

RADIUM DEVELOPMENT BERHAD
201301009006 (1038848-V)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2023

Registration No. 201301009006 (1038848-V)

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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RADIUM DEVELOPMENT BERHAD
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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include property development and investment, provision of management services, management consultancy, information technology related services and hotel business.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	<u>17,863</u>	<u>59,675</u>
Attributable to:		
Owners of the Company	16,799	59,675
Non-controlling interests	<u>1,064</u>	<u>-</u>
	<u>17,863</u>	<u>59,675</u>

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM'000
Single-tier interim dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2023, paid on 15 August 2023	<u>34,680</u>

The directors do not recommend the payment of any final dividends in respect of the financial year ended 31 December 2023.

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DIRECTORS' REPORT (CONTINUED)

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts were necessary.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group and of the Company which have arisen since the end of the financial year.

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DIRECTORS' REPORT (CONTINUED)

CONTINGENT AND OTHER LIABILITIES (CONTINUED)

In the opinion of the directors, no contingent or other liabilities of the Group and of the Company have become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year were RM228,000 and RM57,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

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DIRECTORS' REPORT (CONTINUED)

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 868,000,000 new ordinary shares at a price of RM0.50 per ordinary share for a total cash consideration of RM434,000,000 pursuant to the Initial Public Offering ("IPO") of the Company on the Main Market of Bursa Malaysia Securities Berhad on 31 May 2023.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

During the financial year, no new issue of debentures was made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Datuk Gan Kah Siong*	
Gan Tiong Kian*	
Gan Kok Peng*	
Datuk Sydney Lim Tau Chin *	
Chai Woon Hou*	
Tan Sri Mhd Amin Nordin bin Abd Aziz	(Appointed on 1 March 2023)
Nurazlin binti A. Samad	(Appointed on 24 March 2023)
Phang Sweet Lee	(Appointed on 24 March 2023)
Nor Zaemah binti Zainuddin	(Appointed on 24 March 2023)
Koay Lean Lee	(Appointed on 24 March 2023)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Mark Wing Kong (alternate to Leow Vinken)	
Wan Shafie bin Abdul Rashid	
Sim Guan Yu	
Leow Vinken	(Appointed on 9 August 2023)
Tan Sri Datuk Leow Chong Howa	(Resigned on 9 August 2023)

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DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			
	At 1 January 2023	Bought	Sold	At 31 December 2023
Direct interest:				
Datuk Gan Kah Siong	546,000,000	-	-	546,000,000
Gan Tiong Kian	260,000,000	200,000	-	260,200,000
Gan Kok Peng	260,000,000	-	-	260,000,000
Datuk Sydney Lim Tau Chin	-	5,000,000	-	5,000,000
Tan Sri Mhd Amin Nordin bin Abd Aziz	-	20,100	(20,100)	-
Indirect interest:				
Datuk Gan Kah Siong *	1,300,002,167	-	-	1,300,002,167
Gan Tiong Kian *	78,002,167	-	-	78,002,167
Gan Kok Peng *	39,002,167	-	-	39,002,167
Nor Zaemah binti Zainuddin #	-	6,100	(3,000)	3,100

* Shares held through company in which the director has substantial financial interests.

Shares held through spouse.

By virtue of his interest in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Datuk Gan Kah Siong is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares or debentures of the Company and its related corporations during the financial year.

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DIRECTORS' REPORT (CONTINUED)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The directors' benefits of the Group and of the Company were as follows:

	Group RM'000	Company RM'000
Directors of the Company		
Executive directors		
- Salaries, allowances and bonuses	1,748	-
- Defined contribution plans	266	-
- Other staff related benefits	16	-
	<u>2,030</u>	<u>-</u>
Non-executive directors		
- Salaries, allowances and bonuses	618	398
- Defined contribution plans	27	-
- Other staff related benefits	3	-
	<u>648</u>	<u>398</u>
	<u>2,678</u>	<u>398</u>

Neither during, nor at the end of the financial year, was the Company a party to any arrangement where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage for the directors of the Group were RM8,710,000.

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DIRECTORS' REPORT (CONTINUED)

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
Ambanang Development Sdn. Bhd.	Malaysia	100	100	Property development
Constant Premium Sdn. Bhd.	Malaysia	100	100	Property development
Fitrah Resources Sdn. Bhd.	Malaysia	80	80	Property development
Idaman Sejiwa (Ampang) Sdn. Bhd.	Malaysia	100	100	Property development
Montanica Development Sdn. Bhd.	Malaysia	100	100	Property development
Omega Edisi Sdn. Bhd.	Malaysia	100	100	Provision of management services
Pavilion Integrity Sdn. Bhd.	Malaysia	80	80	Property development and investment
Rasa Wangi Development Sdn. Bhd.	Malaysia	100	100	Property development
Total Solid Holdings Sdn. Bhd.	Malaysia	100	100	Property development
Tradisi Emas Sdn. Bhd.	Malaysia	100	100	Hotel business
Vistarena Development Sdn. Bhd.	Malaysia	80	80	Property development
Radium Global Sdn. Bhd.	Malaysia	100	-	Property development
Radium Management Services Sdn. Bhd.	Malaysia	100	-	Provision of project management consultancy and information technology related services

The available auditors' report on the accounts of the subsidiaries did not contain any qualification.

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DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Listing of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Listing")

On 27 April 2023, the Company launched the Prospectus in relation to the IPO comprising the public issue of 868,000,000 new ordinary shares in the Company at an IPO price of RM0.50 per share.

On 31 May 2023, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad comprising public issue of 868,000,000 new ordinary shares.

(b) Joint venture agreement ("JVA")

On 20 September 2022, Rasa Wangi Development Sdn. Bhd. ("RWDSB"), a wholly-owned subsidiary of the Company, as the developer, entered into a JVA with Kadar Jutajaya Sdn. Bhd. ("KJSB"), as the landowner, to jointly develop a proposed development consisting inter alia 404 units of Residensi Wilayah and 932 units of condominium ("Project") on a piece of leasehold land held under HSD No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu measuring approximately 21,505 square metres ("Land"). Pursuant to the JVA, the landowner grants the developer the exclusive right to carry out and implement the development on the Land, and the landowner shall be entitled, subject to the terms and conditions of the JVA, to receive the landowner's entitlement of 23% of the profit after tax of the developer for the Project, and in the event there are any unsold units upon the delivery of vacant possession of the Project, the developer shall at its discretion decide on the composition of the landowner's entitlement, that is, either fully in cash or a combination of cash and unsold units (based on the selling price as determined by the developer) or an amount of RM32,000,000 whichever the higher.

On 20 September 2023, both KJSB and RWDSB ("the Parties") are agreeable to extend the period for fulfilment of Condition Precedent for a further twelve (12) months commencing from 20 September 2023 to 19 September 2024 free of interest ("First Extension of Time").

In furtherance thereto, KJSB and RWDSB had entered into the Supplemental Agreement on 20 September 2023 to document the Parties' option for further extension of time upon expiry of the First Extension of Time and involvement of KJSB (being the landowner) in project committee in relation to the said Project.

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DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(c) Joint Development with N&M Cahaya Sdn. Bhd.

On 6 February 2023, the Company issued a letter of intent ("LOI") to N&M Cahaya Sdn. Bhd. ("N&M Cahaya") to jointly develop the piece of land held under H.S.(D) 123157, PT 50174, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 40,467 square meter ("Land") by subscribing for 300,000 ordinary shares in N&M Cahaya such that the Company will hold 75% of the enlarged issued share capital of N&M Cahaya ("Subscription Shares") on a fully diluted basis as at the date such shares are subscribed with the subscription amount of RM26,715,000 or a price based on valuation to be conducted on the Land by the appointed valuer, whichever lower. Notwithstanding the valuation of the Land, the subscription amount shall not be more than RM26,715,000. The LOI was accepted by N&M Cahaya on 10 February 2023 and the execution of Shares Subscription Agreement and Shareholders Agreement (collectively referred to as "Definitive Agreement") shall occur within 30 days after all the Conditions Precedents are fulfilled within stipulated period or extended period as mutually agreed by the parties.

On 4 August 2023, both the Company and N&M Cahaya are agreeable to extend the period for fulfilment of Conditions Precedent by six (6) months from 7 August 2023 to 7 February 2024. All other terms of LOI shall remain in force and effect.

On 2 February 2024, upon completion of the due diligence on N&M Cahaya, N&M Cahaya is currently implicated in a legal suit involving the Land. As such, both the Company and N&M Cahaya are agreeable to further extend the period for another eighteen (18) months from 7 February 2024 to 6 August 2025 for N&M Cahaya to resolve the legal suit which N&M Cahaya is reasonably confident that it has a good chance to defend its position.

In addition, the future land use zone of the Land is currently pending the "Pelan Tempatan Kuala Lumpur" (PTKL 2040) to be gazetted. Hence, the extension period of 18 months is not an impediment to the progress as without PTKL 2040 being in force, the development order for the proposed development on the Land is unable to be processed by Dewan Bandaraya Kuala Lumpur.

(d) Material litigation

(i) Datuk Bandar Kuala Lumpur

6 Judicial Review Applications ("JR Applications") were filed by the several applicants against the Menteri Wilayah Persekutuan, Malaysia, Datuk Bandar Kuala Lumpur ("DBKL"), Kerajaan Malaysia and the subsidiary of the Company, Pavilion Integrity Sdn. Bhd. ("Pavilion Integrity"). Pavilion Integrity is the registered proprietor of Lot 810 and is developing a 46-storey building with 698 units of serviced apartments on Lot 810. Pavilion Integrity had obtained the development orders for the construction work.

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DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(d) Material litigation (continued)

(i) Datuk Bandar Kuala Lumpur (continued)

When the applicants discovered that Pavilion Integrity proposed to develop Lot 810, the applicants wrote to DBKL to reconsider the Pavilion Integrity's development project, specifically for DBKL to acquire a significant part of Lot 810 in order to build an access road known as Jalan Jejaka 1. Having failed to get DBKL to acquire part of Lot 810, the JR Applications were filed in respect of DBKL's refusal to acquire Lot 810.

On 21 June 2023, the Federal Court decided that the Court of Appeal's decision on 3 October 2022 stands. Among others, the Court of Appeal held as follows:

"An order of mandamus is granted towards DBKL to issue a Notice of Acquisition under Section 47(3) of the Federal Territory (Planning) Act 1982 to commence acquisition of Lot 810."

As such, Pavilion Integrity expects a compulsory acquisition of Lot 810 by DBKL wherein Pavilion Integrity will be compensated in accordance with the Land Acquisition Act 1960. The solicitor of Pavilion Integrity is of the opinion that Pavilion Integrity should take into consideration on the followings for the claim of compensation against DBKL for acquiring Lot 810:

- i) market value of Lot 810;
- ii) loss of profit in the development project taking into account of the units available and sold under the development;
- iii) any compensation payable to the contractor(s) appointed to complete the development; and
- iv) any other costs and expenses that Pavilion Integrity have incurred in acquiring the land and the costs and expenses in developing Lot 810.

(ii) Residensi Platinum OUG

On 9 June 2023, the Company 80% owned subsidiary, namely Vistarena Development Sdn. Bhd. ("the Defendant") had been served with a Writ of Summons and Statement of Claim ("the Suit") dated 1 June 2023 from 241 individual purchasers of Residensi Platinum OUG in Block B ("the Plaintiffs"). Residensi Platinum OUG is the development undertaken by Defendant as the developer in which the vacant possession had been delivered in and around June 2022.

Prior to the filing of the Suit, on 18 October 2022, there was a meeting held between representatives from relevant government authorities, Defendant, the architect, the civil and structural consultant, main contractor as well as purchasers' representatives from all components of the Development to discuss the issues pertaining to the Development including but not limited to the matters raised in the Suit such as the entrances and defects. However, it was concluded in the meeting that the construction of separate entrances will be put on hold until the formation of the management corporation of the Development and Defendant to expedite the defect rectification works.

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DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(d) Material litigation (continued)

(ii) Residensi Platinum OUG (continued)

Despite the proposed direction given by the relevant government authorities in the Meeting, the Plaintiffs had filed in the Suit against the Defendant at Kuala Lumpur High Court ("KLHC"). The Suit is arising from, inter alia, alleged misrepresentation on separate entrances between Block A and Block B, no access control established by the Defendant for the common facilities designated for Block B, safety-related defects are not attended to by the Defendant, and no steps taken by the Defendant to address the alleged declination of the value of Block B.

