

# Quarterly rpt on consolidated results for the financial period ended 30 Sep 2023

## ADVANCECON HOLDINGS BERHAD

Financial Year End 31 Dec 2023

Quarter 3 Qtr

Quarterly report for the financial period ended 30 Sep 2023

The figures have not been audited

### Attachments

[Advancecon - Financial Results Q3 2023.pdf](#)

1.0 MB

Default Currency

Other Currency

Currency: **Malaysian Ringgit (MYR)**

### SUMMARY OF KEY FINANCIAL INFORMATION 30 Sep 2023

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
		\$\$'000	\$\$'000	\$\$'000	\$\$'000
1	Revenue	122,650	122,408	353,101	326,568
2	Profit/(loss) before tax	359	-896	722	-6,522
3	Profit/(loss) for the period	-130	-2,466	-2,758	-10,413
4	Profit/(loss) attributable to ordinary equity holders of the parent	-605	661	86	-867
5	Basic earnings/(loss) per share (Subunit)	-0.11	0.14	0.02	-0.18
6	Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
		AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7	Net assets per share attributable to ordinary equity holders of the parent (\$\$)	0.3600		0.3900	

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.  
Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Announcement Info	
Company Name	ADVANCECON HOLDINGS BERHAD
Stock Name	ADVCON
Date Announced	23 Nov 2023
Category	Financial Results
Reference Number	FRA-22112023-00070



**ADVANCECON HOLDINGS BERHAD**

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023**

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**ADVANCECON HOLDINGS BERHAD**

(Registration no. 199701011469 (426965-M))

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THIRD QUARTER ENDED 30 SEPT 2023**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year Period	Preceding Year Corresponding Period
		30.9.2023 RM	30.9.2022 RM	30.9.2023 RM	30.9.2022 RM
Revenue	A9	122,649,592	122,407,957	353,101,107	326,567,590
Cost of Sales		(114,024,499)	(114,554,667)	(328,596,674)	(310,119,217)
Gross Profit		8,625,093	7,853,290	24,504,433	16,448,373
Other Income		2,580,811	1,453,790	13,232,468	10,302,917
		11,205,904	9,307,080	37,736,901	26,751,290
Selling And Distribution Expenses		(209,841)	(398,717)	(1,416,494)	(2,104,881)
Administrative Expenses		(5,557,623)	(5,669,930)	(17,326,101)	(17,045,919)
Other Expenses		(1,753,700)	(1,733,065)	(8,693,437)	(5,753,806)
Finance Costs		(3,453,646)	(3,298,200)	(9,861,447)	(9,570,240)
Share of Result Of An Equity Accounted Associate		115,319	530,258	162,910	834,600
Share of Result Of An Equity Joint Ventures		12,305	366,751	119,409	366,751
<b>Profit / (Loss) Before Taxation</b>	<b>B12</b>	<b>358,718</b>	<b>(895,823)</b>	<b>721,741</b>	<b>(6,522,205)</b>
Income Tax Expense	B5	(605,949)	(1,714,470)	(3,531,306)	(4,152,629)
Deferred Tax	B5	117,611	143,913	51,927	261,376
<b>Loss After Taxation / Total Comprehensive Expenses for the Financial Period</b>		<b>(129,620)</b>	<b>(2,466,380)</b>	<b>(2,757,638)</b>	<b>(10,413,458)</b>
<b>Total Comprehensive (Expenses) / Income attributable to:</b>					
- Owners of the Company		(605,067)	660,960	86,431	(866,787)
- Non-controlling interests		475,447	(3,127,340)	(2,844,069)	(9,546,671)
<b>(Loss) / Earnings per share (sen)</b>					
- Basic	B11	(0.11)	0.14	0.02	(0.18)
- Diluted	B11	(0.11)	0.14	0.02	(0.18)

(The Unaudited Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes as attached to the interim financial statements.)

**ADVANCECON HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPT 2023**

	(Unaudited) As at Current Quarter <b>30.9.2023</b> RM	(Audited) As at Financial Year Ended <b>31.12.2022</b> RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in an associate	1,238,631	1,075,721
Investment in joint venture	600,171	480,762
Property, plant and equipment	224,547,301	191,662,059
Investment properties	34,486,915	34,924,716
Intangible assets	1,225,000	1,300,000
Deferred tax assets	737,216	1,379,446
Finance lease receivables	452,812	756,929
Trade receivables	346,627	429,745
Other receivables	4,456,416	3,695,433
	<u>268,091,089</u>	<u>235,704,811</u>
<b>Current assets</b>		
Inventories	8,664,333	13,125,525
Contract assets	125,574,811	117,846,104
Finance lease receivables	399,126	360,950
Trade receivables	101,538,013	83,330,422
Other receivables, deposits and prepayments	37,697,090	35,110,646
Amount owing by an associate	956,046	15,070,187
Amount owing by joint venture	2,075,685	2,113,942
Short-term investments	241,478	234,321
Current tax assets	4,774,179	6,230,764
Deposits with licensed banks	76,439,523	64,332,129
Cash and bank balances	21,346,317	34,825,070
	<u>379,706,601</u>	<u>372,580,060</u>
<b>NON- CURRENT ASSET HELD FOR SALE</b>	<u>-</u>	<u>43,639,392</u>
<b>TOTAL ASSETS</b>	<u><b>647,797,690</b></u>	<u><b>651,924,263</b></u>

