

**Condensed consolidated statement of financial position**  
**As At 31 December 2023**

	<b>At 31 December 2023 RM'000 (Unaudited)</b>	<b>At 31 March 2023 RM'000 (Audited)</b>
<b>Assets</b>		
Property, plant and equipment	11,694	12,595
Investment properties	130,125	132,238
Inventories	960	2,140
Investment in associates	1,943	1,811
Investment in joint ventures	921	908
Deferred tax assets	17	17
<b>Total non-current assets</b>	<b>145,660</b>	<b>149,709</b>
Inventories	3,144	4,035
Trade and other receivables	246,483	236,014
Contract assets	31,193	31,999
Tax recoverable	566	683
Cash and cash equivalents	10,915	16,619
	292,301	289,350
Assets classified as held for sales	-	2,029
<b>Total current assets</b>	<b>292,301</b>	<b>291,379</b>
<b>Total assets</b>	<b>437,961</b>	<b>441,088</b>
<b>Equity</b>		
Share capital	122,338	122,338
Translation reserve	7	7
Retained earnings	104,620	97,001
<b>Total equity attributable to owners of the Company</b>	<b>226,965</b>	<b>219,346</b>
<b>Liabilities</b>		
Borrowings	503	1,045
Deferred tax liabilities	435	454
<b>Total non-current liabilities</b>	<b>938</b>	<b>1,499</b>
Trade and other payables	126,954	156,011
Contract liabilities	16,194	8,061
Borrowings	65,268	54,896
Current tax payable	1,642	1,275
<b>Total current liabilities</b>	<b>210,058</b>	<b>220,243</b>
<b>Total liabilities</b>	<b>210,996</b>	<b>221,742</b>
<b>Total equity and liabilities</b>	<b>437,961</b>	<b>441,088</b>
<b>Net assets per share (RM)</b>	<b>2.2777</b>	<b>2.2013</b>

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

**Condensed consolidated statement of profit or loss and other comprehensive income**  
For the financial period ended 31 December 2023

	Current 3 months ended 31 December		Cumulative 9 months ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	40,768	39,612	100,407	83,763
Cost of sales	(32,282)	(36,644)	(88,988)	(78,749)
<b>Gross profit</b>	<b>8,486</b>	<b>2,968</b>	<b>11,419</b>	<b>5,014</b>
Other income	324	643	10,795	2,064
Administrative and other operating expenses	(3,197)	(5,132)	(9,898)	(12,697)
Net profit/(loss) on impairment of financial instruments and contract assets	106	48	(369)	(259)
<b>Results from operating activities</b>	<b>5,719</b>	<b>(1,473)</b>	<b>11,947</b>	<b>(5,878)</b>
Interest income	47	2,684	216	4,119
Interest expense	(903)	(761)	(2,844)	(1,955)
Net interest (expense)/income	(856)	1,923	(2,628)	2,164
Share of profit of equity-accounted investment, net of tax	151	-	144	93
<b>Net profit/(loss) before tax</b>	<b>5,014</b>	<b>450</b>	<b>9,463</b>	<b>(3,621)</b>
Taxation	(1,597)	(158)	(1,844)	(634)
<b>Net profit/(loss) after tax</b>	<b>3,417</b>	<b>292</b>	<b>7,619</b>	<b>(4,255)</b>
<b>Profit/(Loss) per share attributable to ordinary shareholders</b>				
EPS - Basic (sen)	3.43	0.29	7.65	(4.27)
EPS - Diluted (sen)	N/A	N/A	N/A	N/A

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



**Condensed consolidated statement of changes in equity**

For the financial period ended 31 December 2023

	Attributable to owners of the Company			Total RM'000
	Non-distributable Share capital RM'000	Translation Reserve RM'000	Distributable Retained profits RM'000	
<b>At 1 April 2023 (Audited)</b>	122,338	7	97,001	219,346
Total comprehensive profit for the period	-	-	7,619	7,619
<b>At 31 December 2023 (Unaudited)</b>	<u>122,338</u>	<u>7</u>	<u>104,620</u>	<u>226,965</u>
<b>At 1 April 2022 (Audited)</b>	122,338	7	99,337	221,682
Total comprehensive loss for the year	-	-	(2,336)	(2,336)
<b>At 31 March 2023 (Audited)</b>	<u>122,338</u>	<u>7</u>	<u>97,001</u>	<u>219,346</u>