The Plaintiffs are seeking, inter alia, the following reliefs from the court:

- (a) a declaration that the Defendant has conducted in misrepresentation and breach of contract towards the Plaintiffs in the process of selling units to the Plaintiffs;
- (b) an injunction against the Defendant to take all necessary and reasonable steps to establish two (2) access paths at the entrance to Block A and Block B within a period of three (3) months from the date of judgment/order;
- (c) a judgment that the Defendant rectifies all listed safety-related defects, and the rectification works are to be completed to the satisfaction of the Plaintiffs' representative within a period of three (3) months from the date of judgment or order, with costs borne solely by the Defendant;
- (d) an order for general damages to be assessed by the Honourable Court;
- (e) Exemplary damages amounting to RM25,000.00 to be paid to each Plaintiff within seven (7) days from the date of judgment/order;
- (f) Cost; and
- (g) 5% interest on the judgement awarded by the Honourable Court from the date of filing the Suit until full settlement.

On 21 September 2023, 104 individual purchasers of Block A (civil servants housing), Residensi Platinum OUG filed an Application to Intervene, claiming that, amongst others, they shall be heard/ allowed to intervene the proceeding so to protect their interest in the common properties given that the Plaintiffs' claims involving access to common properties, shared common area, shared entrance to access Residensi Platinum OUG in which their rights and interests would be affected by any decision from the court. The KLHC has on 3 January 2024 allowed the Application to Intervene hence 104 individual purchasers of Block A are now listed as defendants.

The first case management of the Suit was conducted on 3 July 2023 by way of e-review. The Kuala Lumpur High Court allowed the extension of the time for the defendants to file its Statement of Defence on or before 3 August 2023. The case management was held on 6 March 2024 and the case hearing will be held on 4 April 2024.

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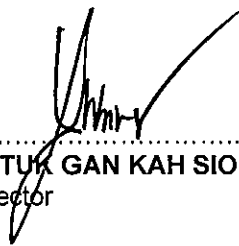
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DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.



.....
DATUK GAN KAH SIONG
Director



.....
GAN TIONG KIAN
Director

Date: 1 April 2024

RADIUM DEVELOPMENT BERHAD
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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	41,704	3,521	860	1,122
Right-of-use assets	6	951	1,549	-	-
Investment property	7	83,000	-	-	-
Investment in subsidiaries	8	-	-	8,454	8,454
Goodwill	9	1,600	1,590	-	-
Deferred tax assets	10	5,892	-	-	-
Trade and other receivables	11	10,351	3,800	-	-
Other investments	12	10,584	10,584	10,584	10,584
Total non-current assets		154,082	21,044	19,898	20,160
Current assets					
Inventories	13	270,467	262,080	-	-
Current tax assets		13,990	7,024	-	-
Trade and other receivables	11	107,302	110,376	551,209	306,118
Contract cost	14	13,698	4,449	-	-
Contract assets	15	6,336	102,396	-	-
Other investments	12	151,376	-	151,376	-
Cash and short-term deposits	16	199,671	105,002	39,971	27,706
Total current assets		762,840	591,327	742,556	333,824
TOTAL ASSETS		916,922	612,371	762,454	353,984
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	465,943	42,400	465,943	42,400
Retained earnings		322,327	340,208	295,934	270,939
		788,270	382,608	761,877	313,339
Non-controlling interests		4,316	3,252	-	-
TOTAL EQUITY		792,586	385,860	761,877	313,339

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STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (CONTINUED)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current liabilities					
Loans and borrowings	19	24,054	51,133	-	-
Deferred tax liabilities	10	60	751	-	-
Total non-current liabilities		24,114	51,884	-	-
Current liabilities					
Loans and borrowings	19	16,408	48,433	-	30,000
Current tax liabilities		674	14,228	471	9,908
Trade and other payables	20	83,140	111,966	106	737
Total current liabilities		100,222	174,627	577	40,645
TOTAL LIABILITIES		124,336	226,511	577	40,645
TOTAL EQUITY AND LIABILITIES		916,922	612,371	762,454	353,984

The accompanying notes form an integral part of these financial statements.

RADIUM DEVELOPMENT BERHAD
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**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	21	128,261	336,410	42,000	198,000
Cost of sales		(88,293)	(197,316)	-	-
Gross profit		39,968	139,094	42,000	198,000
Other income	22	40,098	61,132	23,101	67,334
Marketing expenses		(18,998)	(15,445)	(1,191)	(143)
Administrative expenses		(16,358)	(13,012)	(4,139)	(2,008)
Other operating expenses		(20,503)	(21,175)	(263)	(19,416)
Operating profit		24,207	150,594	59,508	243,767
Finance costs	23	(4,887)	(3,338)	(1,584)	(850)
Profit before tax	24	19,320	147,256	57,924	242,917
Income tax (expense)/credit	26	(1,457)	(45,820)	1,751	(14,055)
Profit for the financial year, representing total comprehensive income for the financial year		17,863	101,436	59,675	228,862
Profit/Total comprehensive income attributable to:					
Owners of the Company		16,799	99,086	59,675	228,862
Non-controlling interests		1,064	2,350	-	-
		17,863	101,436	59,675	228,862
Earnings per share attributable to ordinary equity holders of the Company (sen)	27				
- Basic and diluted		0.54	4.06		

The accompanying notes form an integral part of these financial statement.

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the Company			Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Retained earnings RM'000	Sub-total RM'000		
At 1 January 2023		42,400	340,208	382,608	3,252	385,860
Total comprehensive income for the financial year		-	16,799	16,799	1,064	17,863
Profit for the financial year, representing total comprehensive income						
Transactions with owners						
Issue of ordinary shares	17	434,000	-	434,000	-	434,000
Transaction costs of share issue	17	(10,457)	-	(10,457)	-	(10,457)
Dividends paid on shares	28	-	(34,680)	(34,680)	-	(34,680)
Total transactions with owners		423,543	(34,680)	388,863	-	388,863
At 31 December 2023		465,943	322,327	788,270	4,316	792,586

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RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		Attributable to owners of the Company-----							
		Redeemable convertible preference shares		Irredeemable convertible preference shares		Non-controlling interests		Total equity	
		Share capital	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
	At 1 January 2022	2,400	40,000	-	306,122	348,522	20,902	369,424	
	Total comprehensive income for the financial year								
	Profit for the financial year, representing total comprehensive income	-	-	-	99,086	99,086	2,350	101,436	

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Note	I-----Attributable to owners of the Company-----I						
	Share capital RM'000	Redeemable convertible preference shares RM'000	Irredeemable convertible preference shares RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
18	-	(40,000)	40,000	-	-	-	-
18	40,000	-	(40,000)	-	-	-	-
28	-	-	-	(65,000)	(65,000)	-	(65,000)
	-	-	-	-	-	(20,000)	(20,000)
	40,000	(40,000)	-	(65,000)	(65,000)	(20,000)	(85,000)
	42,400	-	-	340,208	382,608	3,252	385,860

Group (continued)

Transactions with owners

Conversion of redeemable convertible preference shares into irredeemable convertible preference shares
Issuance of ordinary shares pursuant to conversion of irredeemable convertible preference shares

Dividends paid to:

- Owners of the Company
- Non-controlling interests

Total transactions with owners

At 31 December 2022

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Company	Attributable to owners of the Company			Total equity RM'000
	Note	Share capital RM'000	Retained earnings RM'000	
At 1 January 2023		42,400	270,939	313,339
Total comprehensive income for the financial year		-	59,675	59,675
Profit for the financial year, representing total comprehensive income				
Transactions with owners				
Issue of ordinary shares	17	434,000	-	434,000
Transaction costs of share issue	17	(10,457)	-	(10,457)
Dividends paid on shares	28	-	(34,680)	(34,680)
Total transactions with owners		423,543	(34,680)	388,863
At 31 December 2023		465,943	295,934	761,877

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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	I-----Attributable to owners of the Company-----I					Total equity RM'000
	Share capital RM'000	Redeemable convertible preference shares RM'000	Irredeemable convertible preference shares RM'000	Retained earnings RM'000		
Company						
At 1 January 2022	2,400	40,000	-	107,077	-	149,477
Total comprehensive income for the financial year	-	-	-	228,862	-	228,862
Profit for the financial year, representing total comprehensive income						
Transactions with owners						
Conversion of redeemable convertible preference shares into irredeemable convertible preference shares	18	(40,000)	40,000	-	-	-
Issuance of ordinary shares pursuant to conversion of irredeemable convertible preference shares	18	-	(40,000)	-	-	-
Dividends paid on shares	28	-	-	(65,000)	(65,000)	(65,000)
Total transactions with owners	40,000	(40,000)	-	(65,000)	(65,000)	(65,000)
At 31 December 2022	42,400	-	-	270,939	-	313,339

The accompanying notes form an integral part of these financial statements.

RADIUM DEVELOPMENT BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit before tax		19,320	147,256	57,924	242,917
Adjustments for:					
Depreciation of right-of-use assets	6	1,226	1,334	-	52
Depreciation of property, plant and equipment	5	1,617	665	262	189
Deposit written off		19	-	-	-
Fair value gain on investment property		(33,077)	-	-	-
Gain on disposal of other investments		(101)	-	(101)	-
Gain on disposal of property, plant and equipment		-	(161)	-	-
Gain on lease modification		(1)	(9)	-	(2)
Fair value adjustment on other investments		-	18,729	-	18,729
Fair value gain on other investments		(1,868)	-	(1,868)	-
Net loss on revocation of sales		11,442	-	-	-
Finance costs	23	4,887	3,338	1,584	850
Interest income		(4,802)	(619)	(21,099)	(7,299)
Dividend income		-	-	(42,000)	(198,000)
Recoupment income		-	(60,000)	-	(60,000)
Operating (loss)/profit before changes in working capital		(1,338)	110,533	(5,298)	(2,564)
Changes in working capital:					
Inventories		(39,716)	(21,802)	-	-
Trade and other receivables		(4,244)	(10,118)	(13,001)	(12,206)
Contract assets		66,024	222,442	-	-
Trade and other payables		(28,850)	(35,452)	(631)	589
Contract costs		(9,249)	624	-	-
Net cash (used in)/generated from operations		(17,373)	266,227	(18,930)	(14,181)
Income tax paid		(28,560)	(40,133)	(7,686)	(4,067)
Interest received		4,720	619	21,017	7,299
Interest paid		(1,732)	(523)	-	-
Net cash (used in)/from operating activities		(42,945)	226,190	(5,599)	(10,949)

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from investing activities					
Purchase of property, plant and equipment	(a)	(39,800)	(1,574)	-	(717)
Proceeds from disposal of property, plant and equipment		-	161	-	-
Advances to subsidiaries		-	-	(232,008)	-
Net placement of short-term funds		(149,407)	-	(149,407)	-
Acquisition of a subsidiary, net of cash acquired		-	-	*	-
Dividend received		-	-	42,000	290,000
Recoupment income received		-	47,000	-	47,000
Net withdrawal/(placement) of fixed deposits		1,732	(5,512)	(3,552)	-
Net cash (used in)/from investing activities		(187,475)	40,075	(342,967)	336,283
Cash flows from financing activities (b)					
Net proceeds from issuance of ordinary shares		423,543	-	423,543	-
Drawdown of term loans		50,340	37,092	-	-
Repayment of term loans		(78,687)	(32,932)	-	-
Repayment of bridging loans		-	(12,684)	-	-
Drawdown of revolving credit		-	30,000	-	30,000
Payment of lease liabilities		(1,256)	(1,330)	-	(52)
Repayment of revolving credit		(30,000)	-	(30,000)	-
Repayment of hire purchase payables		(102)	(27)	-	-
Repayment to subsidiaries		-	-	-	(229,518)
Advances from/(Repayment to) related parties		14	(200,120)	-	(18,024)
Repayment to a director		-	(14,192)	-	(14,192)
Dividend paid to:					
- Owners of the Company		(34,680)	(65,000)	(34,680)	(65,000)
- Non-controlling interests		-	(20,000)	-	-
Interest paid		(2,325)	(2,814)	(1,584)	(850)
Net cash from/(used in) financing activities		326,847	(282,007)	357,279	(297,636)

* Less than 1,000

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net increase/(decrease) in cash and cash equivalents		96,427	(15,742)	8,713	27,698
Cash and cash equivalents at the beginning of the financial year		<u>95,829</u>	<u>111,571</u>	<u>27,706</u>	<u>8</u>
Cash and cash equivalents at the end of the financial year	16	<u>192,256</u>	<u>95,829</u>	<u>36,419</u>	<u>27,706</u>

- (a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment.