**ADVANCECON HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPT 2023  
(CONT'D)**

	<b>(Unaudited)</b> As at Current Quarter <b>30.9.2023</b> RM	<b>(Audited)</b> As at Financial Year Ended <b>31.12.2022</b> RM
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	133,729,611	114,139,592
Treasury shares	(3,249,343)	(3,249,343)
Retained profits	81,412,962	81,326,531
	<u>211,893,230</u>	<u>192,216,780</u>
Non-controlling interests	5,748,078	15,020,286
<b>TOTAL EQUITY</b>	<u>217,641,308</u>	<u>207,237,066</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	5,002,592	5,696,750
Long-term borrowings	86,435,221	71,427,961
Lease liabilities	2,093,117	1,900,279
	<u>93,530,930</u>	<u>79,024,990</u>
<b>Current liabilities</b>		
Contract liabilities	24,373,319	28,352,108
Trade payables	116,327,922	97,984,275
Other payables and accruals	41,118,165	24,742,863
Amount owing to related parties	24,794,017	26,798,879
Amount owing to joint venture	1,421,720	2,549,361
Current tax liabilities	589,843	247,847
Short-term borrowings	116,394,441	161,812,838
Lease liabilities	1,317,326	913,693
Bank overdrafts	10,288,699	22,260,343
	<u>336,625,452</u>	<u>365,662,207</u>
<b>TOTAL LIABILITIES</b>	<u>430,156,382</u>	<u>444,687,197</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>647,797,690</u>	<u>651,924,263</u>
Net asset per share attributable to owner of the Company (RM)	<u>0.36</u>	<u>0.39</u>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes as attached to the interim financial statement.)

**ADVANCECON HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THIRD QUARTER ENDED 30 SEPT 2023**

	Share Capital	Treasury Shares	Distributable Retained Profits	Attributable to Owners of the Company	Non-controlling Interest	Total Equity
	RM	RM	RM	RM	RM	RM
<b>The Group</b>						
<b>(Audited)</b>						
Balance at 1.1.2022	114,139,592	(3,249,343)	104,685,141	215,575,390	-	215,575,390
Loss after taxation / Total comprehensive expenses for the financial year	-	-	(23,358,610)	(23,358,610)	5,056,057	(18,302,553)
- Acquisition of subsidiary	-	-	-	-	9,964,229	9,964,229
<b>Balance at 31.12.2022</b>	<b>114,139,592</b>	<b>(3,249,343)</b>	<b>81,326,531</b>	<b>192,216,780</b>	<b>15,020,286</b>	<b>207,237,066</b>
<b>(Unaudited)</b>						
Balance at 1.1.2023	114,139,592	(3,249,343)	81,326,531	192,216,780	15,020,286	207,237,066
Profit/ (loss) after taxation / Total comprehensive income/ (expenses) for the financial period	-	-	86,431	86,431	(2,844,069)	(2,757,638)
- Additional purchase of shares in a subsidiary	-	-	-	-	(6,428,139)	(6,428,139)
Contribution by and distribution to owners of the Company:						
- Issuance of new ordinary shares	19,774,819	-	-	19,774,819	-	19,774,819
- Share issue expenses	(184,800)	-	-	(184,800)	-	(184,800)
<b>Balance at 30.9.2023</b>	<b>133,729,611</b>	<b>(3,249,343)</b>	<b>81,412,962</b>	<b>211,893,230</b>	<b>5,748,078</b>	<b>217,641,308</b>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes as attached to the interim financial statements.)