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

**Condensed consolidated statement of cash flows**  
For the financial period ended 31 December 2023

	Current period to date	
	31 December 2023 RM'000 (unaudited)	31 December 2022 RM'000 (unaudited)
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	9,463	(3,621)
Adjustments for:		
Depreciation of property, plant and equipment	1,817	1,954
Depreciation of investment property	662	807
Net loss on impairment of financial instrument and contract assets	369	259
Gain on disposal of property, plant and equipment	(410)	(1,183)
Gain on disposal of investment properties	(9,873)	(447)
Impairment loss on property, plant and equipment	-	2
Property, plant and equipment written off	1	-
Share of profit of equity-accounted investments, net of tax	(144)	(93)
Interest expense	2,844	1,955
Interest income	(216)	(4,119)
Operating profit/(loss) before changes in working capital	<u>4,513</u>	<u>(4,486)</u>
Changes in working capital:		
Inventories	2,071	2,117
Receivables, deposits and prepayments	(10,032)	59,733
Payables and accruals	(20,925)	(24,777)
Cash (used in)/from operations	<u>(24,373)</u>	<u>32,587</u>
Income taxes paid	(1,380)	(896)
Interest paid	(2,762)	(1,791)
Interest received	216	4,119
<b>Net cash (used in)/from operating activities</b>	<u>(28,299)</u>	<u>34,019</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(727)	(2,097)
Acquisition of investment properties	-	(53,754)
Dividend received from joint venture company	-	2,550
Sales proceeds from disposal of plant and equipment	411	1,257
Sales proceeds from disposal of investment property	13,354	6,450
<b>Net cash from/(used in) investing activities</b>	<u>13,038</u>	<u>(45,594)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(82)	(164)
Net proceeds from borrowings	11,013	13,007
Repayment of finance lease liabilities	(1,374)	(2,418)
<b>Net cash generated from financing activities</b>	<u>9,557</u>	<u>10,425</u>
<b>Net decrease in cash and cash equivalents</b>	(5,704)	(1,150)
<b>Cash and cash equivalents at beginning of financial period</b>	16,619	17,886
<b>Cash and cash equivalents at end of financial period</b>	<u>10,915</u>	<u>16,736</u>
Cash & bank balance	7,072	10,705
Deposits with licensed banks (excluding deposits pledged)	3,843	6,031
	<u>10,915</u>	<u>16,736</u>

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

## Notes to the interim financial report – 31 December 2023

### A1 Basis of preparation

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

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

### A2 Significant accounting policies

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

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

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

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

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

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

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

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

### A3 Auditors’ report

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

#### A4 Seasonal or cyclical factors

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

#### A5 Unusual items due to their nature, size or incidence

There were no unusual items for the period ended 31 December 2023.

#### A6 Changes in estimates

Not applicable.

#### A7 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and period ended 31 December 2023.

#### A8 Dividends paid

No dividend was paid for the current quarter and period ended 31 December 2023.

#### A9 Segmental information

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

#### Current quarter ("3Q 2024") against preceding year corresponding quarter ("3Q 2023")

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	31 December 2023 Revenue	31 December 2022 Revenue	Amount	%
	RM'000	RM'000	RM'000	
Trading	10,249	19,305	(9,056)	(46.9)
Property development	8,080	986	7,094	719.5
Construction	23,193	19,494	3,699	19.0
Investment property	692	692	-	-
Other services	69	287	(218)	(76.0)
	42,283	40,764	1,519	3.7
Inter-segment elimination	(1,515)	(1,152)	(363)	(31.5)
	40,768	39,612	1,156	2.9

**A9 Segmental information (continued)**
**Current quarter (“3Q 2024”) against preceding year corresponding quarter (“3Q 2023”) (continued)**