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	5	39,800	2,124	-	717
Financed by way of hire purchase arrangements		<u>-</u>	<u>(550)</u>	<u>-</u>	<u>-</u>
Cash payments on purchase of property, plant and equipment		<u>39,800</u>	<u>1,574</u>	<u>-</u>	<u>717</u>

- (b) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1.1.2023 RM'000	Cash flows RM'000	I-----Non-cash-----I		31.12.2023 RM'000
			Acquisition RM'000	Lease modification RM'000	
Group					
Term loans	67,396	(28,347)	-	-	39,049
Hire purchase payables	529	(102)	-	-	427
Lease liabilities	1,615	(1,256)	688	(61)	986
Revolving credit	30,000	(30,000)	-	-	-
Amount owing to a related party	-	14	-	-	14
	<u>99,540</u>	<u>(59,691)</u>	<u>688</u>	<u>(61)</u>	<u>40,476</u>

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:
(continued)

	1.1.2022	Cash flows	Non-cash	31.12.2022
	RM'000	RM'000	Others	RM'000
			RM'000	
Group				
Term loans	63,081	4,160	155	67,396
Bridging loans	12,684	(12,684)	-	-
Hire purchase payables	6	(27)	550	529
Lease liabilities	2,285	(1,330)	660	1,615
Revolving credit	-	30,000	-	30,000
Amounts owing to/(by) related parties	196,178	(200,120)	(9,058)	(13,000)
Amount owing to a director	14,193	(14,192)	(1)	-
	<u>288,427</u>	<u>(194,193)</u>	<u>(7,694)</u>	<u>86,540</u>
	1.1.2023	Cash flows	Non-cash	31.12.2023
	RM'000	RM'000	RM'000	RM'000
Company				
Revolving credit	30,000	(30,000)	-	-
	1.1.2022	Cash flows	Non-cash	31.12.2022
	RM'000	RM'000	Others	RM'000
			RM'000	
Company				
Lease liabilities	196	(52)	(144)	-
Revolving credit	-	30,000	-	30,000
Amounts owing by subsidiaries	(50,647)	(229,518)	(11,950)	(292,115)
Amount owing to/(by) a related company	18,000	(18,024)	(12,976)	(13,000)
Amount owing to a director	14,193	(14,192)	(1)	-
	<u>(18,258)</u>	<u>(231,786)</u>	<u>(25,071)</u>	<u>(275,115)</u>

(c) Total cash outflows for leases

During the financial year, the Group had total cash outflows for leases of RM1,778,596 (2022: RM3,142,401).

The accompanying notes form an integral part of these financial statements.

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RADIUM DEVELOPMENT BERHAD
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NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Radium Development Berhad (the "Company") is a public limited liability company and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at No. 7-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 8.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 1 April 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRSs

MFRS 101 Presentation of Financial Statements

MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

MFRS 112 Income Taxes

RADIUM DEVELOPMENT BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of new MFRS and amendments to MFRSs (continued)

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and of the Company.

2.3 Amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following amendments to MFRSs that have been issued, but yet to be effective:

<u>Amendments to MFRSs</u>		Effective for financial periods beginning on or after
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 Amendments to MFRSs that have been issued, but yet to be effective (continued)

The Group and the Company plan to adopt the above applicable amendments to MFRSs when they become effective. A brief discussion on the above significant amendments to MFRSs that may be applicable to the Group and to the Company are summarised below:

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period ; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

Financial assets at fair value through profit or loss

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt instruments at amortised cost

The Group and the Company subsequently measures these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Financial instruments (continued)

Financial liabilities – subsequent measurement and gains and losses

Financial liabilities at amortised cost

The Group and the Company subsequently measures financial liabilities at amortised cost under the effective interest method. Interest expense and gains and losses are recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Computer hardware and software	5
Furniture and fittings	10
Office equipment	10
Motor vehicles	5
Renovation	5

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(b) Lessor accounting

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue. Rental income from sublease properties which recognise as other income.

3.6 Investment properties

Investment properties are measured at fair values with gains and losses arising from changes in the fair values of investment properties recognised in profit or loss for the period in which they arise.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value.

Property under development and completed properties

The cost of property under development recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

The cost of unsold completed properties is determined on a specific identification basis.

3.8 Revenue and other income

(a) Property development

The Group develops and sells residential properties as well as sales of land. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin approach.

For practical expediency, the Group applies revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on each individual contracts (or performance obligations) within that portfolio.

Revenue from residential properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

Revenue from sale of land are recognised at a point in time when the control of the land has been transferred to the purchaser.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.8 Revenue and other income (continued)

(a) Property development (continued)

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. The Group uses its experience in estimating the legal fees to be incurred. The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained.

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Rental income

Rental income is recognised on a straight-line basis over the term of the leases.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 Deferred tax

When investment properties are carried at fair value in accordance with the material accounting policy information as disclosed in Note 3.6, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Property development revenue and expenses

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of the Group's property development costs and contract assets are disclosed in Notes 13 and 15.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(b) Fair value of investment property

The Group carries its investment property at fair value. The Group engaged external valuer to determine the fair values. The valuation method adopted by the valuer is income approach by residual method. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations. Any changes in these assumptions will have an impact on the carrying amounts of the investment properties.

The carrying amounts of the investment properties are disclosed in Note 7.

(c) Impairment of amounts owing by subsidiaries

The impairment provisions for amounts owing by subsidiaries are based on assumptions about risk of default and expected loss rate. The Company uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of amounts owing by subsidiaries. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of subsidiary's actual default in the future.

The information about the impairment losses on the Company's amount owing by subsidiaries are disclosed in Note 29(b)(i).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Computer hardware and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 January 2023	622	352	352	2,206	1,372	-	4,904
Additions	334	580	200	-	4,289	34,397	39,800
At 31 December 2023	956	932	552	2,206	5,661	34,397	44,704
Accumulated depreciation							
At 1 January 2023	302	126	101	622	232	-	1,383
Depreciation charge for the financial year	153	87	45	431	901	-	1,617
At 31 December 2023	455	213	146	1,053	1,133	-	3,000
Carrying amount							
At 1 January 2023	320	226	251	1,584	1,140	-	3,521
At 31 December 2023	501	719	406	1,153	4,528	34,397	41,704

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group Cost	Computer hardware and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Right-of-use assets RM'000	Total RM'000
At 1 January 2022	417	256	192	1,261	654	3,564	6,344
As previously reported	-	-	-	-	-	(3,564)	(3,564)
Reclassified to right-of-use assets (Note 6)							
Restated balance at 1 January 2022	417	256	192	1,261	654	-	2,780
Additions	205	96	160	945	718	-	2,124
At 31 December 2022	622	352	352	2,206	1,372	-	4,904
Accumulated depreciation							
At 1 January 2022	210	96	76	302	34	1,348	2,066
As previously reported	-	-	-	-	-	(1,348)	(1,348)
Reclassified to right-of-use assets (Note 6)							
Restated balance at 1 January 2022	210	96	76	302	34	-	718
Depreciation charge for the financial year	92	30	25	320	198	-	665
At 31 December 2022	302	126	101	622	232	-	1,383
Carrying amount							
At 1 January 2022	207	160	116	959	620	2,216	4,278
At 31 December 2022	320	226	251	1,584	1,140	-	3,521

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company Cost	Computer hardware and software RM'000	Furniture and fittings RM'000	Renovation RM'000	Office equipment RM'000	Total RM'000
At 1 January 2023/31 December 2023	44	14	1,253	20	1,331
Accumulated depreciation					
At 1 January 2023	10	2	197	*	209
Depreciation charge for the financial year	9	1	250	2	262
At 31 December 2023	19	3	447	2	471
Carrying amount					
At 1 January 2023	34	12	1,056	20	1,122
At 31 December 2023	25	11	806	18	860

* Less than 1,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company Cost	Computer hardware and software RM'000	Furniture and fittings RM'000	Renovation RM'000	Office equipment RM'000	Right-of-use assets RM'000	Total RM'000
At 1 January 2022	44	14	556	-	293	907
As previously reported	-	-	-	-	(293)	(293)
Reclassified to right-of-use assets (Note 6)						
Restated balance at 1 January 2022	44	14	556	-	-	614
Additions	-	-	697	20	-	717
At 31 December 2022	44	14	1,253	20	-	1,331
Accumulated depreciation						
At 1 January 2022	1	*	19	-	99	119
As previously reported	-	-	-	-	(99)	(99)
Reclassified to right-of-use assets (Note 6)						
Restated balance at 1 January 2022	1	*	19	-	-	20
Depreciation charge for the financial year	9	2	178	*	-	189
At 31 December 2022	10	2	197	*	-	209
Carrying amount						
At 1 January 2022	43	14	537	-	194	788
At 31 December 2022	34	12	1,056	20	-	1,122

* Less than 1,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Assets pledged as security

Motor vehicles with carrying amount of RM526,516 (2022: RM671,372) of the Group are under hire purchase arrangement as disclosed in Note 19(b).

6. RIGHT-OF-USE ASSETS

Information about leases for which the Group and the Company are lessees are presented below:

	Buildings RM'000
Group	
Cost	
At 1 January 2022	
As previously reported	-
Reclassified from property, plant and equipment (Note 5)	<u>3,564</u>
Restated balance at 1 January 2022	3,564
Additions	861
Disposal	(351)
Written off	(458)
Derecognition due to end of lease term	<u>(821)</u>
At 31 December 2022	2,795
Additions	688
Written off	(127)
Derecognition due to end of lease term	<u>(1,126)</u>
At 31 December 2023	<u>2,230</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. RIGHT-OF-USE ASSETS (CONTINUED)

Information about leases for which the Group and the Company are lessees are presented below: (continued)

	Buildings RM'000
Group	
Accumulated depreciation	
At 1 January 2022	
As previously reported	-
Reclassified from property, plant and equipment (Note 5)	<u>1,348</u>
Restated balance at 1 January 2022	1,348
Depreciation charge for the financial year	1,334
Disposal	(351)
Written off	(264)
Derecognition due to end of lease term	<u>(821)</u>
At 31 December 2022	1,246
Depreciation charge for the financial year	1,226
Written off	(67)
Derecognition due to end of lease term	<u>(1,126)</u>
At 31 December 2023	<u>1,279</u>
Carrying amount	
At 31 December 2022 (Restated)	<u>1,549</u>
At 31 December 2023	<u>951</u>
Company	
Cost	
At 1 January 2022	
As previously reported	-
Reclassified from property, plant and equipment (Note 5)	<u>293</u>
Restated balance at 1 January 2022	293
Written off	<u>(293)</u>
At 31 December 2022/31 December 2023	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. RIGHT-OF-USE ASSETS (CONTINUED)

Information about leases for which the Group and the Company are lessees are presented below: (continued)

	Buildings RM'000
Company	
Accumulated depreciation	
At 1 January 2022	
As previously reported	-
Reclassified from property, plant and equipment (Note 5)	<u>99</u>
Restated balance at 1 January 2022	99
Depreciation charge for the financial year	52
Written off	<u>(151)</u>
At 31 December 2022/31 December 2023	<u>-</u>
Carrying amount	
At 31 December 2022/31 December 2023	<u>-</u>

The Group and the Company lease buildings for its office and sales gallery. The leases are mainly for an initial lease of a year. The Group has option to renew one of the lease building for another two (2) years. The Company has included the potential future cash flows of exercising the extension option in the lease liability.

7. INVESTMENT PROPERTY

	Group	
	2023	2022
	RM'000	RM'000
At fair value:		
At 1 January	-	-
Transfer from inventory	49,923	-
Net gain arising from fair value adjustment	<u>33,077</u>	<u>-</u>
At 31 December	<u>83,000</u>	<u>-</u>

The Group's investment property comprises a parcel of commercial land with earthworks and piling related works certified completed to-date that is leased to a third party.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENT PROPERTY (CONTINUED)

The following are recognised in profit or loss in respect of investment property:

	Group	
	2023	2022
	RM'000	RM'000
Rental income	6	-
Direct operating expenses:		
- income generating investment	1	-

The directors estimated the fair value of investment property of approximately RM83,000,000 (2022: Nil) is categorised at Level 3 of the fair value hierarchy.

There are no Level 1 and Level 2 investment property or transfer between levels during the financial year.