**ADVANCECON HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THIRD QUARTER ENDED 30 SEPT 2023**

	Cumulative Current Period Ended 30.9.2023 RM	Cumulative Comparative Period Ended 30.9.2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before taxation	721,741	(6,522,205)
Adjustments for:		
Depreciation:		
- property, plant and equipment	31,584,949	39,676,851
- investment properties	437,801	473,869
Amortisation of intangible assets	75,000	2,316,243
Reversal of impairment losses on property, plant and equipment	(442,430)	-
Reversal of impairment losses on trade receivables	(123,463)	(85,532)
Bad debt written off	80,035	-
Interest expense on lease liabilities	113,485	61,920
Interest expense	9,747,963	9,508,320
Share of net profit of an equity accounted associate	(162,910)	(834,600)
Share of net profit of an equity accounted joint venture	(119,409)	(366,751)
Property, plant and equipment written off	4	15,891
Gain arising from modification of lease agreements	(920)	(14,547)
Gain on disposal of property, plant and equipment	(5,347,180)	(5,916,947)
Gain on disposal of investment properties	-	(85,789)
Dividend income from short-term investments	(7,158)	(29,646)
Interest income	(1,337,110)	(1,034,066)
Operating profit before working capital changes	35,220,398	37,163,011
Increase in contract assets	(7,728,707)	(32,899,561)
(Decrease) / Increase in contract liabilities	(3,978,789)	14,297,512
Decrease / (Increase) in inventories	4,461,192	(2,888,766)
(Increase) / Decrease in trade and other receivables	(15,182,416)	22,381,711
Increase / (Decrease) in trade and other payables	22,638,947	(28,581,178)
Decrease in amount owing by an associate company	15,626,705	6,225,692
Decrease in amount owing to joint venture	(1,127,641)	-
<b>Cash from operations</b>	<b>49,929,689</b>	<b>15,698,421</b>
Interest paid	(9,861,448)	(9,570,240)
Income tax refund	1,013,584	-
Income tax paid	(2,746,309)	(2,611,588)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>38,335,516</b>	<b>3,516,593</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THIRD QUARTER ENDED 30 SEPT 2023 (CONT'D)**

	Cumulative Current Period Ended 30.9.2023 RM	Cumulative Comparative Period Ended 30.9.2022 RM
<b>CASH FLOWS (FOR) / FROM INVESTING ACTIVITIES</b>		
Interest received	1,337,110	1,034,066
Net cash outflow from acquisition of investment	-	(14,830,482)
Additional purchase of shares in a subsidiary	(6,428,139)	-
Dividend income from short-term investments	7,158	29,647
Increase in deposits pledged with licensed bank	(12,107,394)	(1,286,993)
Purchase of property, plant and equipment	(47,177,987)	(729,247)
Proceeds from disposal of property, plant and equipment	2,741,555	3,631,246
Proceeds from disposal of investment properties	-	205,000
Proceeds from finance lease receivables	265,941	529,173
Proceeds from disposal of non-current asset held for sale	37,681,822	-
Advances from related parties	-	17,529,401
Repayment to an associate	(1,512,564)	(182,940)
Repayment from joint venture	38,257	-
<b>NET CASH (FOR) / FROM INVESTING ACTIVITIES</b>	<b>(25,154,241)</b>	<b>5,928,871</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	19,774,819	-
Share issue expenses	(184,800)	-
Repayment to an associate	-	(2,029,508)
Net drawdown / (repayment) of term loans	18,742,760	(11,953,304)
Net (repayment) / drawdown of bankers' acceptances	(6,568,622)	613,515
Net drawdown of invoice financing	4,128,557	2,901,146
Net (repayment) / drawdown of revolving credit	(4,500,000)	6,000,000
Net (repayment) / drawdown of bank factoring	(26,758,619)	8,326,067
Repayment of lease liabilities	(785,247)	(590,350)
Repayment of hire purchase	(16,525,213)	(23,896,987)
Repayment to related parties	(2,004,862)	-
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(14,681,227)</b>	<b>(20,629,421)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENT</b>	<b>(1,499,952)</b>	<b>(11,183,957)</b>
Cash and cash equivalents at beginning of the financial period	12,799,048	25,527,356
<b>CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL PERIOD</b>	<b>11,299,096</b>	<b>14,343,399</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THIRD QUARTER ENDED 30 SEPT 2023 (CONT'D)**

	Cumulative Current Period Ended 30.9.2023 RM	Cumulative Comparative Period Ended 30.9.2022 RM
<b>Cash and cash equivalent comprised of:</b>		
Deposits with licensed banks	76,439,523	63,718,158
Short-term investments	241,478	2,175,561
Cash and bank balances	21,346,317	21,483,525
Bank overdrafts	(10,288,699)	(9,315,687)
	<b>87,738,619</b>	<b>78,061,557</b>
Less: Deposits pledged to licensed banks	(76,439,523)	(63,718,158)
	<b>11,299,096</b>	<b>14,343,399</b>

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022 and the accompanying explanatory notes as attached to the interim financial statement.)

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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023****A1. Basis of Preparation**

The interim financial report of the Advancecon Holdings Berhad ("Advancecon" or "Company") and its subsidiaries ("Group") is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting, International Accounting Standard ("IAS") 34, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements").

