements**

The auditors' report for the preceding year's audited financial statements was not subject to any qualification.

**A5. Seasonal or Cyclical Factors**

The Group's operations were not materially affected by any seasonal or cyclical factors.

**A6. Nature and Amount of Unusual Items**

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

**A7. Nature and Amount of Changes in Estimates**

There were no material changes in estimates for the current financial quarter under review.

**A8. Issuance and Repayment of Debt and Equity Securities**

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations and shares held as treasury shares for the current financial quarter under review.

As at the end of the current financial quarter under review, a total of 1,165,744 shares were held as treasury shares.

**A9. Dividend Paid**

There were no dividends paid during the current financial quarter under review.

**A10. Segmental Information**

The Company and its subsidiaries are principally engaged in construction, property development and investment holding.

The Company has arrived at two (2) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(i) Construction

Securing and carrying out construction contracts.

(ii) Property development

Development of residential and commercial properties.

Other operating segments that do not constitute a reportable segment comprise investment holding.



**A10. Segmental Information (continued)**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by segment:

**A11. Valuation of Property, Plant and Equipment**

There is no valuation of property, plant and equipment performed in the current quarter and financial year-to-date.

**A12. Acquisition/Disposal of Property, Plant and Equipment**

There was no material acquisition or disposal of property, plant and equipment during the current quarter and financial year-to-date.

15 months ended 31 March 2024	Construction RM'000	Property Development RM'000	Other RM'000	Inter- segment Elimination RM'000	Total RM'000
<b>Segment Revenue</b>					
External	262,352	109,998	3,698	-	376,048
Inter-segment	110,058	-	7,396	(117,454)	-
Total revenue	372,410	109,998	11,094	(117,454)	376,048
Interest income	5,704	243	6,856	(9,109)	3,694
Finance cost	(8,090)	(5,454)	(10,578)	9,400	(14,722)
Net finance expense	(2,386)	(5,211)	(3,722)	291	(11,028)
Share of profit of an associate	1,106	-	-	-	1,106
Share of profit of a joint venture	-	-	847	-	847
<b>Segment profit/(loss) before tax</b>	<b>13,047</b>	<b>13,556</b>	<b>(9,066)</b>	<b>9,257</b>	<b>26,794</b>
Taxation	(3,389)	(5,073)	(8)	(1,510)	(9,980)
<b>Segment profit/(loss) after tax</b>	<b>9,658</b>	<b>8,483</b>	<b>(9,073)</b>	<b>7,747</b>	<b>16,814</b>
Other material non-cash item:					
- Depreciation	(6,129)	(555)	(2,691)	1,764	(7,611)
Additions to non-current assets other than financial instruments and deferred tax assets	890	50	14	-	954
<b>Segment assets</b>	<b>847,204</b>	<b>533,621</b>	<b>634,918</b>	<b>(783,839)</b>	<b>1,231,904</b>
<b>Segment liabilities</b>	<b>579,675</b>	<b>458,641</b>	<b>207,819</b>	<b>(532,617)</b>	<b>713,518</b>

**A13. Material Subsequent Event**

There were no material events subsequent to the end of the current financial quarter under review up to the date of this report which is likely to substantially affect the results of the operations of the Group.

**A14. Changes in the Composition of the Group**

There were no changes to the composition of the Group for the current quarter.

**A15. Capital Commitment**

There are no material capital commitments for the current quarter and financial year-to-date.