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	31 December 2023 Profit/(Loss) before tax	31 December 2022 Profit/(Loss) before tax	Amount	%
	RM'000	RM'000	RM'000	
Trading	(206)	402	(608)	(151.2)
Property development	6,713	126	6,587	NM
Construction	(533)	(1,561)	1,028	65.9
Investment property	279	644	(365)	(56.7)
Other services	(222)	(488)	266	54.5
	6,031	(877)	6,908	787.7
Interest income	47	2,684	(2,637)	(98.2)
Interest expense	(903)	(761)	(142)	(18.7)
Share of profit of equity-accounted investments	151	-	151	100.0
Unallocated other expenses	(312)	(596)	284	47.7
	5,014	450	4,564	NM

NM Not Meaningful

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

	9 months ended	9 months ended	Changes	
	31 December 2023 Revenue	31 December 2022 Revenue	Amount	%
	RM'000	RM'000	RM'000	
Trading	52,209	43,830	8,379	19.1
Property development	9,826	3,385	6,441	190.3
Construction	43,314	37,312	6,002	16.1
Investment Property	2,023	2,200	(177)	(8.0)
Other services	553	983	(430)	(43.7)
	107,925	87,710	20,215	23.0
Inter-segment elimination	(7,518)	(3,947)	(3,571)	(90.5)
	100,407	83,763	16,644	19.9

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

	9 months ended	9 months ended	Changes	
	31 December 2023 Profit/(Loss) before tax	31 December 2022 Profit/(Loss) before tax	Amount	%
	RM'000	RM'000	RM'000	
Trading	(161)	(442)	281	63.6
Property development	7,042	49	6,993	NM
Construction	(3,173)	(4,649)	1,476	31.7
Investment Property	10,139	1,124	9,015	802.0
Other services	(988)	(563)	(425)	(75.5)
	12,859	(4,481)	17,340	387.0
Interest income	216	4,119	(3,903)	(94.8)
Interest expense	(2,844)	(1,955)	(889)	(45.5)
Share of profit of equity- accounted investments	144	93	51	54.8
Unallocated other expenses	(912)	(1,397)	485	34.7
	9,463	(3,621)	13,084	361.3

**A10 Valuation of property, plant and equipment**

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

**A11 Event subsequent to the balance sheet date**

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

**A12 Changes in composition of the Group**

There was no change in the composition of the Group for the current quarter and period ended 31 December 2023.

**A13 Changes in contingent liabilities**

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

**As at 31 December 2023**  
**RM'000**

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

18,630

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#### A14 Significant Related Party Transactions

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

**9 months ended  
31 December 2023  
RM'000**

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

Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	6,360
Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	126
Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies	119
PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	3,686
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#### B1 Detailed analysis of the performance of all operating segments of the Group in 3Q 2024

**Current quarter (“3Q 2024”) against preceding year corresponding quarter (“3Q 2023”)**

	Individual Period (3 <sup>rd</sup> Quarter)		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%
	31 December 2023 RM'000	31 December 2022 RM'000	RM'000	
Revenue	40,768	39,612	1,156	2.9
Gross profit	8,486	2,968	5,518	185.9
Result from operating activities	5,719	(1,473)	7,192	488.3
Share of profit of equity- accounted investments, net of tax	151	-	151	100.0
Net profit before tax	5,014	450	4,564	NM
Net profit after tax	3,417	292	3,125	NM
Profit attributable to Owners of the Company	3,417	292	3,125	NM

NM Not Meaningful

For 3Q 2024, the Group recorded higher revenue of RM40.768 million, representing an increase of 2.9% compared to revenue of RM39.612 million for 3Q 2023. The Group recorded a higher profit before tax of RM5.014 million in 3Q 2024, compared to a profit before tax RM0.450 million in 3Q 2023, mainly due to the recognition of profit from the disposal of a piece of freehold vacant commercial land.