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent annual financial statements for the financial year ended 31 December 2022, except for the adoption of the following Amendments to MFRS beginning 1 January 2022:

- Amendments to MFRS 3 "Business Combinations" on 'Reference to Conceptual Framework'.
- Amendments to MFRS 116 "Property, Plant and Equipment" on 'Proceeds before intended use'.
- Amendments to MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" on 'Onerous contracts-cost of fulfilling a contract'
- Annual Improvement to MFRS Standards 2018 - 2020

The adoption of the above accounting standard(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

**A2. Changes In Accounting Policies**

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Year</b>
• MFRS 17 Insurance Contracts & Amendments to MFRS 17 Insurance Contracts	2023
• Amendment to MFRS 17: Insurance Contracts – Initial Application of MFRS 17 and MFRS 9: Financial Instruments – Comparative Information	2023
• Amendments to MFRS 108: Definition of Accounting Estimates	2023
• Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	2023
• Amendments to MFRS 16: Leases – Lease Liability in a Sale and Leaseback	2024
• Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants;	2024
• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023 (CONT'D)****A3. Auditors' Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2022.

**A4. Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors for the current period under review.

**A5. Unusual items affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

Other than those disclosed in the financial statements, there were no material unusual items affecting the amounts reported for the current quarter ended 30 September 2023.

**A6. Changes in Estimates**

There were no changes in estimates that have a material effect on the amounts reported for the current quarter ended 30 September 2023.

**A7. Debt and Equity Securities**

There was no issuance, repurchase and repayment of debts and equity securities by the Group and the Company during the current quarter.

**A8. Dividends Paid**

As at the date of this report, there was no payment of dividend during the financial year ending 31 December 2023.

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**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023 (CONT'D)**
**A9. Segmental Reporting**

The Group's operating and reportable segments comprised of:

- (a) Construction and Support Services – involved in earthworks and civil engineering services;
- (b) Property Investment – involved in sales of investment properties for capital gain and rental of investment properties;
- (c) Green Energy - involved in the development and/or operation of power generation from renewable energy, solar and other renewable energy projects;
- (d) Centralised Labour Quarter -involved in workers' dormitory/ accommodation services; and
- (e) Quarry Operation – involved in quarry operation and sale of related products.

	Construction and Support Services	Property Investment	Green Energy	Centralised Labour Quarters	Quarry Operation	Consolidation Adjustment	Total
The Group	RM	RM	RM	RM	RM	RM	RM
<b>Revenue</b>							
External revenue	222,674,226	284,611	238,168	484,323	129,419,779	-	353,101,107
Inter-segment revenue	37,335,714	-	-	-	17,430,590	(54,766,304)	-
Consolidated revenue	260,009,940	284,611	238,168	484,323	146,850,369		353,101,107

Represented by:

Revenue recognised at a point in time

Construction and support services:

- sale of goods	11,039,712	-	-	-	-	(267,380)	10,772,332
- hiring of machinery	36,711,303	-	-	-	-	(33,246,934)	3,464,369
- day work revenue	3,989,572	-	-	-	-	-	3,989,572
Rental of centralised labour quarters	30,650	-	-	-	-	-	30,650
Quarry operations:							
- sale of quarry products	-	-	-	-	78,005,198	(9,888,452)	68,116,746
- hiring of machinery	-	-	-	-	544,906	8,584	553,490
- transport income	-	-	-	-	1,309,107	(218,768)	1,090,339
Solar energy:							
- operating revenue	-	-	238,168	-	-	-	238,168

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**A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEP 2023 (CONT'D)**
**A9. Segmental Reporting (Cont'd)**

	Construction and Support Services	Property Investment	Green Energy	Centralised Labour Quarter	Quarry Operation	Consolidation Adjustment	Total
	RM	RM	RM	RM	RM	RM	RM
<b>The Group (Cont'd)</b>							
Represented by: (Cont'd)							
<u>Revenue recognised over time</u>							
Construction and support services							
- contract revenue	204,397,303	-	-	-	-	-	204,397,303
Rental income from investment properties	-	284,611	-	-	-	-	284,611
Rental of centralised labour quarters	-	-	-	484,323	-	-	484,323
Quarry operations:							
- contract revenue	-	-	-	-	12,944,503	-	12,944,503
- sub-contract work	-	-	-	-	54,046,655	(7,331,954)	46,714,701
<u>Revenue from other sources</u>							
Management fee	3,841,400	-	-	-	-	(3,821,400)	20,000
	260,009,940	284,611	238,168	484,323	146,850,369		353,101,107
<b>Results</b>							
Segment results	10,336,902	(497,361)	101,430	(12,072)	(683,831)	(288,467)	8,956,601
Interest income							1,337,110
Dividend income from short-term investments							7,158
Finance Cost							(9,861,447)
Share of result of an equity accounted associate							162,910
Share of results of equity accounted joint ventures							119,409
<b>Consolidated profit before taxation</b>							<b>721,741</b>



# ADVANCECON HOLDINGS BERHAD

(Registration no. 199701011469 (426965-M))

(Incorporated in Malaysia)

## A EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023 (CONT'D)

### A9. Segmental Reporting (Cont'd)

	Construction and Support Services	Property Investment	Green Energy	Centralised Labour Quarter	Quarry Operation	Consolidation Adjustment	Total
The Group (Cont'd)	RM	RM	RM	RM	RM	RM	RM
Income tax expense							(3,531,306)
Deferred Tax							51,927
<b>Consolidated loss after taxation</b>							<b>(2,757,638)</b>
<b>Profit/ (Loss) attributable to</b>							
Owners of the Company							86,431
Non-Controlling Interest							(2,844,069)

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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023 (CONT'D)****A10. Significant Events after the End of the Financial Period**

There was no material event subsequent to the current financial period ended 30 September 2023 and up to the date of this report, which is likely to substantially affect the profits of the Group.