**A16. Contingent Liabilities**

	<b>As at 31 Mar 24 RM'000</b>	<b>As at 31 Dec 22 RM'000</b>
Bank guarantees given by financial institutions in respect of construction and property projects	<u>67,221</u>	<u>121,230</u>

**B Explanatory Notes in Compliance with listing Requirements of the Bursa Malaysia**

**B1. Review of performance for the current quarter compared to the immediate preceding quarter**

**Group – Current quarter review:**

	Current quarter	Immediate preceding quarter	
	31/3/2024	31/12/2023	Changes
	RM'000	RM'000	%
Revenue	66,960	71,508	(6.4)
Profit Before Tax	6,234	4,394	41.9
Profit After Taxation	3,161	3,210	(1.5)

As announced on 26 April 2023, the financial year end of the Group has been changed from 31 December to 30 June. Consequently, there is no comparative financial information for the current quarter ended 31 March 2024 ("5Q23"). The analysis below compares 5Q23 to the immediate preceding quarter ended 31 December 2023 ("4Q23").

The Group reported revenue of RM67.0 million for 5Q23, a decrease from RM71.5 million or 6.4% in 4Q23. The Group PBT for 5Q23 saw an increase of 41.9%, compared to 4Q23. This increase is primarily attributed to a decrease in other operating expenses.

**Group – Cumulative 15-month review:**

	Cumulative 15 months
	31/3/2024
	RM'000
Revenue	376,048
Profit Before Tax	26,794
Profit After Taxation	16,814

The performance review covers the 15-month operations of the Group, as comparative financial information for 15 months is not available due to the change in financial year end from 31 December to 30 June.

For the 15-month period ended 31 March 2024, the Group registered revenue of RM376.0 million, with 70.3% from the construction segment and 29.3% from property development segment. The main contributors to operating revenue were the Light Rail Transit 3 (LRT3), E'Island Lake Haven and Sungai Besi - Ulu Kelang Elevated Expressway (Suke) construction job.

PAT for the 15M23 was RM16.8 million, which includes the recognition of LADs of RM13.5 million. Excluding LADs, the Group's core PAT stood at RM30.3 million.

**B1. Review of performance for the current quarter compared to the immediate preceding quarter (continued)**

**Construction segment**

	Current quarter	Immediate preceding quarter	Changes (%)	Cumulative 15 months
	31/3/2024	31/12/2023		31/3/2024
	RM'000	RM'000		RM'000
Revenue	78,528	77,633	1.2	374,412
(Loss)/Profit Before Tax	(4,067)	5,041	(180.7)	13,047
(Loss)/Profit After Taxation	(4,067)	4,565	(189.1)	9,658

Revenue from the construction segment improved by 1.2% to RM78.5 million in 5Q23, compared to RM77.6 million in 4Q23. This quarter's revenue was primarily driven by the Sungai Besi - Ulu Kelang Elevated Expressway (SUKE), E'Island Lake Haven, and Secondary School Classroom for Special Education at Bandar Enstek projects. The LAT for the construction segment stood at RM4.1 million in 5Q23, compared to PAT of RM4.6 million in 4Q23.

Cumulatively for 15M23, the construction segment registered revenue of RM374.4 million, with a corresponding PAT of RM9.7 million.

**Property development segment**

	Current quarter	Immediate preceding quarter	Changes (%)	Cumulative 15 months
	31/3/2024	31/12/2023		31/3/2024
	RM'000	RM'000		RM'000
Revenue	10,614	11,318	(6.2)	109,998
Profit/(Loss) Before Tax	5,597	(2,378)	335.4	13,556
Profit/(Loss) After Taxation	3,980	(3,058)	230.1	8,483

The property development segment reported revenue of RM10.6 million in 5Q23, a decrease of 6.2% compared to RM11.3 million in 4Q23. Despite the lower revenue, both PBT and PAT improved in 5Q23 due to lower overheads expenses during the quarter.

Cumulatively for 15M23, the property development segment reported revenue of RM110.0 million with a corresponding PAT of RM8.5 million. Included in the PAT is the recognition of LADs amounting to RM13.5 million. Excluding LADs, the core PAT for the property development segment stood at RM22.0 million.

## **B2. Prospects**

GBG currently has RM1 billion in future gross revenue to be recognised up to FYE 2025, comprising RM468.0 million from the construction division and RM532.0 million from the property development division.