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within level 3, as well as the significant unobservable inputs used in the valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Land with earthwork and piling related works	Income approach by residual method	Residual value	The higher the residual value, the higher the fair value

Valuation process applied by the Group

The fair value of investment property is determined by external independent property valuer, Knight Frank Malaysia Sdn. Bhd., a member of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio yearly. Changes in Level 3 fair values are analysed by the Group yearly after obtaining the valuation report from the valuation company.

Highest and best use

In estimating the fair value of the property, the highest and best use of the property is their current use.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
At cost:		
Unquoted shares	8,454	8,454

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023	2022	
		%	%	
Ambanang Development Sdn. Bhd.	Malaysia	100	100	Property development
Constant Premium Sdn. Bhd.	Malaysia	100	100	Property development
Fitrah Resources Sdn. Bhd.	Malaysia	80	80	Property development
Idaman Sejiwa (Ampang) Sdn. Bhd.	Malaysia	100	100	Property development
Montanica Development Sdn. Bhd.	Malaysia	100	100	Property development
Omega Edisi Sdn. Bhd.	Malaysia	100	100	Provision of management services
Pavilion Integrity Sdn. Bhd.	Malaysia	80	80	Property development and investment
Rasa Wangi Development Sdn. Bhd.	Malaysia	100	100	Property development
Total Solid Holdings Sdn. Bhd.	Malaysia	100	100	Property development
Tradisi Emas Sdn. Bhd.	Malaysia	100	100	Hotel business
Vistarena Development Sdn. Bhd.	Malaysia	80	80	Property development
Radium Global Sdn. Bhd.	Malaysia	100	-	Property development

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2023 %	2022 %	
Radium Management Services Sdn. Bhd.	Malaysia	100	-	Provision of project management consultancy and information technology related services

(a) Acquisition of Radium Global Sdn. Bhd.

On 6 June 2023, the Company acquired the entire equity interest, representing one (1) ordinary share in Radium Global Sdn. Bhd. for a total purchase consideration of RM1. Consequently, Radium Global Sdn. Bhd. became a wholly-owned subsidiary of the Company. The principal activity of Radium Global Sdn. Bhd. is property development.

Effect of the acquisition is as follows:

	RM'000
Total assets	*
Total liabilities	(10)
Total identifiable net assets acquired	(10)
Goodwill arising on acquisition (Note 9)	10
Fair value of consideration transferred	*

* Less than 1,000

(b) Incorporation of Radium Management Services Sdn. Bhd.

On 20 June 2023, the Company had incorporated a wholly-owned subsidiary, namely Radium Management Services Sdn. Bhd., with an issued and paid up capital of RM1 comprising of one (1) ordinary share. The principal activity of Radium Management Services Sdn. Bhd. is provision of project management consultancy and information technology related services.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Non-controlling interests in subsidiaries

The financial information of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

Equity interest held by non-controlling interests:

Name of company	Ownership interest	
	2023	2022
	%	%
Vistarena Development Sdn. Bhd.	20	20
Pavilion Integrity Sdn. Bhd.	20	20
Fitrah Resources Sdn. Bhd.	20	20

Carrying amount of material non-controlling interests:

Name of company	2023	2022
	RM'000	RM'000
Vistarena Development Sdn. Bhd.	3,896	4,207
Pavilion Integrity Sdn. Bhd.	(228)	(570)
Fitrah Resources Sdn. Bhd.	648	(385)

Profit or loss allocated to material non-controlling interests:

Name of company	2023	2022
	RM'000	RM'000
Vistarena Development Sdn. Bhd.	(311)	2,354
Pavilion Integrity Sdn. Bhd.	342	264
Fitrah Resources Sdn. Bhd.	1,033	(268)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

	Vistarena Development Sdn. Bhd. RM'000	Pavilion Integrity Sdn. Bhd. RM'000	Fitrah Resources Sdn. Bhd. RM'000
Summarised statement of financial position As at 31 December 2023			
Assets and liabilities:			
Non-current assets	44	83,024	3,540
Current assets	25,878	2,521	129,469
Non-current liabilities	-	(2)	(352)
Current liabilities	(6,440)	(86,688)	(129,413)
Net assets/(liabilities)	<u>19,482</u>	<u>(1,145)</u>	<u>3,244</u>
Summarised statement of comprehensive income Financial year ended ("FYE") 31 December 2023			
Revenue	-	-	60,070
(Loss)/Profit for the financial year	<u>(1,554)</u>	<u>1,709</u>	<u>5,166</u>
Summarised cash flow information FYE 31 December 2023			
Cash flows from/(used in) operating activities	253	7,914	(22,275)
Cash flows from/(used in) investing activities	503	-	(2,715)
Cash flows (used in)/from financing activities	<u>(1,185)</u>	<u>(9,521)</u>	<u>30,846</u>
Net (decrease)/increase in cash and cash equivalents	<u>(429)</u>	<u>(1,607)</u>	<u>5,856</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Summarised financial information of material non-controlling interests (continued)

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows: (continued)

	Vistarena Development Sdn. Bhd. RM'000	Pavilion Integrity Sdn. Bhd. RM'000	Fitrah Resources Sdn. Bhd. RM'000
Summarised statement of financial position As at 31 December 2022			
Assets and liabilities:			
Non-current assets	59	133	678
Current assets	34,239	67,414	76,024
Non-current liabilities	(630)	(5,472)	(18,486)
Current liabilities	(12,632)	(64,929)	(60,138)
Net assets/(liabilities)	<u>21,036</u>	<u>(2,854)</u>	<u>(1,922)</u>
Summarised statement of comprehensive income FYE 31 December 2022			
Revenue	47,805	19,589	-
Profit/(Loss) for the financial year	<u>11,768</u>	<u>1,318</u>	<u>(1,337)</u>
Summarised cash flow information FYE 31 December 2022			
Cash flows from/(used in) operating activities	153,050	(2,046)	(19,718)
Cash flows used in investing activities	(503)	(392)	(26)
Cash flows (used in)/from financing activities	<u>(125,915)</u>	<u>2,344</u>	<u>23,595</u>
Net increase/(decrease) in cash and cash equivalents	<u>26,632</u>	<u>(94)</u>	<u>3,851</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. GOODWILL

		Group	
	Note	2023	2022
		RM'000	RM'000
At 1 January		1,590	1,590
Acquisition of a subsidiary	8(a)	10	-
At 31 December		<u>1,600</u>	<u>1,590</u>

Impairment of goodwill

Management reviews the business performance based on the type of services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the Group's cash generating units ("CGUs") which are also reportable operating segments, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the CGU are as follow:

	Group	
	2023	2022
	RM'000	RM'000
Property development and investment	1,569	1,559
Investment holdings and others	31	31
	<u>1,600</u>	<u>1,590</u>

Goodwill is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGU.

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by management covering one to three-years period, and an estimated discount rate of 9.61% (2022: 8.96%). The same method has also been used in the previous financial year.

There is no reasonably possible change in any of the key assumptions used that would cause the carrying value of the CGU to exceed its recoverable amounts.

At the end of the reporting period, the Group assessed the recoverable amount of goodwill, and determined that no impairment of goodwill associated with sales of development properties is required, management expects future cash flows will be generated from this CGU.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) relates to the following:

	Group	
	2023	2022
	RM'000	RM'000
Deferred tax assets		
At 1 January	-	-
Recognised in profit or loss (Note 26)	5,892	-
At 31 December	<u>5,892</u>	<u>-</u>
Deferred tax liabilities		
At 1 January	(751)	(758)
Recognised in profit or loss (Note 26)	691	7
At 31 December	<u>(60)</u>	<u>(751)</u>

The components of deferred tax assets/(liabilities) as at the end of the financial year are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Deferred tax assets		
Unabsorbed capital allowance	82	-
Unused tax losses	2,302	-
Deductible temporary differences	3,508	-
	<u>5,892</u>	<u>-</u>
Deferred tax liabilities		
Temporary differences between net carrying amount and corresponding tax written down values in relation to property, plant and equipment	(59)	(128)
Taxable temporary differences	(1)	(623)
	<u>(60)</u>	<u>(751)</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

	Group	
	2023	2022
	RM'000	RM'000
Presented after appropriate offsetting as follows:		
Deferred tax assets	5,892	-
Deferred tax liabilities	(60)	(751)
	5,832	(751)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2023	2022
	RM'000	RM'000
Unabsorbed capital allowance	-	287
Unused tax losses	3,575	6,563
Deductible temporary differences	11,751	7,815
	15,326	14,665
Potential deferred tax benefit at 24%	3,678	3,520

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group	
	2023	2022
	RM'000	RM'000
2028	504	596
2029	11	505
2030	156	188
2031	863	1,254
2032	3,842	4,020
2033	7,790	-
	<u>13,166</u>	<u>6,563</u>

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Non-current:					
Trade					
Stakeholders sums	(a)	<u>7,596</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-trade					
Other receivable		<u>2,755</u>	<u>3,800</u>	<u>-</u>	<u>-</u>
Total trade and other receivables (non-current)		<u>10,351</u>	<u>3,800</u>	<u>-</u>	<u>-</u>
Current:					
Trade					
Trade receivables		34,522	16,030	-	-
Stakeholders sums		<u>30,946</u>	<u>71,532</u>	<u>-</u>	<u>-</u>
	(a)	<u>65,468</u>	<u>87,562</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current:					
Non-trade					
Other receivables		448	69	-	-
Deposits	(b)	27,917	6,907	14,004	7
Prepayments		387	2,838	-	996
Amounts owing by subsidiaries	(c)	-	-	524,123	292,115
Amount owing by a related party	(d)	13,082	13,000	13,082	13,000
		<u>41,834</u>	<u>22,814</u>	<u>551,209</u>	<u>306,118</u>
Total trade and other receivables (current)		<u>107,302</u>	<u>110,376</u>	<u>551,209</u>	<u>306,118</u>
Total trade and other receivables (non-current and current)		<u>117,653</u>	<u>114,176</u>	<u>551,209</u>	<u>306,118</u>

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit term offered by the Group is 30 days (2022: 30 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

The stakeholders sum which is receivable upon the expiry of defect liability period as provided in the contracts with customers.

(b) Deposits

Included in deposits of the Group and the Company is an amount of RM24,000,000 and RM14,000,000 (2022: RM3,000,000 and RM Nil) respectively paid in connection to joint venture agreement and joint development agreement as disclosed in Notes 34(b) and 34(c) respectively. The deposit paid by the Group of RM9,000,000 (2022: Nil) was funded through a term loan and secured by a third party open charge over a parcel of leasehold land owned by the landowner.

(c) Amounts owing by subsidiaries

Amounts owing by subsidiaries represent loans to subsidiaries which are unsecured, subject to interest rate ranging from 5.01% to 6.68% (2022: 3.44% to 6.42%) per annum, repayable on demand and are expected to be settled in cash.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) Amount owing by a related party

Amount owing by a related party is unsecured, non-trade in nature, subject to interest rate at 10% per annum beginning 10 December 2023, repayable on demand and is expected to be settled in cash.

The information about the credit exposures are disclosed in Note 29(b)(i).

12. OTHER INVESTMENTS

	Group and Company	
	2023	2022
	RM'000	RM'000
Financial assets at fair value through profit or loss ("FVPL")		
At fair value:		
Non-current		
Unquoted shares		
- Jayyid Land Sdn. Bhd. ("Jayyid Land")	10,584	10,584
	<hr/>	<hr/>
Current		
Short-term cash investments		
- Money market fund	151,376	-
	<hr/>	<hr/>

13. INVENTORIES

	Group	
	2023	2022
	RM'000	RM'000
Current		
Property under development		
- Freehold land	141,172	104,514
- Leasehold land	32,145	44,249
- Development costs	96,784	112,144
Completed properties	366	1,173
	<hr/>	<hr/>
Total inventories	270,467	262,080
	<hr/>	<hr/>

RADIUM DEVELOPMENT BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. INVENTORIES (CONTINUED)

- (a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year was RM88,293,501 (2022: RM197,316,358).
- (b) Freehold and leasehold land included in the properties under development of RM101,527,901 (2022: RM148,762,988) are pledged as security to secure loans and borrowings granted to the Group as disclosed in Note 19.
- (c) Included in inventories are borrowing costs capitalised in the property development costs during the financial year as follows:

	Group	
	2023	2022
	RM'000	RM'000
Borrowing costs	<u>679</u>	<u>1,676</u>

14. CONTRACT COST

	Group	
	2023	2022
	RM'000	RM'000
Costs to obtain contracts	<u>13,698</u>	<u>4,449</u>

Cost to obtain contracts

Costs to obtain contracts relate to incremental commission fees paid to intermediaries as a result of obtaining contracts with customers.