**A11. Changes in the Composition of the Group**

In the 1<sup>st</sup> quarter of 2023, Spring Energy Sdn. Bhd. ("SESB"), a 51% owned indirect subsidiary of the Group had completed the purchase of the remaining 3,470,000 ordinary shares of RM1.00 each in SE Satu Sdn. Bhd. ("SE SATU"), representing 49.0% of the issued and paid-up share capital of SE SATU for a cash consideration of RM4,796,205.97. The additional shares were purchased from Citaglobal Berhad (formerly known as WZ Satu Berhad).

Following the completion of this acquisition, SESB's equity interest in SE SATU has increased from 51.0% to 100%.

On 19 October 2023, the Company had incorporated an indirect wholly-owned subsidiary, namely Advancecon Development Sdn. Bhd. with an issued share capital of RM10.00 comprising 10 ordinary shares to carry out property investment, development and construction related business.

**A12. Fair Value of Financial Instruments**

There were no gains or losses arising from fair value changes for all financial assets and liabilities for the financial period under review.

**A13. Capital Commitments**

Approved and contracted for:  
Purchase of property, plant and equipment

**Unaudited**  
**As at 30.9.2023**  
RM

8,600,202

**A14. Contingent Liabilities**

There were no contingent liabilities at the Group level as at the date of this report.

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**A. EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPT 2023 (CONT'D)****A15. Significant Related Party Transactions**

The Group had the following transactions with related parties during the financial period ended 30 September 2023

	<b>Unaudited 9 Months Ended 30.9.2023 RM</b>
<b>Transaction with Director</b>	
Rent office building	56,700
<b>Transaction with companies in which the Directors of subsidiaries have financial interest:</b>	
Rent of office buildings	286,500
Sale of quarry product	448,738
Rent of access road for transporting quarry products	12,436

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**B1. Review of Group Performance**

	3 Months Ended			9 Months Ended		
	30.9.2023 RM	30.9.2022 RM	Variance %	30.9.2023 RM	30.9.2022 RM	Variance %
Revenue	122,649,592	122,407,957	0.2%	353,101,107	326,567,590	8.1%
Profit / (Loss) Before Taxation	358,718	(895,823)	140.0%	721,741	(6,522,205)	111.1%
(Loss) / Profit After Taxation	(129,620)	(2,466,380)	94.7%	(2,757,638)	(10,413,458)	73.5%
(Loss) / Profit attributable to owners of the Company	(605,067)	660,960	-191.5%	86,431	(866,787)	110.0%

For the current quarter under review, the Group recorded a 0.2% marginal increase in revenue compared to the preceding year's corresponding quarter. The revenue was mainly contributed by the Construction and Support Services Segment (RM 74.1 million or 60.4%) and Quarry Segment (RM 48.2 million or 39.3%). The remaining revenue was derived from the Property Investment, Green Energy and Centralised Labour Quarters Segments.

The Group reported a loss attributable to owners of RM0.6 million compared to a profit of RM0.7 million in the same quarter last year.

Construction and Support Services Segment

The division recorded a loss before taxation ("LBT") of RM 0.6 million for current financial quarter compared to profit before taxation ("PBT") of RM 5.6 million in the preceding year corresponding quarter mainly due to lower revenue generated from Support Services Segment and increased material price in this financial quarter.

Quarry Segment

The division recorded a profit attributable to owners of the Company of RM 0.9 million in this quarter compared to a loss of RM 3.1 million in the preceding year corresponding quarter. The improvement was mainly due to higher contribution on revenue and profitability from construction projects.

Green Energy Segment

The division recorded higher PBT of RM 0.09 million versus RM 0.04 million in the preceding year corresponding quarter.

Property Investment Segment

The division registered a lower LBT at RM 0.22 million versus LBT of RM 0.30 million, which included one off agent fee payment for the disposal of investment properties in the preceding year corresponding quarter. Management is actively sourcing to generate income from this segment.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B2. Comparison with Preceding Quarter Results**

	3 Months Ended		
	30.9.2023	30.6.2023	Variance
Revenue	122,649,592	118,426,685	3.6%
Profit before tax	358,718	1,545,782	-76.8%
Profit attributable to owners of the Company	(605,067)	543,848	-211.3%

The Group recorded higher revenue of RM 122.6 million versus RM 118.4 million in the preceding quarter, mainly contributed by the Construction and Quarry Segment. However, profit before tax was lower compared to last quarter by 76.8% mainly due to lower revenue generated from Support Services Segment and general increase of material prices by 30% in this financial quarter.