As at 5Q23, the Group has total borrowings of RM277.0 million, comprising RM4.9 million in long-term borrowings, RM167.6 million in short-term borrowings (48.1% are project financing related), and RM104.5 million in Islamic Commercial Papers (ICPs) and Islamic Medium Term Notes (IMTN). The Group's total cash and cash equivalents amounted to RM120.1 million. Based on the above, as at 5Q23, our gross gearing and net gearing stand at 0.53x and 0.30x respectively.

### **(a) Construction Division**

The Group's construction division is armed with a healthy outstanding orderbook of RM468.0 million, that will sustain earnings and cashflow contribution up to FYE 2025.

Based on our experience, capabilities, and resources, we see opportunities from potential government and private construction projects. However, prospective projects will undergo an extensive internal assessment to ensure that the risk-reward parameters are of an optimal level, including margins and cashflow.

### **(b) Property Development Division**

In 5Q23, the Group achieved RM1.8 million in property sales that comprise 4 units of E'Island Lake Haven. Year-to-date as of 21 May 2024, the Group has achieved RM37.3 million in property sales, comprising 86 units of properties.

As at 31 March 2024, our total sold and unbilled sales stand at RM236.7 million, which will progressively be recognised up to 2H24.

The Group aims to launch Serena Gambang (Gambang Residensi) at the end of the year with a total GDV of RM382 million comprising 1,160 homes and 20 commercial units.

The Company's other immediate priorities moving forward remain on enhancing cash flow by monetising its inventory of unsold completed units, which stood at RM9.9 million as of 31 March 2024.

**B2. Prospects (Continued)**

(b) Property Development Division (Continued)

**Property Sales Summary up to 21 May 2024**

	No of Units				Take Up	Cumulative Sales since 2Q19
	Unsold as at (Jan 23)	Sold in 15M23	Sold (1 Apr 2024 to 21 May 2024)	Sold (Year to date up to 21 May 2024)		
<u>Developments Under Construction</u>						
E'Island Lake Haven	155 of 1,140	85	1	86	1,071 units or 94%	RM460.8m
The Peak	398 of 668	-	-	-	267 units or 40%	RM103.0m
<u>Completed Developments</u>						
Contours	2 of 40	-	-	-	38 units or 95%	RM32.2m
Permas Centro	-	-	-	-	100%	RM15.5m
Kinrara Uptown	2 of 177		-	-	175 or 99%	-
Total	560	85	1	86		RM611.5m
						<u>Bookings</u>
						RM2.1m

Since the relaunch of our property development division in 2Q19, we have achieved RM611.5 million in property sales as shown in the table above. Additionally, we have RM2.1 million in property bookings pending loan conversions.

As our property sales momentum continues to be robust, plans are being made to expand our property development portfolio, which would result in the continuation of future earnings and cashflow contributions from FYE 2024 to FYE 2028.

**B3. Profit Forecast and Profit Estimate**

The Group did not issue any profit forecast or profit estimate in any public document.

**B4. Items included in the Statements of Comprehensive Income include:**

	Current Quarter 3 months ended 31 Mar 24 RM'000	Cumulative Quarter 15 months ended 31 Mar 24 RM'000
Interest income	704	3,694
Reversal of impairment losses of receivables	155	4,276
Other income	501	1,424
Gain on disposal of investment property	(10)	254
Interest expense (excluding interest capitalised)	(3,276)	(14,722)
Depreciation and amortisation	(1,666)	(7,611)
Impairment losses of receivables	(1,330)	(2,510)
Gain/(Loss) of fair value on investment	-	(679)
Gain/(Loss) on disposal of property, plant and equipment	102	92
Foreign exchange gain or loss	*	*
Gain or loss on derivatives	*	*
Exceptional items	*	*

\* There were no such reportable items as required by Bursa Malaysia in the current quarter and cumulative quarter to date.