The costs to obtain contracts are amortised in accordance with the pattern of transfer of goods or services to which the asset relates. During the financial year, the amortisation of contract costs of the Group recognised were RM5,681,884 (2022: RM5,952,984).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. CONTRACT ASSETS

	Group	
	2023	2022
	RM'000	RM'000
Contract assets relating to property development contracts	6,336	102,396

Significant changes in contract balances

Group	2023	2022
	Contract assets increase/ (decrease)	Contract assets increase/ (decrease)
	RM'000	RM'000
Increase due to revenue recognised for unbilled goods or services transferred to customers	54,140	311,410
Decrease as a result of termination of project	(25,401)	-
Transfer from contract assets recognised to receivables	(124,799)	(533,852)

The information about the credit exposures are disclosed in Note 29(b)(i).

16. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	192,106	95,855	36,269	27,706
Short-term deposits	7,565	9,147	3,702	-
	199,671	105,002	39,971	27,706

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

For the purpose of the statements of cash flows, cash and cash equivalents comprise of the following:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Deposits placed with licensed banks	7,565	9,147	3,702	-
Less: Deposits with maturity more than 3 months	(1,033)	-	-	-
Less: Pledged deposits	<u>(6,382)</u>	<u>(9,147)</u>	<u>(3,552)</u>	<u>-</u>
	150	-	150	-
Cash and bank balances	192,106	95,855	36,269	27,706
Bank overdrafts	<u>-</u>	<u>(26)</u>	<u>-</u>	<u>-</u>
	<u>192,256</u>	<u>95,829</u>	<u>36,419</u>	<u>27,706</u>

Included in cash and short-term deposits of the Group are amount of RM17,746,503 (2022: RM18,999,298) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

Included in the short-term deposits placed with licensed banks of the Group and the Company, RM6,382,271 and RM3,551,867 (2022: RM9,147,164 and RM Nil) respectively are pledged for loan and borrowings granted to the Group and the Company as disclosed in Note 19.

Under the Section 10(4)(c) of Strata Management Act 2013 ("the Act"), the maintenance account shall only be used by the Group solely for the purpose of meeting the actual or expected general or regular necessary in respect of the maintenance of the property. Maintenance accounts held by the Group amounting to RM10,080,760 (2022: RM3,278,100) were excluded in cash and bank balances.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023 Unit'000	2022 Unit'000	2023 RM'000	2022 RM'000
Issued and fully paid up (no par value):				
At 1 January	2,600,000	2,400,000	42,400	2,400
Issued during the financial year	868,000	-	434,000	-
Transaction costs of share issue	-	-	(10,457)	-
Conversion from ICPS to ordinary shares	-	200,000	-	40,000
At 31 December	<u>3,468,000</u>	<u>2,600,000</u>	<u>465,943</u>	<u>42,400</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

On 18 October 2022, the Company issued 200,000,000 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares ("ICPS") with the conversion ratio of two (2) ICPS into one (1) new ordinary share and no additional cash payment is required for the conversion of the ICPS by holder(s) of ICPS ("ICPS holder(s)").

On 26 May 2023, the Company issued 868,000,000 new ordinary shares at a price of RM0.50 per ordinary share for a total consideration of RM434,000,000 pursuant to the Initial Public Offering ("IPO") of the Company on the Main Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

18. PREFERENCE SHARES

(a) Redeemable Convertible Preference Shares ("RCPS")

	Number of preference shares	Amount
	2022 Unit'000	2022 RM'000
Group and Company		
At beginning of the financial year	400,000	40,000
Conversion of RCPS into ICPS	<u>(400,000)</u>	<u>(40,000)</u>
At end of the financial year	<u>-</u>	<u>-</u>

RADIUM DEVELOPMENT BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. PREFERENCE SHARES (CONTINUED)

(a) Redeemable Convertible Preference Shares ("RCPS") (continued)

(i) Issuance of RCPS

On 28 September 2021, the Company issued 400,000,000 units of RCPS to subscribers at an issue price of RM0.10 per unit, representing a total issue price of RM40,000,000.

The salient features of the RCPS are as follows:

- (a) tenure of 6 years to maturity date on 28 September 2027;
- (b) no dividend shall be paid during the tenure of the RCPS, unless otherwise declared by the Company;
- (c) the RCPS can only be converted from the first anniversary of the admission to the Official List and the listing of and quotation for the RCPS on the Main Market of Bursa Malaysia Securities Berhad;
- (d) Any RCPS which remained outstanding at the end of the tenure shall be converted automatically, whereby the corresponding amount of ordinary shares of the Company will be issued and allotted to the holders of the RCPS at no additional cost; and
- (e) Each RCPS shall be, at the sole option of the Company, be redeemed by the Company at the redemption price of RM0.50 per RCPS, on any date during the tenure and before the maturity date.

(ii) Conversion of RCPS into ICPS

On 26 June 2022, the 400,000,000 RCPS was converted into 400,000,000 ICPS.

(b) ICPS

		Number of preference shares 2022 Unit'000	Amount 2022 RM'000
Group and Company			
At beginning of the financial year		-	-
Conversion of RCPS into ICPS	(i)	400,000	40,000
Conversion of ICPS into ordinary share	(ii)	<u>(400,000)</u>	<u>(40,000)</u>
At end of the financial year		<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. PREFERENCE SHARES (CONTINUED)

(b) ICPS (continued)

(i) Conversion of RCPS into ICPS

On 26 June 2022, the 400,000,000 RCPS was converted into 400,000,000 ICPS.

The salient features of the ICPS are as follows:

- (a) tenure of 6 years to maturity date on 28 September 2027;
- (b) the ICPS shall not be redeemable;
- (c) every two (2) ICPS can be converted to one (1) ordinary share and no additional cost or consideration shall be payable by the ICPS holders upon such exercise of the conversion rights;
- (d) the registered ICPS holders shall have the right to convert the ICPS into new shares at the conversion price only commencing from the issue date up to 5 p.m. on the market day immediately preceding the date which is the sixth (6th) anniversary from the issue date; and
- (e) any ICPS which remain outstanding at the end of six (6) years commencing from and including the issue date shall be automatically converted to ordinary shares in accordance with the terms herein.

(ii) Conversion of ICPS into ordinary share

On 18 October 2022, the Company issued 200,000,000 new ordinary shares from the conversion of ICPS with the conversion ratio of two (2) ICPS into one (1) new ordinary share and no additional cash payment is required for the conversion of the ICPS by ICPS holders.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. LOANS AND BORROWINGS

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current:					
Term loans	(a)	23,337	50,288	-	-
Hire purchase payables	(b)	310	427	-	-
Lease liabilities	(c)	407	418	-	-
		<u>24,054</u>	<u>51,133</u>	<u>-</u>	<u>-</u>
Current:					
Term loans	(a)	15,712	17,108	-	-
Hire purchase payables	(b)	117	102	-	-
Lease liabilities	(c)	579	1,197	-	-
Bank overdrafts	(d)	-	26	-	-
Revolving credit	(e)	-	30,000	-	30,000
		<u>16,408</u>	<u>48,433</u>	<u>-</u>	<u>30,000</u>
Total loans and borrowings:					
Term loans	(a)	39,049	67,396	-	-
Hire purchase payables	(b)	427	529	-	-
Lease liabilities	(c)	986	1,615	-	-
Bank overdrafts	(d)	-	26	-	-
Revolving credit	(e)	-	30,000	-	30,000
		<u>40,462</u>	<u>99,566</u>	<u>-</u>	<u>30,000</u>

RADIUM DEVELOPMENT BERHAD
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans

Term loan 1 of the Group of RM Nil (2022: RM5,813,215) bears interest at Base Lending Rate ("BLR") per annum and is repayable by 60 monthly instalments of RM220,356 over 5 years commencing from the 25th month of first drawdown, there is a grace period from 4 November 2022 to 3 November 2023 which the Company only required to pay the interest and is secured and supported as follows:

- (i) Legal charge over the inventories - land held for property development of the Group as disclosed in Note 13;
- (ii) Legal charge over short-term deposits as disclosed in Note 16;
- (iii) Joint and several guarantee by certain directors of the Group; and
- (iv) Corporate guarantee of a related party.

Term loan 2 of the Group of RM Nil (2022: RM24,295,348) bears interest at Base Financing Rate ("BFR") minus 2% per annum and is repayable by monthly instalments of RM702,188 over 5 years commencing from the 25th month of first drawdown and is secured and supported as follows:

- (i) First party legal charge over inventories - land held for development of the Group as disclosed in Note 13;
- (ii) Joint and several guarantee by certain directors of the Group; and
- (iii) Corporate guarantee by former holding company.

Term loan 3 of the Group of RM Nil (2022: RM13,954,542) bears interest at BLR plus 0.5% per annum and is repayable by 24 monthly instalments of RM579,000 over 2 years commencing from the 25th month of first drawdown and is secured and supported as follows:

- (i) Legal charge over the inventories - land held for property development of the Group as disclosed in Note 13;
- (ii) Debenture by way of fixed and floating charge over the project;
- (iii) Joint and several guarantee by certain directors of the Group; and
- (iv) Corporate guarantee by the Company.

Term loan 4 of the Group of RM16,842,871 (2022: RM8,621,777) bears interest at BLR plus 0.5% per annum and is repayable by 18 monthly instalments of RM1,667,000 over 1.5 years commencing from the 25th month of first drawdown and is secured and supported as follows:

- (i) Legal charge over the inventories - land held for property development of the Group as disclosed in Note 13;
- (ii) Debenture by way of fixed and floating charge over the project;
- (iii) Joint and several guarantee by certain directors of the Group; and
- (iv) Corporate guarantee by the Company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 5 of the Group of RM Nil (2022: RM10,910,819) bears interest at BLR per annum and is repayable by 60 monthly instalments of RM207,751 over 5 years commencing from 36 months from full drawdown date, whichever is earlier and is secured and supported as follows:

- (i) Legal charge over the land held for development of the Group disposed during the year, which the title of the land held for development transferred in the subsequent year;
- (ii) Legal charge over the short-term deposits as disclosed in Note 16;
- (iii) Joint and several guarantee by certain directors of the Group; and
- (iv) Corporate guarantee by the Company.

Term loan 6 of the Group of RM3,823,348 (2022: RM3,799,726) bears interest at BLR plus 0.5% per annum and is repayable by 24 monthly instalments of RM212,000 over 2 years commencing from the 25th month of first drawdown and is secured and supported as follows:

- (i) Legal charge over the inventories - land held for property development of the Group as disclosed in Note 13;
- (ii) Debenture by way of fixed and floating charge over the project;
- (iii) Joint and several guarantee by certain directors of the Group; and
- (iv) Corporate guarantee by the Company.

Term loan 7 of the Group of RM9,382,356 (2022: RM Nil) bears interest at Cost of Fund ("COF") plus 2.25% per annum and is repayable by 47 monthly instalments of RM545,840 each and one (1) final monthly instalment of RM545,520 commencing from the 25th month of first drawdown or by way of Redemption Sum of 30% on the selling price per unit of Phase 2 and is secured and supported as follows:

- (i) First party legal charge over inventories - land held for development of the Group as disclosed in Note 13;
- (ii) Joint and several guarantee by certain directors of the Group; and
- (iii) Corporate guarantee by the Company.