As a result, the Group reported a loss attributable to Owners of the Company amounting to RM 0.6 million compared to a profit of RM 0.5 million in the preceding quarter.

**B3. Prospects**

Malaysia's gross domestic product (GDP) growth is projected between 4% to 5% in 2023. Public sector investment is expected to expand by 7% in 2023 (2022 : 5.3%), with higher capital spending by the government, amid the continued progress of large-scale infrastructure projects, such as the East Coast Rail Link (ECRL), the Light Rail Transit Line 3 (LRT3), and the Pan Borneo Highway. (Source: BNM Annual report, March 2023).

The Malaysian economy expanded by 3.3% in the third quarter of 2023. The services, construction and agriculture sectors remained supportive of growth. Despite the challenging global environment, the Malaysian economy is projected to expand by around 4% in 2023 and 4% – 5% in 2024. Growth will continue to be driven by the expansion in domestic demand, particularly in domestic-oriented sectors. Investment will be supported by further progress of multi-year infrastructure projects and the implementation of catalytic initiatives (Source: BNM, November 2023).

With the expected growth in the multi-year infrastructure projects, the Group is actively seeking for opportunities to expand its development and production businesses. As at the date of this report, total outstanding order book stands at RM396.5 million.

In the Construction business, the Group has on 10 November 2023, accepted the Letter of Acceptance from Sime Darby Property (Pagoh) Sdn Bhd for the appointment as the contractor for the proposed construction and completion of earthworks and auxiliary works for Plot B1-B7 at Industrial Park for development of Bandar Universiti Pagoh, Johor. The total contract sum is approximately RM22.8 million and the contract period would be 18 months commencing from 23 November 2023 until 22 May 2025. The Group will continue to bid for new contracts to grow its order book as well as focusing on project execution to ensure timely completion of all on-going projects.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B3. Prospects (Cont'd)**

In the Green Energy business, the Group had executed a Power Purchase Agreement (“PPA”) with Tenaga Nasional Berhad in August 2021 for the development of Large Scale Solar Photovoltaic Plant (“LSSPV”) of 26MV at Kuala Langat, Selangor. In August 2022, the Energy Commission (“EC”) granted the Group an additional 4 year extension of the development from 21 years to 25 years. This will enable the Group to optimize its returns for the next 25 years, which is in line with the Group’s long-term strategy to grow its sustainable and recurring income. In March 2023, the Group had obtained 80% project financing support of 15 years from a financial institution for the development of LSSPV. The remaining 20% of equity portion was through the issuance of 91,975,900 Private Placement Shares in April 2023. The remaining shares under the Private Placement lapsed on 2 August 2023, marking the completion of the Private Placement.

In the Quarry business, revenue grew during the first 3 quarters of year 2023 by 33% compared to the corresponding period last year. As a result, operating financial results have continued to improve accordingly. On 25 April 2023, Spring Energy Sdn. Bhd. (“SESB”), a 51% owned indirect subsidiary of the Group, received a Letter of Acceptance (“LOA”) from China Communications Construction (ECRL) Sdn Bhd (“CCC”), appointed SESB as the contractor for the Construction and Completion of Subgrade Earthworks within KPC Depot Station and OCC Area (Section 5) which commenced on 29 April 2023 and completed in the 3rd Quarter of 2023. This project provided relatively high profitability to quarry business.

The Group will continue to exercise prudence to achieve operational efficiency for 2023. The Group will undertake necessary measures to manage the risks and take proactive steps to mitigate the adverse impacts of rising operating construction costs of raw materials, equipment and labour.

**B4. Profit Forecast**

The Group did not issue any profit forecast or profit guarantee during the current year to date under review.

**B5. Taxation**

	<b>Unaudited 9 Months Ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>
	RM	RM
Income tax	3,531,306	4,152,629
Deferred tax	(51,927)	(261,376)
	<u>3,479,379</u>	<u>3,891,253</u>

The Group’s effective tax rate (“ETR”) for the financial year is higher than statutory tax rate of 24.0% mainly due to deferred tax movement and tax permanent differences.