**B5. Taxation**

The Group effective tax rate for the cumulative quarter is higher than the statutory rate mainly due to certain expenses being disallowed for income tax purposes.

	Current Quarter 3 months ended 31 Mar 24 RM'000	Cumulative Quarter 15 months ended 31 Mar 24 RM'000
Current income tax:		
- Current year	1,645	8,456
- Previous year	(29)	12
	<u>1,616</u>	<u>8,468</u>
Deferred tax:		
- Current year	1,457	1,512
- Prior years	-	-
	<u>1,457</u>	<u>1,512</u>
	<u>3,073</u>	<u>9,980</u>

**B6. Status of Corporate Proposals Announced**

There are no corporate proposals announced by the Company but not completed as at 21 May 2024, being the latest practicable date, which is not earlier than 7 days from the date of issuance of this interim financial report.

Establishment of an Islamic commercial paper (“ICP”)/ Islamic medium term note (“IMTN”) Programme

On 11 August 2022, the Company made a lodgment with the Securities Commission Malaysia (“SC”) the required information and relevant documents pursuant to the SC’s Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, in relation to the establishment of an ICP / IMTN Programme of RM200.0 million in nominal value for the issuance(s) of ICPs under the Shariah principle of *Mudharabah* and/or IMTN under the Shariah principle of *Wakalah bi al-Istithmar* (the ICPs and IMTNs are collectively referred to as the “Sukuk GBG”).

Kenanga Investment Bank Berhad is the appointed Principal Adviser, Lead Arranger, Lead Manager, Shariah Adviser and Facility Agent in respect of the ICP/IMTN Programme.

MARC Ratings Berhad has assigned a preliminary rating of **MARC-1<sub>IS</sub>/A<sub>IS</sub>** for the ICP/IMTN Programme, with a stable outlook.

The proceeds from the ICP/IMTN Programme shall be utilised for the following purposes:

- (i) to utilise RM100,000 to fund the trustee’s reimbursement account, as required under the SC’s Trust Deed Guidelines;
- (ii) to finance the investment activities, capital expenditure, working capital requirements and/or other general corporate purposes of Board of Directors of the Group (“Issuer”) and the Group as well as, to defray any fees and expenses relating to the ICP/IMTN Programme;
- (iii) to repay any existing conventional borrowings undertaken by the Group; and/ or
- (iv) to repay any existing and/or future Islamic financings undertaken by Group (including for purposes of redemption or refinancing/ rollover of the Sukuk GBG)

In any case, all utilisation of funds from the issuance of the ICPs/ IMTNs under the ICP/IMTN Programme shall be for Shariah-compliant purposes only, including the manner in which the funds are to be channelled within the Group by the Issuer.

As of 4 August 2023, MARC Ratings has affirmed its ratings of **MARC-1<sub>IS</sub>/A<sub>IS</sub>** on Gabungan AQRs Berhad’s RM200.0 million Islamic Commercial Papers (ICP)/Islamic Medium-Term Notes (IMTN) Programme. The ratings outlook is stable. The total outstanding balance under the programme stood at RM104.5 million.



**B7. Group Borrowings and Debt Securities**

<b>As at 31 March 2024</b>			
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total borrowings RM'000</b>
<b>Secured</b>			
- Term loan	4,198	225	4,423
- Revolving credit	-	21,200	21,200
- Bank overdrafts	-	145,798	145,798
<b>Unsecured</b>			
- ICP/IMTN Programme	-	104,470	104,470
	<u>4,198</u>	<u>271,693</u>	<u>275,891</u>
<b>As at 31 December 2022</b>			
	<b>Long term RM'000</b>	<b>Short term RM'000</b>	<b>Total borrowings RM'000</b>
<b>Secured</b>			
- Term loan	408	75,961	76,369
- Revolving credit	-	1,700	1,700
- Bank overdrafts	-	186,370	186,370
<b>Unsecured</b>			
- ICP/IMTN Programme	-	38,628	38,628
	<u>408</u>	<u>302,659</u>	<u>303,067</u>

**B8. Dividend**

No dividend has been proposed by the Board of Directors for the current quarter ended 31 March 2024.