Term loan 8 of the Group of RM9,000,000 (2022: RM Nil) bears interest at BLR minus 2.0% per annum and is repayable by monthly instalments of RM168,196 over 5 years commencing from the 37th month of first drawdown and is secured and supported as follows:

- (i) Third party open charge over the land of the landowner of the joint venture agreement;
- (ii) Memorandum of Change over fixed deposit as disclosed in Note 16;
- (iii) Joint and several guarantee by certain directors of the Company; and
- (iv) Corporate guarantee by the Company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. LOANS AND BORROWINGS (CONTINUED)

(b) Hire purchase payables

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Minimum lease payments:		
- Not later than one year	122	126
- Later than one year and not later than five years	337	455
	<u>459</u>	<u>581</u>
Less: Future finance charges	(32)	(52)
Present value of minimum lease payments	<u>427</u>	<u>529</u>
Present value of minimum lease payment:		
- Not later than one year	117	102
- Later than one year and not later than five years	310	427
	<u>427</u>	<u>529</u>
Less: Amount due within twelve months	(117)	(102)
Amount due after twelve months	<u>310</u>	<u>427</u>

Hire purchase payables of the Group of RM426,946 (2022: RM 529,154) bears interest ranging from 3.80% to 4.31% (2022: 3.80% to 4.31%) per annum and are secured by the Group's motor vehicles under hire purchase arrangements as disclosed in Note 5(a).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. LOANS AND BORROWINGS (CONTINUED)

(c) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Minimum lease payments:		
- Not later than one year	611	1,234
- Later than one year and not later than five years	425	424
	<u>1,036</u>	<u>1,658</u>
Less: Future finance charges	(50)	(43)
Present value of minimum lease payments	<u>986</u>	<u>1,615</u>
Present value of minimum lease payment:		
- Not later than one year	579	1,197
- Later than one year and not later than five years	407	418
	<u>986</u>	<u>1,615</u>
Less: Amount due within twelve months	(579)	(1,197)
Amount due after twelve months	<u>407</u>	<u>418</u>

(d) Bank overdrafts

In the previous financial year, bank overdraft of the Group bore interest at BFR plus 0.5% per annum and was secured and supported as follows:

- (i) Legal charge over inventories - land held for property development of the Company as disclosed in Note 13;
- (ii) Specific debenture over the project;
- (iii) Assignment overall sales proceeds in the designated Housing Development account of the project;
- (iv) Joint and several guarantee by certain directors of the Group; and
- (v) Corporate guarantee of former holding company.

(e) Revolving credit

In the previous financial year, revolving credit of the Group and of the Company bore interest at COF plus 2.5% per annum and was secured and supported by joint and several guarantee by certain directors of the Group.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade					
Trade payables	(a)				
- Third parties		23,975	26,881	-	-
- Related party		261	17,652	-	-
Retention sums					
- Third parties		11,256	13,934	-	-
- Related party		11,827	18,464	-	-
Accruals		20,117	20,275	-	-
		<u>67,436</u>	<u>97,206</u>	<u>-</u>	<u>-</u>
Non-trade					
Other payables		1,781	8,729	68	97
Accruals		13,267	5,877	38	640
Deposits		642	154	-	-
Amount owing to a related party	(b)	14	-	-	-
		<u>15,704</u>	<u>14,760</u>	<u>106</u>	<u>737</u>
Total trade and other payables		<u>83,140</u>	<u>111,966</u>	<u>106</u>	<u>737</u>

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 30 days to 90 days (2022: 30 days to 90 days). The retention sums are payable upon the expiry of defect liability period.

(b) Amount owing to a related party

Amount owing to a related party is unsecured, non-trade in nature, repayable upon demand, interest free and is expected to be settled in cash.

For explanation on the Group's and the Company's liquidity risk management processes, refer to Note 29(b)(ii).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contract with customers:				
Over time:				
Property development	118,519	311,410	-	-
At a point in time:				
Property development	9,742	25,000	-	-
Revenue from other source:				
Dividend income	-	-	42,000	198,000
	128,261	336,410	42,000	198,000

As of 31 December 2023, the aggregate amount of the transaction price allocated to the remaining performance obligation for property development contracts is RM472 million and the entity will recognise this revenue as the building is completed, which is expected to occur over the next 36 months.

22. OTHER INCOME

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fair value gain on investment property	7	33,077	-	-	-
Interest income		4,802	619	21,099	7,299
Gain on disposal of property, plant and equipment		-	161	-	-
Wages subsidy		-	6	-	-
Rental income		41	16	-	-
Gain on lease modification		1	9	-	2
Recoupment income		-	60,000	-	60,000
Gain on disposal of other investments		101	-	101	-
Fair value gain on other investments		1,868	-	1,868	-
Others		208	321	33	33
		40,098	61,132	23,101	67,334

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- Term loans	2,274	1,359	-	-
- Bridging loan	-	401	-	-
- Lease liabilities	51	81	-	2
- Hire purchase payables	19	-	-	-
- Bank guarantee commission	-	135	-	-
- Bank overdrafts	127	388	-	-
- Revolving credit	1,584	846	1,584	846
- Advances from a related party	-	128	-	2
- Unwinding of discount	830	-	-	-
- Others	2	-	-	-
	<u>4,887</u>	<u>3,338</u>	<u>1,584</u>	<u>850</u>

24. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at profit before tax:

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Auditors' remuneration - statutory audit:					
- Baker Tilly Monteiro Heng PLT		228	160	57	20
Other services:					
- Baker Tilly Monteiro Heng PLT		125	-	109	-
Deposit written off		19	-	-	-
Depreciation of property, plant and equipment	5	1,617	665	262	189
Depreciation of right-of-use assets	6	1,226	1,334	-	52
Employee benefits expense	25	9,828	11,225	398	35
Fair value adjustment on other investment		-	18,729	-	18,729
Net loss on revocation of sales		11,442	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. PROFIT BEFORE TAX (CONTINUED)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Expense relating to short-term lease:				
- Car park	56	63	-	-
- Office	216	487	-	-
- Office equipment	59	69	-	-
- Premise	60	1,699	-	-
	<u>60</u>	<u>1,699</u>	<u>-</u>	<u>-</u>

25. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, allowances and bonuses	8,547	9,636	398	9
Defined contribution plans	1,059	1,184	-	-
Other staff related benefits	222	405	-	26
	<u>9,828</u>	<u>11,225</u>	<u>398</u>	<u>35</u>

Included in employee benefits expense are:

Directors of the Company

Executive directors				
- Directors' remuneration	1,748	9	-	9
- Directors' defined contribution plans	266	-	-	-
- Directors' related benefits	16	-	-	-
	<u>2,030</u>	<u>9</u>	<u>-</u>	<u>9</u>

Non-executive directors				
- Directors' remuneration	618	-	398	-
- Directors' defined contribution plans	27	-	-	-
- Directors' related benefits	3	-	-	-
	<u>648</u>	<u>-</u>	<u>398</u>	<u>-</u>
	<u>2,678</u>	<u>9</u>	<u>398</u>	<u>9</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. INCOME TAX EXPENSE/(CREDIT)

The major components of income tax expense/(credit) for the financial years ended 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	14,031	40,263	4,543	13,850
- Adjustment in respect of prior years	(11,991)	5,564	(12,294)	205
- Real property gain tax	6,000	-	6,000	-
	<u>8,040</u>	<u>45,827</u>	<u>(1,751)</u>	<u>14,055</u>
Deferred tax (Note 10):				
- (Reversal)/Origination of temporary differences	(5,949)	122	-	-
- Adjustment in respect of prior years	(634)	(129)	-	-
	<u>(6,583)</u>	<u>(7)</u>	<u>-</u>	<u>-</u>
Income tax expense/(credit) recognised in profit or loss	<u>1,457</u>	<u>45,820</u>	<u>(1,751)</u>	<u>14,055</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	19,320	147,256	57,924	242,917
Tax at Malaysian statutory income tax rate of 24%	4,637	35,341	13,902	58,300
Adjustments:				
- Income not subject to tax	(493)	(6,332)	(10,529)	(53,860)
- Non-deductible expenses	3,780	11,113	1,170	9,874
- Deferred tax not recognised on tax losses, temporary differences and finance cost adjustment	1,649	2,025	-	-
- Utilisation of previously unrecognised tax losses, capital allowances and finance cost adjustment	(1,491)	(1,762)	-	(464)
- Real property gain tax	6,000	-	6,000	-
- Adjustment in respect of current income tax of prior years	(11,991)	5,564	(12,294)	205
- Adjustment in respect of deferred tax of prior year	(634)	(129)	-	-
Income tax expense/(credit)	1,457	45,820	(1,751)	14,055

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2023	2022
Group		
Profit attributable to ordinary equity holders of the Company (RM'000)	16,799	99,086
Weighted average number of ordinary shares for basic earnings per share (unit '000)	3,108,910	2,440,548
Basic earnings per ordinary share attributable to ordinary equity holders of the Company (sen)	0.54	4.06

(b) Diluted earnings per share

The diluted earnings per share of the Group for the financial years ended 31 December 2023 and 31 December 2022 are same as the basic earnings per share of the Group as the Company has no dilutive potential ordinary shares.

28. DIVIDENDS

	Group and Company	
	2023	2022
	RM'000	RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
Single-tier interim dividend of 1 sen per ordinary share in respect of the financial year ended 31 December 2023, paid on 15 August 2023	34,680	-
Single-tier interim dividend of 2.08 sen per ordinary share in respect of the financial year ended 31 December 2022, paid on 8 September 2022	-	50,000
Single-tier interim dividend of 0.58 sen per ordinary share in respect of the financial year ended 31 December 2022, paid on 27 December 2022	-	15,000
	<u>34,680</u>	<u>65,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost
- (ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 December 2023			
Financial assets			
Group			
Other investments	161,960	-	161,960
Trade and other receivables, less prepayments	117,266	117,266	-
Cash and short-term deposits	199,671	199,671	-
	<u>478,897</u>	<u>316,937</u>	<u>161,960</u>
Company			
Other investments	161,960	-	161,960
Trade and other receivables	551,209	551,209	-
Cash and short-term deposits	39,971	39,971	-
	<u>753,140</u>	<u>591,180</u>	<u>161,960</u>
Financial liabilities			
Group			
Loans and borrowings	39,476	39,476	-
Trade and other payables	83,140	83,140	-
	<u>122,616</u>	<u>122,616</u>	<u>-</u>
Company			
Trade and other payables	106	106	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 December 2022			
Financial assets			
Group			
Other investments	10,584	-	10,584
Trade and other receivables less prepayments	111,338	111,338	-
Cash and short-term deposits	105,002	105,002	-
	<u>226,924</u>	<u>216,340</u>	<u>10,584</u>
Company			
Other investments	10,584	-	10,584
Trade and other receivables less prepayments	305,122	305,122	-
Cash and short-term deposits	27,706	27,706	-
	<u>343,412</u>	<u>332,828</u>	<u>10,584</u>
Financial liabilities			
Group			
Loans and borrowings	97,951	97,951	-
Trade and other payables	111,966	111,966	-
	<u>209,917</u>	<u>209,917</u>	<u>-</u>
Company			
Loans and borrowings	30,000	30,000	-
Trade and other payables	737	737	-
	<u>30,737</u>	<u>30,737</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's and the Company's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group and the Company use ageing analysis to monitor the credit quality of trade receivables. In managing credit risks of trade receivables, the Group and the Company also take appropriate actions (including but not limited to legal actions) to recover long past due balances.

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables and contract assets at the reporting date are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Group		
Trade receivables:		
Property development	<u>73,064</u>	<u>87,562</u>
Contract assets:		
Property development	<u>6,336</u>	<u>102,396</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. The Group and the Company use a provision matrix to measure expected credit losses for trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that relate to the Group's and the Company's core operations. The Group and the Company believe that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

	Gross carrying amount at default RM'000
Group	
2023	
Current	67,612
1 to 30 days past due	1,704
31 to 60 days past due	920
61 to 90 days past due	749
91 to 120 days past due	1,803
More than 120 days past due	<u>276</u>
	<u>73,064</u>
Contract assets	<u>6,336</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

	Gross carrying amount at default RM'000
Group	
2022	
Current	71,706
1 to 30 days past due	14,765
31 to 60 days past due	39
61 to 90 days past due	1
91 to 120 days past due	331
More than 120 days past due	<u>720</u>
	<u>87,562</u>
Contract assets	<u>102,396</u>

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities, cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than credit terms in making a contractual payment.