**B6. Status of Corporate Proposals**

There is no corporate proposal announced but not completed as at date of this report.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B7. Utilisation of Proceeds Raised from Public Issue**

The details are as set out below:

No	Details of utilisation	Allocation of IPO Proceeds upon listing <sup>(1)</sup>	Allocation of IPO Proceeds upon listing (revised)	Actual utilisation of IPO Proceeds	Unutilised IPO Proceeds	Estimated timeframe for utilisation (upon listing)
		RM'000	RM'000	RM'000	RM'000	
i.	<b>Total Capital expenditures:</b>	29,700	29,190	(16,385)	12,805	Within 78 <sup>(3)</sup> months
	(a) Purchase of new construction machinery and equipment	15,100	15,100	(15,100)	-	Within 24 months
	(b) Construction of new workshop	14,600	14,090 <sup>(2)</sup>	(1,285)	12,805	Within 78 <sup>(3)</sup> months
ii.	Repayment of bank borrowings	12,500	12,455 <sup>(2)</sup>	(12,455)	-	Within 6 months
iii.	Working capital	10,700	11,255	(11,255)	-	Within 24 months
iv.	Estimated listing expenses	3,800	3,800	(3,800)	-	Upon Listing
		<u>56,700</u>	<u>56,700</u>	<u>(43,895)</u>	<u>12,805</u>	

**Notes:**

- (1) As per IPO Prospectus dated 19 June 2017.
- (2) On 29 August 2018, the Board announced to re-allocate the utilisation of construction of new workshop and repayment of bank borrowings by RM 0.51 million and RM 0.05 million respectively to day-to-day working capital expenses for payment to suppliers.
- (3) On 6 January 2022, the Board announced to further extend the estimate timeframe for the utilisation of the balance IPO proceeds from 54 months to 78 months from date of IPO, up till 10 January 2024.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B8. Utilisation of Proceeds Raised from Private Placement**

The details are as set out below:

Utilisation of Proceeds	Proposed utilisation	Actual utilisation of proceeds	Unutilised proceeds	Expected timeframe for utilisation
	RM'000	RM'000	RM'000	
Development of solar photovoltaic energy generating facility	19,665	(19,665)	-	Within 12 months from the receipt of placement funds
Estimated expenses for Private Placement	110	(110)	-	Upon completion of the Private Placement
<b>TOTAL</b>	<b>19,775</b>	<b>(19,775)</b>	<b>-</b>	

Notes:

On 6 April 2023, the Company successfully raised RM19.78 million from the Private Placement following the listing and quotation of 91,975,900 Placement Shares at an issue price of RM0.2150 per placement share on Main Market of Bursa Securities. The Private Placement had lapsed on 2 August 2023, which marks the completion of the Private Placement.

**B9. Group Borrowings and Debt Securities**

	Unaudited As at 30.9.2023 RM	Audited As at 31.12.2022 RM
<b><u>Non-current</u></b>		
Term loans	70,751,424	47,801,927
Hire Purchases	15,683,797	23,626,034
<b><u>Current</u></b>		
Term loans	26,237,575	31,607,312
Hire Purchases	14,281,573	20,631,549
Bankers' acceptances	23,433,028	30,001,650
Invoice financing	31,713,353	27,584,796
Revolving credit	13,000,000	17,500,000
Bank overdrafts	10,288,699	22,260,343
Bank factoring	7,728,912	34,487,531
	<b>213,118,361</b>	<b>255,501,142</b>

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B10. Material Litigation**

There is no pending material litigation involving the Group pending as at the date of this report, except for the following:

Spring Energy Sdn. Bhd. ("SESB" or "the Defendant") a wholly owned subsidiary of Spring Energy Resources Berhad had on 19 April 2021 received a Writ of Summon and Statement of Claim both dated 16 April 2021 filed by Zeti Ismrizan Binti Isa and 5 others ("Plaintiffs") under Shah Alam High Court Civil Suit No. BA-23NCVC-24/04/2021 (Suit 24).

Persatuan Penduduk Bukit Damar Dengkil and SESB entered into an agreement to construct the Link Road & Access Road and earthwork at Lot 281 & 282 of Kampung Bukit Damar. The Plaintiffs are claiming that the work carried out by SESB was done without their consent that the work has caused damages and/or variation to the quality or nature to their lands. Therefore, the Plaintiffs have filed the Writ of Summons and Statement of Claim against SESB to claim for the purported losses and/or damages suffered by them including the purported decrease in the value of their lands.

Pursuant to the Writ of Summons and Statement of Claim, the Plaintiffs are claiming from SESB for the sum of RM3,966,065.18 being the alleged specific damages suffered by the Plaintiffs due to the purported damages and/or variation to the quality or nature caused to their lands by SESB which carried out construction work without the consent of the Plaintiffs.

SESB has raised a Third Party Claim against Persatuan Penduduk Bukit Damar Dengkil, Dato' Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi (hereinafter referred as "the Third Parties") to indemnify SESB for any losses and/or damages suffered by SESB as a result of the Plaintiffs' claim as the Third Parties have breached the agreement and/or failed to obtain the consent from the Plaintiffs and/or have fraudulently or negligently misrepresented SESB that they have obtained the consent from all the landowners of Lot 281 and Lot 282 for SESB to commence the work. The Third Parties filed an application to strike out SESB's Third Party Claim on 6 August 2021 ("Strike Out Application").