**B1 Detailed analysis of the performance of all operating segments of the Group in 3Q 2024 (continued)**

**Current quarter (“3Q 2024”) against preceding year corresponding quarter (“3Q 2023”) (continued)**

The performance of the respective operating business sector for the 3Q 2024 under review as compared to the 3Q 2023 are analysed as follows:

Trading

The revenue decreased by RM9.056 million or 46.9% to RM10.249 million in 3Q 2024 compared to RM19.305 million in 3Q 2023, mainly due to lower demand for building materials for an infrastructure project in Johor Bahru. Correspondingly, this sector reported a loss before tax of RM0.206 million in 3Q 2024, compared to a profit before tax of RM0.402 million in 3Q 2023, mainly due to the decrease in revenue in 3Q 2024.

Property development

Revenue for 3Q 2024 has increased by RM7.094 million to RM8.080 million compared to the 3Q 2023 amount of RM0.986 million, mainly due to the disposal of a piece of freehold vacant commercial land for a total cash consideration of RM8.08 million. Accordingly, the profit before tax increased by RM6.587 million to RM6.713 million in 3Q 2024, compared to a profit before tax of RM0.126 million in 3Q 2023.

Construction

The construction sector registered higher revenue of RM23.193 million in 3Q 2024 compared to RM19.494 million in 3Q 2023, mainly due to a higher percentage of work done for its ongoing construction projects. The sector recorded a lower loss before tax of RM0.533 million in the 3Q 2024 compared to a loss before tax of RM1.561 million in the 3Q 2023, mainly due to higher revenue recognition and lesser overheads incurred in 3Q 2024.

Investment property

The revenue registered by the property investment sector for 3Q 2024 and 3Q 2023 is comparable. The sector reported a lower profit before tax of RM0.279 million in 3Q 2024 compared to a profit before tax of RM0.644 million in 3Q 2023, mainly due to a one-off gain on the disposal of investment properties amounting to RM0.447 million recorded in 3Q 2023.

Other services

In 3Q 2024, the revenue decreased from RM0.287 million to RM0.069 million compared to 3Q 2023, mainly due to lower income contribution from landscape maintenance work. This sector reported a loss before tax of RM0.222 million in 3Q 2024 compared to RM0.488 million in 3Q 2023, mainly due to a one-off gain on the disposal of plant and equipment amounting to RM0.263 million recorded in the 3Q 2024.

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

	Individual Period (3 <sup>rd</sup> Quarter)		Changes	
	Current Year To-Date	Preceding Year Corresponding Period	Amount	%
	31 December 2023 RM'000	31 December 2022 RM'000	RM'000	
Revenue	100,407	83,763	16,644	19.9
Gross profit	11,419	5,014	6,405	127.7
Result from operating activities	11,947	(5,878)	17,825	303.2
Share of profit of equity-accounted investments, net of tax	144	93	51	54.8
Profit/(Loss) before tax	9,463	(3,621)	13,084	361.3
Profit/(Loss) after tax	7,619	(4,255)	11,874	279.1
Profit/(Loss) attributable to Owners of the Company	7,619	(4,255)	11,874	279.1

For YTD 2024, the Group recorded a revenue of RM100.407 million, an increase of RM16.644 million or 19.9% from RM83.763 million in YTD 2023. The increase in revenue was mainly contributed by the trading, property development and construction sectors. The Group recorded a profit before tax of RM9.463 million in YTD 2024, compared to a loss before tax of RM3.621 million in YTD 2023, primarily driven by the property development sector from the disposal of a piece of freehold vacant commercial land. Included in other income is an amount of RM 9.875 million, representing gains on the disposal of investment properties.

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

#### Trading

The trading sector reported higher revenue of RM52.209 million in YTD 2024 compared to RM43.830 million in YTD 2023, mainly due to an increase in demand for building materials for an infrastructure project in Johor Bahru. In tandem with the increase in revenue, the sector reported a lower loss before tax of RM0.161 million in YTD 2024, compared with a loss before tax of RM0.442 million in YTD 2023.

#### Property development

The property development sector registered higher revenue of RM9.826 million in YTD 2024 compared to RM3.385 million in YTD 2023, mainly due to the disposal of a piece of freehold vacant commercial land for a total cash consideration of RM8.08 million. Accordingly, this sector recorded a profit before tax of RM7.042 million in YTD 2024 compared with a profit before tax RM0.049 million in YTD 2023.