Some intercompany balances between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

At the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM39,048,575 (2022: RM37,286,864) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 29(b)(ii). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to subsidiaries' secured borrowings.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

Group	← Contractual cash flows →				Total RM'000
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	
At 31 December 2023					
Trade and other payables	83,140	83,140	-	-	83,140
Term loans	39,049	17,557	19,835	5,791	43,183
Hire purchase payables	427	122	337	-	459
Lease liabilities	986	611	425	-	1,036
	123,602	101,430	20,597	5,791	127,818
At 31 December 2022					
Trade and other payables	111,966	111,966	-	-	111,966
Term loans	67,396	18,163	54,742	-	72,905
Hire purchase payables	529	126	455	-	581
Lease liabilities	1,615	1,234	424	-	1,658
Bank overdraft	26	26	-	-	26
Revolving credit	30,000	30,000	-	-	30,000
	211,532	161,515	55,621	-	217,136
Company					
At 31 December 2023					
Trade and other payables	106	106	-	-	106
Financial guarantee contract	-	39,049	-	-	39,049
	106	39,155	-	-	39,155
At 31 December 2022					
Trade and other payables	737	737	-	-	737
Revolving credit	30,000	30,000	-	-	30,000
Financial guarantee contract	-	37,287	-	-	37,287
	30,737	68,024	-	-	68,024

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from its loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial years:

	Carrying amount RM'000	Change in basis point	Effect on equity and profit for the financial year RM'000
Group			
31 December 2023			
Term loans	39,049	+ 50	(148)
		- 50	<u>148</u>
31 December 2022			
Term loans	67,396	+ 50	(256)
		- 50	<u>256</u>
Bank overdraft	26	+ 50	(*)
		- 50	*
Revolving credit	30,000	+ 50	(114)
		- 50	<u>114</u>
Company			
31 December 2022			
Revolving credit	30,000	+ 50	(114)
		- 50	<u>114</u>

* Less than 1,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement

The carrying amount of cash and cash equivalents, short-term receivables and payables and short-term loans and borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no material transfers between Level 1 and Level 2 during the financial year (2022: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

Group	Carrying amount RM'000	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
At 31 December 2023								
Financial asset								
Non-current								
Other investments								
- unquoted equity investment	10,584	-	-	10,584	-	-	10,584	-
Current								
Other investments								
- Short-term cash investments	151,376	-	-	151,376	-	-	151,376	-
- money market funds								
Financial liability								
Hire purchase payables	(427)	-	-	-	-	-	(420)	(420)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (continued)

Group	Carrying amount RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2022									
Financial asset									
Non-current									
Other investments									
- unquoted equity investment	10,584	-	-	10,584	10,584	-	-	-	-
Financial liability									
Hire purchase payables	(529)	-	-	-	-	-	-	(520)	(520)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments: (continued)

	Carrying amount RM'000	Fair value of financial instruments carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
Company					
At 31 December 2023					
Financial asset					
Non-current					
Other investments					
- unquoted equity investment	10,584	-	-	10,584	10,584
Current					
Other investments					
- Short-term cash investments					
- money market funds	151,376	-	-	151,376	151,376
At 31 December 2022					
Financial asset					
Non-current					
Other investments					
- unquoted equity investment	10,584	-	-	10,584	10,584

Level 3 fair value

Fair value of financial instruments carried at fair value

The fair value of unquoted equity investments has been estimated using a discounted cash flows model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.

The fair value of the short-term cash investments is determined by reference to redemption price at the end of the reporting period.

Fair value of financial instruments not carried at fair value

The fair value of hire purchase payables are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. COMMITMENTS

Operating lease commitments – as lessor

The Group lease its investment property which has remaining lease term of one year. The maturity analysis of the Group's lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Not later than one year	18	-

31. CONTINGENT LIABILITIES

	Group	
	2023	2022
	RM'000	RM'000
Legal claims assessed as possible (Note 34(d)(ii))	6,025	-

As disclosed in Note 34(d)(ii), 241 individual purchasers of Residensi Platinum OUG in Block B ("the Plaintiffs"), commenced a civil suit against a 80% owned subsidiary of the Company, namely Vistarena Development Sdn. Bhd. ("VDSB"), the developer of Residensi Platinum OUG for alleged misrepresentation and breach of the sales and purchase agreements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group and of the Company include:

- (i) Former holding company;
- (ii) Subsidiaries;
- (iii) Entities in which certain directors have interests;
- (iv) Persons connected to the Company;
- (v) Entity in which person connected to certain directors of the Company have interests; and
- (vi) Key management personnel of the Group and of the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Sale of properties				
- Directors and/or major shareholders of the Group and persons connected with them	1,070	-	-	-
Construction costs charged by				
- Entity in which certain directors have interests	25,293	121,757	-	-
Services rendered from				
- Entity in which person connected to certain directors of the Company have interests	295	505	-	-
Interest income				
- Subsidiaries	-	-	18,837	7,209

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows: (continued)

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest expense				
- Entity in which certain directors have interests	-	353	-	2
Launching and opening expenses				
- Entity in which certain directors have interests	10	-	-	-
Rental expense				
- Entity in which certain directors have interests	464	1,725	-	-
Management fee				
- Subsidiary	-	-	787	196
Dividend income				
- Subsidiaries	-	-	42,000	198,000
License fee				
- Entity in which certain directors have interests	180	360	-	-
Interest income				
- Entity in which person connected to certain directors of the Company have interests	82	-	82	-
Recoupment income				
- Entity in which person connected to certain directors of the Company have interests	-	60,000	-	60,000

Significant outstanding balances with related parties at the end of the reporting periods are as disclosed in Notes 11 and 20.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 29(b)(i).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RELATED PARTIES (CONTINUED)

(c) Compensation of key management personnel

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	1,090	1,096	-	-
Defined contribution plans	133	127	-	-
Other staff related benefits	5	9	-	-
	<u>1,228</u>	<u>1,232</u>	<u>-</u>	<u>-</u>

33. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during financial years ended 31 December 2023 and 31 December 2022.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratio as at 31 December 2023 and 31 December 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Loans and borrowings less lease liabilities/ total debts	<u>39,476</u>	<u>97,951</u>	<u>-</u>	<u>30,000</u>
Total equity	<u>792,586</u>	<u>385,860</u>	<u>761,877</u>	<u>313,339</u>
Gearing ratio (times)	<u>0.05</u>	<u>0.25</u>	<u>-</u>	<u>0.10</u>

There were no changes in the Group's and the Company's approach to capital management during the financial years under review.

The Group and the Company are not subject to externally imposed capital requirements.

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Listing of the Company on the Main Market of Bursa Malaysia Securities Berhad ("Listing")

On 27 April 2023, the Company launched the Prospectus in relation to the IPO comprising the public issue of 868,000,000 new ordinary shares in the Company at an IPO price of RM0.50 per share.

On 31 May 2023, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad comprising public issue of 868,000,000 new ordinary shares.

(b) Joint venture agreement ("JVA")

On 20 September 2022, Rasa Wangi Development Sdn. Bhd. ("RWDSB"), a wholly-owned subsidiary of the Company, as the developer, entered into a JVA with Kadar Jutajaya Sdn. Bhd. ("KJSB"), as the landowner, to jointly develop a proposed development consisting inter alia 404 units of Residensi Wilayah and 932 units of condominium ("Project") on a piece of leasehold land held under HSD No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu measuring approximately 21,505 square metres ("Land"). Pursuant to the JVA, the landowner grants the developer the exclusive right to carry out and implement the development on the Land, and the landowner shall be entitled, subject to the terms and conditions of the JVA, to receive the landowner's entitlement of 23% of the profit after tax of the developer for the Project, and in the event there are any unsold units upon the delivery of vacant possession of the Project, the developer shall at its discretion decide on the composition of the landowner's entitlement, that is, either fully in cash or a combination of cash and unsold units (based on the selling price as determined by the developer) or an amount of RM32,000,000 whichever the higher.

On 20 September 2023, both KJSB and RWDSB ("the Parties") are agreeable to extend the period for fulfilment of Condition Precedent for a further twelve (12) months commencing from 20 September 2023 to 19 September 2024 free of interest ("First Extension of Time").

In furtherance thereto, KJSB and RWDSB had entered into the Supplemental Agreement on 20 September 2023 to document the Parties' option for further extension of time upon expiry of the First Extension of Time and involvement of KJSB (being the landowner) in project committee in relation to the said Project.

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(c) Joint Development with N&M Cahaya Sdn. Bhd.

On 6 February 2023, the Company issued a letter of intent ("LOI") to N&M Cahaya Sdn. Bhd. ("N&M Cahaya") to jointly develop the piece of land held under H.S.(D) 123157, PT 50174, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 40,467 square meter ("Land") by subscribing for 300,000 ordinary shares in N&M Cahaya such that the Company will hold 75% of the enlarged issued share capital of N&M Cahaya ("Subscription Shares") on a fully diluted basis as at the date such shares are subscribed with the subscription amount of RM26,715,000 or a price based on valuation to be conducted on the Land by the appointed valuer, whichever lower. Notwithstanding the valuation of the Land, the subscription amount shall not be more than RM26,715,000. The LOI was accepted by N&M Cahaya on 10 February 2023 and the execution of Shares Subscription Agreement and Shareholders Agreement (collectively referred to as "Definitive Agreement") shall occur within 30 days after all the Conditions Precedents are fulfilled within stipulated period or extended period as mutually agreed by the parties.

On 4 August 2023, both the Company and N&M Cahaya are agreeable to extend the period for fulfilment of Conditions Precedent by six (6) months from 7 August 2023 to 7 February 2024. All other terms of LOI shall remain in force and effect.

On 2 February 2024, upon completion of the due diligence on N&M Cahaya, N&M Cahaya is currently implicated in a legal suit involving the Land. As such, both the Company and N&M Cahaya are agreeable to further extend the period for another eighteen (18) months from 7 February 2024 to 6 August 2025 for N&M Cahaya to resolve the legal suit which N&M Cahaya is reasonably confident that it has a good chance to defend its position.

In addition, the future land use zone of the Land is currently pending the "Pelan Tempatan Kuala Lumpur" (PTKL 2040) to be gazetted. Hence, the extension period of 18 months is not an impediment to the progress as without PTKL 2040 being in force, the development order for the proposed development on the Land is unable to be processed by Dewan Bandaraya Kuala Lumpur.

(d) Material litigation

(i) Datuk Bandar Kuala Lumpur

6 Judicial Review Applications ("JR Applications") were filed by the several applicants against the Menteri Wilayah Persekutuan, Malaysia, Datuk Bandar Kuala Lumpur ("DBKL"), Kerajaan Malaysia and the subsidiary of the Company, Pavilion Integrity Sdn. Bhd. ("Pavilion Integrity"). Pavilion Integrity is the registered proprietor of Lot 810 and is developing a 46-storey building with 698 units of serviced apartments on Lot 810. Pavilion Integrity had obtained the development orders for the construction work.

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(d) Material litigation (continued)

(i) Datuk Bandar Kuala Lumpur (continued)

When the applicants discovered that Pavilion Integrity proposed to develop Lot 810, the applicants wrote to DBKL to reconsider the Pavilion Integrity's development project, specifically for DBKL to acquire a significant part of Lot 810 in order to build an access road known as Jalan Jejaka 1. Having failed to get DBKL to acquire part of Lot 810, the JR Applications were filed in respect of DBKL's refusal to acquire Lot 810.

On 21 June 2023, the Federal Court decided that the Court of Appeal's decision on 3 October 2022 stands. Among others, the Court of Appeal held as follows:

"An order of mandamus is granted towards DBKL to issue a Notice of Acquisition under Section 47(3) of the Federal Territory (Planning) Act 1982 to commence acquisition of Lot 810."

As such, Pavilion Integrity expects a compulsory acquisition of Lot 810 by DBKL wherein Pavilion Integrity will be compensated in accordance with the Land Acquisition Act 1960. The solicitor of Pavilion Integrity is of the opinion that Pavilion Integrity should take into consideration on the followings for the claim of compensation against DBKL for acquiring Lot 810:

- i) market value of Lot 810;
- ii) loss of profit in the development project taking into account of the units available and sold under the development;
- iii) any compensation payable to the contractor(s) appointed to complete the development; and
- iv) any other costs and expenses that Pavilion Integrity have incurred in acquiring the land and the costs and expenses in developing Lot 810.

(ii) Residensi Platinum OUG

On 9 June 2023, the Company 80% owned subsidiary, namely Vistarena Development Sdn. Bhd. ("the Defendant") had been served with a Writ of Summons and Statement of Claim ("the Suit") dated 1 June 2023 from 241 individual purchasers of Residensi Platinum OUG in Block B ("the Plaintiffs"). Residensi Platinum OUG is the development undertaken by Defendant as the developer in which the vacant possession had been delivered in and around June 2022.

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(d) Material litigation (continued)

(ii) Residensi Platinum OUG (continued)

Prior to the filing of the Suit, on 18 October 2022, there was a meeting held between representatives from relevant government authorities, Defendant, the architect, the civil and structural consultant, main contractor as well as purchasers' representatives from all components of the Development to discuss the issues pertaining to the Development including but not limited to the matters raised in the Suit such as the entrances and defects. However, it was concluded in the meeting that the construction of separate entrances will be put on hold until the formation of the management corporation of the Development and Defendant to expedite the defect rectification works.