On 3 November 2021 at the hearing of the Strike Out Application, the High Court has allowed the Strike Out Application due to technical irregularity and the High Court had fixed the case management on 17 November 2021 for the main suit.

The Court had during the case management on 17 November 2021 directed the parties to file and serve 'Tabulated Summary of parties positions and arguments on the issues and sub-issues' and submit list of witness and Witness Statement by 4 January 2022. The Court then fixed the next case management on 6 January 2022 to fix the trial date.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B10. Material Litigation (Cont'd)**

During the case management on 17 November 2021, SESB has also informed the Court that SESB will file an appeal against the High Court's decision in striking out SESB's claim against Dato' Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi would file a leave application to add Persatuan Penduduk Bukit Damar Dengkil as Third Party to the Main Suit.

SESB then filed Notice of Appeal in Court of Appeal on 18 November 2021. The case management for the Appeal was fixed on 7 January 2022.

On 30 November 2021, SESB filed in Shah Alam High Court the Notice of Application to seek leave to add the Persatuan Penduduk Bukit Damar Dengkil as Third Party and the Affidavit in Support ("Leave Application"). The Court had fixed the case management before the Judge on 17 December 2021.

During the case management on 17 December 2021, the Court fixed the hearing for the Leave Application on 6 January 2022 before the Judge. The Court had on 6 January 2022 disallowed the Leave Application and fixed the Trial dates on 21 July 2022, 22 July 2022 and 25 July 2022, during the case management.

SESB had on 9 February 2022 requested to withdraw the appeal and the Court has vacated the hearing on 10 March 2022 as the Parties reached a consensus for withdrawal with costs of RM500 to be paid by SESB. Further, Spring Energy Sdn Bhd initiated a new proceeding against Dato' Mohamed Dahan Bin Abdul Latif, being sued in the capacity of the Chairman/Office bearer for Persatuan Penduduk Bukit Damar Dengkil for breach of contract and against Mohamad Hussin bin Semail and Muhammad Faizal bin M. Hairi under the tort of deceit and misrepresentation. The Writ of Summons and Statement of Claim were filed on 8 March 2022, under Suit No. BA-22NCVC-99-03/2022 ("Suit 99").

On 15 July 2022, High Court allowed the consolidation application by SESB with cost in the cause and Suit 24 will be transferred and consolidated with Suit 99 (the Suit against 3rd party) and will be heard by YA Dato' Dr Choo Kah Sing. Therefore, the trial dates that were initially fixed on 21 July 2022, 22 July 2022 and 25 July 2022 have been vacated and new directions in respect of this matter will be given.

The Third Parties have filed the striking out application and the Court has originally fixed the hearing date on 5 April 2023. The hearing date was later vacated by the High Court and rescheduled to 15 June 2023, 15 August 2023 and 12 October 2023 respectively. On 12 October 2023, the Court has rescheduled the hearing date to 6 December 2023.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**
**B11. Dividends Declared**

There was no dividend declared during the current year under review.

**B12. Earnings / (Loss) Per Share**

	<b>Unaudited</b>	
	<b>9 Months Ended</b>	
	<b>30.9.2023</b>	<b>30.9.2022</b>
Profit / (Loss) after tax attributable to the owners of the Company (RM)	86,431	(866,787)
<b>Basic earnings per share</b>		
Weighted average number of ordinary shares	552,671,611	483,374,700
Basic earnings / (loss) per share (sen) <sup>(1)</sup>	0.02	(0.18)
<b>Diluted earnings per share</b>		
Weighted average number of ordinary shares	552,671,611	483,374,700
Diluted earnings / (loss) per share (sen) <sup>(2)</sup>	0.02	(0.18)

**Notes:**

- (1) The basic earnings / (loss) per share was computed based on earnings/(loss) attributable to owners of the Company divided by the weighted average number of ordinary shares.
- (2) Diluted earnings / (loss) per ordinary share for the current financial year is calculated by dividing the profit / (loss) for the financial year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

**B13. Profit Before Taxation**

Profit before taxation was arrived at after charging/(crediting):

	<b>Unaudited</b>	
	<b>Individual Quarter</b>	<b>Cumulative Quarter</b>
	<b>30.9.2023</b>	<b>30.9.2023</b>
	<b>RM</b>	<b>RM</b>
Auditors' remuneration	90,205	268,655
Depreciation:		
- property, plant and equipment	9,996,490	31,584,949
- investment properties	144,633	437,801
Amortisation of intangible asset	25,000	75,000
Directors' remuneration	624,837	2,173,600
Royalties and tributes	2,280,552	7,367,317
Interest expenses	3,453,647	9,861,448
Staff costs	22,185,892	64,253,884
Gain on disposal of property, plant and equipment	620,221	(5,347,180)
Interest income	(530,250)	(1,337,110)
Dividend income from short-term investments	(2,203)	(7,158)

**BY ORDER OF THE BOARD**  
**23 November 2023**