#### Construction

The construction sector registered higher revenue of RM43.314 million in YTD 2024 compared to RM37.312 million in YTD 2023, mainly due to higher construction progress in YTD 2024. The sector recorded a lower loss before tax of RM3.173 million in YTD 2024 compared with a loss before tax of RM4.649 million in YTD 2023, mainly due to higher revenue recognition and lower overheads incurred in YTD 2024.

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

Investment property

The investment property sector recorded lower revenue of RM2.023 million in YTD 2024 compared to RM2.220 million in YTD 2023, mainly due to a reduction in rental rates. Nevertheless, the sector recorded a higher profit before tax of RM10.139 million in YTD 2024 compared to a profit before tax of RM1.124 million in YTD 2023, primarily due to the recognition of a one-off gain on the disposal of investment properties amounting to RM9.875 million in YTD 2024.

Other services

The decrease in revenue from RM0.983 million in YTD 2023 to RM0.553 million in YTD 2024 was mainly due to lower income contribution from landscape maintenance work. This sector recorded a higher loss before tax of RM0.988 million in YTD 2024 compared to a loss before tax of RM0.563 million in YTD 2023, primarily due to the recognition of a one-off gain on the disposal of plant and equipment amounting to RM0.953 million in YTD 2023.

**B2 Comparison with preceding quarter results**

**Current quarter (“3Q 2024”) against immediate preceding quarter (“2Q 2024”)**

	Current Quarter	Immediate Preceding Quarter	Changes	
	31 December 2023	30 September 2023	Amount	%
	RM'000	RM'000	RM'000	
Revenue	40,768	33,545	7,223	21.5
Gross profit	8,486	1,661	6,825	410.9
Result from operating activities	5,719	8,787	(3,068)	(34.9)
Share of profit/(loss) of equity-accounted investments, net of tax	151	(7)	158	NM
Net profit before tax	5,014	7,869	(2,855)	(36.3)
Net profit after tax	3,417	7,731	(4,314)	(55.8)
Profit attributable to Owners of the Company	3,417	7,731	(4,314)	(55.8)

	Current Quarter	Immediate Preceding Quarter	Changes	
	31 December 2023 Revenue	30 September 2023 Revenue	Amount	%
	RM'000	RM'000	RM'000	
Trading	10,249	20,077	(9,828)	(49.0)
Property development	8,080	1,746	6,334	362.8
Construction	23,193	14,675	8,518	58.0
Investment property	692	647	45	7.0
Other services	69	216	(147)	(68.1)
	42,283	37,361	4,922	13.2
Inter-segment elimination	(1,515)	(3,816)	2,301	60.3
	40,768	33,545	7,223	21.5

## B2 Comparison with preceding quarter results (continued)

### Current quarter (“3Q 2024”) against immediate preceding quarter (“2Q 2024”) (continued)

	Current Quarter	Immediate Preceding Quarter	Changes	
	31 December 2023 Profit/(Loss) before tax	30 September 2023 Profit/(Loss) before tax	Amount	%
	RM'000	RM'000	RM'000	
Trading	(206)	916	(1,122)	(122.5)
Property development	6,713	438	6,275	NM
Construction	(533)	(1,444)	911	63.1
Investment property	279	9,714	(9,435)	(97.1)
Other services	(222)	(486)	264	54.3
	6,031	9,138	(3,107)	(34.0)
Interest income	47	71	(24)	(33.8)
Interest expense	(903)	(982)	79	8.0
Share of (loss)/profit of equity-accounted investments, net of tax	151	(7)	158	NM
Unallocated other expenses	(312)	(351)	39	11.1
	5,014	7,869	(2,855)	(36.3)

Despite the reduction in revenue for trading sector, the Group reported a revenue of RM40.768 million in 3Q 2024 compared to RM33.545 million in 2Q 2024, mainly due to a higher contribution from the construction and property development sectors. The Group reported a profit before tax of RM5.014 million in 3Q 2024 compared to a profit before tax of RM7.869 million in 2Q 2024, mainly contributed by the property development sector through the disposal of a piece of freehold vacant commercial land. Also included in investment property sector is an amount of RM9.875 million, representing gains on the disposal of investment properties in 2Q 2024.