Despite the proposed direction given by the relevant government authorities in the Meeting, the Plaintiffs had filed in the Suit against the Defendant at Kuala Lumpur High Court ("KLHC"). The Suit is arising from, inter alia, alleged misrepresentation on separate entrances between Block A and Block B, no access control established by the Defendant for the common facilities designated for Block B, safety-related defects are not attended to by the Defendant, and no steps taken by the Defendant to address the alleged declination of the value of Block B.

The Plaintiffs are seeking, inter alia, the following reliefs from the court:

- (a) a declaration that the Defendant has conducted in misrepresentation and breach of contract towards the Plaintiffs in the process of selling units to the Plaintiffs;
- (b) an injunction against the Defendant to take all necessary and reasonable steps to establish two (2) access paths at the entrance to Block A and Block B within a period of three (3) months from the date of judgment/order;
- (c) a judgment that the Defendant rectifies all listed safety-related defects, and the rectification works are to be completed to the satisfaction of the Plaintiffs' representative within a period of three (3) months from the date of judgment or order, with costs borne solely by the Defendant;
- (d) an order for general damages to be assessed by the Honourable Court;
- (e) Exemplary damages amounting to RM25,000.00 to be paid to each Plaintiff within seven (7) days from the date of judgment/order;
- (f) Cost; and
- (g) 5% interest on the judgement awarded by the Honourable Court from the date of filing the Suit until full settlement.

On 21 September 2023, 104 individual purchasers of Block A (civil servants housing), Residensi Platinum OUG filed an Application to Intervene, claiming that, amongst others, they shall be heard/ allowed to intervene the proceeding so to protect their interest in the common properties given that the Plaintiffs' claims involving access to common properties, shared common area, shared entrance to access Residensi Platinum OUG in which their rights and interests would be affected by any decision from the court. The KLHC has on 3 January 2024 allowed the Application to Intervene hence 104 individual purchasers of Block A are now listed as defendants.

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(d) Material litigation (continued)

(ii) Residensi Platinum OUG (continued)

The first case management of the Suit was conducted on 3 July 2023 by way of e-review. The Kuala Lumpur High Court allowed the extension of the time for the defendants to file its Statement of Defence on or before 3 August 2023. The case management was held on 6 March 2024 and the case hearing will be held on 4 April 2024.

35. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by all executive directors for the purpose of making decisions about resource allocation and performance assessment.

(a) General information

The Group's operating business is classified according to the following operating divisions:

- (i) Investment holdings and others; and
- (ii) Property development and investment

(b) Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment asset is measured based on all assets (excluding deferred tax assets and current tax assets) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Segment liabilities

The total of segment liabilities are measured based on all liabilities (excluding deferred tax liabilities and current tax liabilities) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

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RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. SEGMENT INFORMATION (CONTINUED)

The segmental information of the Group are as follows:

	Note	Investment holdings and others RM'000	Property development and investment RM'000	Adjustment and elimination RM'000	Total RM'000
2023					
Revenue from external customers		-	128,261	-	128,261
Inter-segment revenue	A	52,254	3,170	(55,424)	-
		52,254	131,431	(55,424)	128,261
Results:					
<i>Included in measure of segment profit/(loss) are:</i>					
Deposit written off		-	(19)	-	(19)
Depreciation of property, plant and equipment		(367)	(1,250)	-	(1,617)
Depreciation of right-of-use asset		(717)	(509)	-	(1,226)
Gain on disposal of other investment		101	-	-	101
Fair value gain on investment property		-	33,077	-	33,077
Fair value gain on other investments		1,868	-	-	1,868
Net loss on revocation of sales		-	(11,442)	-	(11,442)
Finance cost		(1,990)	(19,019)	16,122	(4,887)
Interest income		21,099	2,540	(18,837)	4,802

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. SEGMENT INFORMATION (CONTINUED)

The segmental information of the Group are as follows: (continued)

2023	Note	Investment holdings and others RM'000	Property development and investment RM'000	Adjustment and elimination RM'000	Total RM'000
Segment profit	B	58,005	6,702	(45,387)	19,320
Income tax credit/(expense)		1,790	(4,377)	1,130	(1,457)
Profit for the financial year	B	59,795	2,325	(44,257)	17,863
Assets:					
Segment assets		800,595	654,141	(557,696)	897,040
Deferred tax assets		-	4,762	1,130	5,892
Current tax assets		-	13,990	-	13,990
Total assets	C	800,595	672,893	(556,566)	916,922
Liabilities:					
Segment liabilities		39,377	629,214	(544,989)	123,602
Deferred tax liabilities		-	60	-	60
Current tax liabilities		471	203	-	674
Total liabilities	D	39,848	629,477	(544,989)	124,336

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. SEGMENT INFORMATION (CONTINUED)

The segmental information of the Group are as follows: (continued)

	Note	Investment holdings and others RM'000	Property development and investment RM'000	Adjustment and elimination RM'000	Total RM'000
2022					
Revenue from external customers		-	336,410	-	336,410
Inter-segment revenue	A	204,320	10,393	(214,713)	-
		204,320	346,803	(214,713)	336,410
Results:					
<i>Included in measure of segment profit/(loss) are:</i>					
Depreciation of property, plant and equipment		(234)	(431)	-	(665)
Depreciation of right-of-use asset		(749)	(585)	-	(1,334)
Fair value adjustment on other investments		(18,729)	-	-	(18,729)
Finance cost		(1,054)	(6,660)	4,376	(3,338)
Recoupment income		60,000	-	-	60,000
Interest income		91	528	-	619
Segment profit	B	241,918	105,461	(200,123)	147,256
Income tax expense		(14,095)	(31,725)	-	(45,820)
Profit for the financial year	B	227,823	73,736	(200,123)	101,436

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. SEGMENT INFORMATION (CONTINUED)

The segmental information of the Group are as follows: (continued)

2022	Note	Investment holdings and others RM'000	Property development and investment RM'000	Adjustment and elimination RM'000	Total RM'000
Assets:					
Segment assets		382,800	539,974	(317,427)	605,347
Current tax assets		-	7,024	-	7,024
Total assets	C	382,800	546,998	(317,427)	612,371
Liabilities:					
Segment liabilities		60,765	458,863	(308,096)	211,532
Deferred tax liabilities		39	712	-	751
Current tax liabilities		9,908	4,320	-	14,228
Total liabilities	D	70,712	463,895	(308,096)	226,511

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. SEGMENT INFORMATION (CONTINUED)

Reconciliation of reportable segment revenue, profit or loss, assets, liabilities and other material items are as follows:

A) Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

B) Reconciliation of profit or loss

Profit/(Loss) from other segment transactions are eliminated on consolidation.

C) Reconciliation of assets

	2023	2022
	RM'000	RM'000
Investment in subsidiaries	(8,454)	(8,454)
Amounts owing by subsidiaries	(523,383)	(292,115)
Amounts owing by related companies	(1,750)	(6,125)
Goodwill	1,600	1,590
Intra group transactions	<u>(24,579)</u>	<u>(12,323)</u>
	<u>(556,566)</u>	<u>(317,427)</u>

D) Reconciliation of liabilities

	2023	2022
	RM'000	RM'000
Amounts owing to holding company	(523,383)	(292,115)
Amounts owing to related companies	(1,750)	(6,125)
Intra group transactions	<u>(19,856)</u>	<u>(9,856)</u>
	<u>(544,989)</u>	<u>(308,096)</u>

Geographical Information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

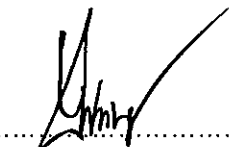
Registration No. 201301009006 (1038848-V)

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
(Pursuant to Section 251(2) of the Companies Act 2016)

We, **DATUK GAN KAH SIONG** and **GAN TIONG KIAN**, being two of the directors of RADIUM DEVELOPMENT BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 13 to 98 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:



.....
DATUK GAN KAH SIONG
Director



.....
GAN TIONG KIAN
Director

Kuala Lumpur

Date: 1 April 2024

Registration No. 201301009006 (1038848-V)

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
(Pursuant to Section 251(1) of the Companies Act 2016)

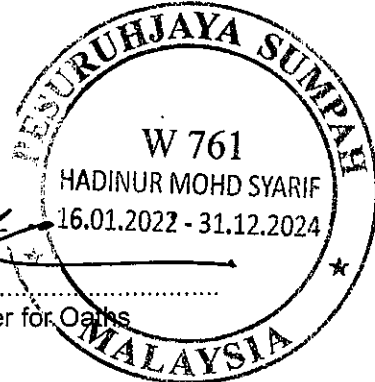
I, **SAM YAN LI**, being the officer primarily responsible for the financial management of RADIUM DEVELOPMENT BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 13 to 98 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



.....
SAM YAN LI
(MIA Membership No: 30416)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 1 April 2024.

Before me,



.....
Commissioner for Oaths

CHAMBERS TWENTY - FIVE
NO 25, JALAN TUNKU, BUKIT TUNGGU
50480 KUALA LUMPUR

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RADIUM DEVELOPMENT BERHAD**
(Incorporated in Malaysia)**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Radium Development Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 98.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RADIUM DEVELOPMENT BERHAD (CONTINUED)**
(Incorporated in Malaysia)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Revenue and corresponding costs recognition for property development activities (Notes 13, 15 and 21 to the financial statements)

The Group's accounting policy is to recognise the revenue from property development activities over the period of contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of performance obligation is to be determined by reference to proportion of property development costs incurred for works performed to date bear to the estimated total costs for each project (input method).

We focused on this area because the Group's revenue recognition for property development activities requires the exercise of significant judgement to be made by the directors, particularly in determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures on the selected projects included, among others:

- reading the terms and conditions of the agreements with customers;
- understanding the Group's process in preparing project budgets and the calculation of the progress towards complete satisfaction of performance obligations;
- comparing the directors' key assumptions to contractual terms and discussing with the project manager on the changes in the assumptions from the previous financial year;
- comparing the Group's computed progress towards complete satisfaction of performance obligation for identified projects against architect or consultant certificate, if any; and
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RADIUM DEVELOPMENT BERHAD (CONTINUED)**
(Incorporated in Malaysia)

Key Audit Matters (continued)

Group (continued)

Investment property (Note 7 to the financial statements)

The Group's accounting policy is to measure investment properties at fair value subsequent to their initial recognition. The Group determines the fair value of the investment properties based on the market valuation performed by an external independent valuer.

We focused on this area because the Group's measurement of fair value requires the exercise of significant judgement to be made by directors, especially in determining the appropriate valuation methods and the key assumptions used in the valuations. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- understanding the competence, capabilities and objectivity of the external valuers which included consideration of their qualifications and experience;
- understanding the scope and objective of the valuation by reading the terms of engagement;
- understanding the scope and purpose of the valuation by reading the terms of engagement to assess whether any matters that might have affected the external valuers' objectivity or limited the scope of their work;
- reading the valuation report and discussing with external valuers on their valuation approach and the significant judgements they made;
- discussing with the Group on the valuation approach used and appropriateness of the key assumptions; and
- testing, on sample basis, the key input data used by the external valuers.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RADIUM DEVELOPMENT BERHAD (CONTINUED)**
(Incorporated in Malaysia)

Key Audit Matters (continued)

Company

Amounts owing by subsidiaries (Note 11 to the financial statements)

The Company has significant balances of amounts owing by subsidiaries. At the end of the financial year, the directors are required to determine the amount of expected credit losses on the amounts owing by subsidiaries.

We focused on this area because the Company's expected credit losses assessment requires the exercise of significant judgement to be made by the directors, especially in determining the risk of default and expected credit loss rate, which are based on the Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting period. These judgements and assumptions are inherently uncertain.

Our response:

Our audit procedures included, among others:

- comparing the directors' key assumptions in cash flow forecast which include the directors' assessment and consideration of the current economic and business environment in relation to key assumptions;
- testing the mathematical computation of the impairment assessments; and
- performing the sensitivity analysis of key assumptions and the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RADIUM DEVELOPMENT BERHAD (CONTINUED)**
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RADIUM DEVELOPMENT BERHAD (CONTINUED)**
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RADIUM DEVELOPMENT BERHAD (CONTINUED)**
(Incorporated in Malaysia)

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.



Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants



Kenny Yeoh Khi Khen
No. 03229/09/2024 J
Chartered Accountant

Kuala Lumpur

Date: 1 April 2024