**B9. Material litigation**

- (a) On 15 September 2020, Gabungan AQRS Berhad ("GAB") and Trusvest Sdn Bhd ("TVSB"), commenced legal proceedings against the former Executive Director and Group Chief Financial Officer for the Gabungan AQRS Group of Companies, Bernard Lim Soon Chiang ("Bernard"), in the High Court at Shah Alam.

GAB and TVSB's case is that Bernard had acted negligently and / or in breach of his service contract with GAB as its Chief Financial Officer, by, amongst others, failing, refusing and / or neglecting to give proper tax advice and / or properly consulting a tax consultant on the tax implications of a project to construct, own and subsequently sublease base-camp accommodation to Petronas Chemicals Fertiliser Sabah Sdn Bhd at Sipitang, Sabah ("Sipitang Project"). The Sipitang Project was awarded to TVSB by a consortium comprising Seri Wilayah Engineering Sdn Bhd and REMT Utama Sdn Bhd. TVSB in turn awarded the construction works to a subsidiary of GAB, Gabungan Strategik Sdn Bhd. GAB and TVSB also allege that :-

- (i) Bernard had fraudulently and / or negligently misrepresented the tax implications of the Sipitang Project to the Audit Committee and Board of Directors of GAB; and
- (ii) Bernard had breached his fiduciary duties owed to GAB and Trusvest.

In consequence, GAB and TVSB suffered loss and damage amounting to RM13,245,173.

**B9. Material litigation (continued)**

GAB and TVSB have filed an application for further and better particulars of Bernard's Defence ("Application"), which was dismissed by the High Court on 25 August 2021. GAB and TVSB appealed to the Court of Appeal against the aforesaid decision on 23 September 2021.

Company's solicitors attended hearing on 5 July 2023 for its application to amend its Statement of Claim ("Amendment Application"). The Court allowed 4 of the 5 amendments sought by the Company, with RM5,000.00 costs awarded in favour of the Defendant.

Following to GAB's expert report which has been filed on 6 October 2023, Defendant's solicitor indicated that Bernard intends to file a rebuttal expert report.

The Defendant's Counsel sought an extension of time to confirm the Defendant's instruction and to prepare the rebuttal expert report.

The trial Judge reluctantly allowed the request for extension of time, and gave an ultimatum for the Defendant to file the rebuttal expert report by 20 February 2024.

The Defendant's Counsel confirmed that the Defendant is not filing any rebuttal expert report. The Judge directed the parties to exchange witness statements on 8 April 2024, 6 weeks before the commencement of trial. The next case management is fixed on 15 April 2024.

The Judge vacated the current trial dates fixed on 20, 21, 23, 24, 27, 28 May 2024 of its own volition, as the Judge has been directed to complete all part-heard cases pending in his Court before starting any new trials and directed the parties to file witness statements.

The Judge fixed trial for 8 days: 16-18, 28-29 October 2024 and 11-13 November 2024.

- (b) On 1 October 2020, Gabungan Strategik Sdn Bhd ("GSSB"), the subsidiary of the company, filed a Writ of Summons against: -

- (i) Geonamics (M) Sdn Bhd ("1st Defendant")
- (ii) Jurutera Perunding Primareka Sdn Bhd ("2nd Defendant")
- (iii) Yee Yong Yip ("3rd Defendant")
- (iv) Tiong Ping Siing ("4th Defendant")
- (v) Tang Pui San ("5th Defendant")
- (vi) Mohd Noor Nazrul Bin Mohd Yusof ("6th Defendant")
- (vii) Azmi Bin Md Aziz ("7th Defendant")
- (viii) Wong Kee Choo ("8th Defendant")
- (ix) Choon Suan Fatt ("9th Defendant")
- (x) Ahmad Bashti Bin Azmi ("10th Defendant")
- (xi) Foo Mun Pong ("11th Defendant")

For negligence and/or breach of employment contracts with GSSB, in connection with a contract awarded to GSSB for the earthworks, piling works, and substructure works for a project known as the Paloma Project. In the said suit, GSSB claims losses of RM14,392,347.10.