## B3 Prospects

The Board expects the economic outlook to remain challenging in the near term amid ongoing inflation, rising interest rates, as well as a weakening Ringgit, which is affecting the construction and property industries. The Construction Division anticipates a less favourable outlook, and a more competitive tender environment due to limited infrastructure projects. Nevertheless, the group will continue bidding for new projects to replenish the Group’s order book.

Given the challenging business environment and depleting order book, the Board is of the opinion that the near-term prospects are expected to remain challenging, and we anticipate that the financial performance for the construction and trading sector for the financial year ending on 31 March 2024, may be adversely impacted.

As at 31 December 2023, the Group’s order book for the construction sector stood at RM242 million.

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

**B4 Variance of actual profit from forecast profit / profit guarantee**

Not applicable.

**B5 Taxation**

	<b>Current quarter ended 31 December 2023 RM '000</b>	<b>9 months ended 31 December 2023 RM '000</b>
Income tax		
Current provision	1,691	2,055
Over provision in prior years	(191)	(191)
	1,500	1,864
Deferred tax	97	(20)
	1,597	1,844

The Group's effective tax rate for the financial period ended 31 December 2023 was higher than the statutory income tax rate mainly due to the losses incurred by certain subsidiaries and disallowable expenses.

**B6 Status of corporate proposals**

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

The disposal was completed on 7 August 2023.

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

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

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

The Parties shall use their best endeavours and efforts to negotiate in good faith and execute the Definitive Agreement within four (4) months following the date of the Heads of Merger Agreement, with an automatic extension of three (3) months upon the expiry of such four (4) months period, or such further extended date as the Parties may mutually agree upon ("**Expiry Date**").

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

**B7 Group borrowings**

	As at 31 December 2023		
	Non-current RM'000	Current RM'000	Total borrowings RM'000
<b>Secured</b>			
Hire purchase liabilities	483	1,144	1,627
Lease liabilities	20	12	32
Revolving credits	-	23,707	23,707
Banker acceptance	-	15,405	15,405
<b>Unsecured</b>			
Revolving credits	-	25,000	25,000
	503	65,268	65,771

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

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

**B8 Changes in material litigation**

There is no material litigation pending from 31 March 2023 (being the date of the last annual statement of financial position) to 21 February 2024 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) in which the Group is engaged either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the company or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

**B9 Dividends declared**

No interim dividend has been declared for the current quarter and period ended 31 December 2023.

**B10 Loss per share**

	<b>Current quarter ended 31 December 2023</b>	<b>Preceding year corresponding quarter ended 31 December 2022</b>	<b>Cumulative 9 months ended 31 December 2023</b>	<b>Cumulative 9 months ended 31 December 2022</b>
Profit/(Loss) for the period attributable to owners of the Parent (RM'000)	3,417	292	7,619	(4,255)
Weighted average number of ordinary shares in issue ('000)	99,645	99,645	99,645	99,645
Basic earnings/(loss) per share (sen)	3.43	0.29	7.65	(4.27)
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

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

	<b>Current quarter ended 31 December 2023 RM'000</b>	<b>Cumulative 9 months ended 31 December 2023 RM'000</b>
Profit/(Loss) before tax is arrived at after (crediting)/charging:		
Interest income	(47)	(216)
Other income including investment income	(62)	(512)
Interest expense	903	2,844
Depreciation and amortisation	825	2,479
Net impairment (gain)/loss on receivables	(106)	369
Property, plant and equipment written off	-	1
Gain on disposal of property, plant and equipment	(264)	(410)
Gain on disposal of investment properties	2	(9,873)



## B12 Fair value information

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

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

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

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

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

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair value</b>	<b>Carrying amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>31 December 2023</b>					
<b>Financial liabilities</b>					
Hire-purchase liabilities	-	-	1,676	1,676	1,627
<b>31 March 2023</b>					
<b>Financial liabilities</b>					
Hire-purchase liabilities	-	-	2,943	2,943	2,814