**B9. Material litigation (continued)**

In March 2021, the following defendants applied to strike out GSSB's Suit against them: -

1. 2nd Defendant;
  2. 3rd Defendant;
  3. 4th to 6th Defendants and 11 Defendant; and
  4. 9th and 10th Defendants,
- (collectively the "Striking Out Applications")

The 1st Defendant applied for a Determination of Question of Law under Order 14A of the Rules of Court, 2021 on 19 March 2021 ("Order 14A Application").

The Striking Out Applications and Order 14A Application were heard before the Kuala Lumpur High Court Judge on 17 August 2021. The Judge reserved his decision to be delivered on 18 October 2021.

On 18 October 2021, the Judicial Commissioner allowed the 1st Defendant's Order 14A Application and proceeded to dismiss GSSB's claim against the 1st Defendant with costs of RM7,000-00 awarded against GSSB.

The Judge also allowed in part the Striking Out Applications, struck out GSSB's claims against the Defendants founded in negligence and ordered GSSB's claims against the Defendants founded in contract to be tried. In summary, the decision resulted in:

- i) GSSB's claims against the 2nd Defendant (Jurutera Perunding Primareka) to be wholly struck out with costs of RM7,000-00 awarded against GSSB; and
- ii) GSSB's claim against the employee defendants (3rd to 6th and 9th 11th Defendants) to be struck out in part, with costs in the cause. GSSB's claims against the employee defendants that are founded in contract were ordered to be tried.

GSSB appealed to the Court of Appeal against the aforesaid decisions. Furthermore, each employee defendant appealed to the Court of Appeal against the High Court decision to not allow their striking out applications in full. On 12 January 2022, the Court of Appeal directed GSSB's and the employee defendants' appeals, arising from the High Court 18 October 2021 decision to be heard together.

Based on the hearing fixed on 27 June 2023, the Court of Appeal unanimously ruled in favor of GSSB, resolving all 8 appeals and the suit will proceed for trial at the High Court. At this juncture, costs of RM50,000 were awarded to GSSB.

Letter from Kuala Lumpur High Court on the new case management date on 16 February 2024.

## B10. Earnings Per Share

### (a) Basic

The basic earnings per share are calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of ordinary shares in issue during the financial period under review.

	<b>Current Quarter 3 months ended 31 Mar 24 RM'000</b>	<b>Cumulative Quarter 15 months ended 31 Mar 24 RM'000</b>
Profit attributable to equity holders of the Company (RM'000)	<u>3,175</u>	<u>16,909</u>
Weighted average number of ordinary shares ('000)	<u>542,771</u>	<u>542,771</u>
<b>Basic earnings per share (sen)</b>	<u><b>0.58</b></u>	<u><b>3.12</b></u>

### (b) Diluted

Diluted earnings per share are calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment for the effects of dilutive potential ordinary shares, calculated as follows:

	<b>Current Quarter 3 months ended 31 Mar 24 RM'000</b>	<b>Cumulative Quarter 15 months ended 31 Mar 24 RM'000</b>
Profit attributable to equity holders of the Company (RM'000)	<u>3,175</u>	<u>16,909</u>
No of ordinary shares for basic earnings per share computation	542,771	542,771
Effect of dilution		
- on assumption that remaining warrants are exercised	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares ('000)	<u>542,771</u>	<u>542,771</u>
<b>Diluted earnings per share (sen)</b>	<u><b>0.58</b></u>	<u><b>3.12</b></u>

## B11. Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors.