



**RADIUM DEVELOPMENT BERHAD**

Registration No.: 201301009006 (1038848-V)

**INTERIM FINANCIAL REPORT**

**FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023**

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

	Note	Unaudited As at 30.9.2023 RM'000	Audited As at 31.12.2022 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		39,472	3,522
Right-of-use assets		1,186	1,548
Goodwill		1,600	1,590
Other investment		10,584	10,584
Deferred tax assets		5,090	-
Trade and other receivables		3,800	3,800
		<u>61,732</u>	<u>21,044</u>
<b>Current Assets</b>			
Inventories		304,394	262,080
Current tax assets		17,456	7,024
Trade and other receivables		122,710	114,825
Contract asset		134,844	102,396
Short-term investments		120,219	-
Cash and short-term deposits		174,153	105,002
		<u>873,776</u>	<u>591,327</u>
<b>TOTAL ASSETS</b>		<u>935,508</u>	<u>612,371</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		465,943	42,400
Retained earnings		314,797	340,208
Equity attributable to owners of the Company		<u>780,740</u>	<u>382,608</u>
Non-controlling interests		1,607	3,252
<b>Total Equity</b>		<u>782,347</u>	<u>385,860</u>
<b>Non-Current Liabilities</b>			
Loans and borrowings	B7	43,503	50,715
Lease liabilities		439	418
Deferred tax liabilities		102	751
		<u>44,044</u>	<u>51,884</u>
<b>Current Liabilities</b>			
Loans and borrowings	B7	16,053	47,236
Lease liabilities		791	1,197
Current tax liabilities		1,021	14,228
Trade and other payables		91,252	111,966
		<u>109,117</u>	<u>174,627</u>
<b>Total Liabilities</b>		<u>153,161</u>	<u>226,511</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>935,508</u>	<u>612,371</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		0.23	0.15
<b>Number of outstanding ordinary shares in issue ('000)</b>		<u>3,468,000</u>	<u>2,600,000</u>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Note	Current quarter ended 30.9.2023 RM'000	Comparative quarter ended 30.9.2022 RM'000	Current period to date ended 30.9.2023 RM'000	Preceding period to date ended 30.9.2022 RM'000
Revenue	<b>A12</b>	46,782	N/A	99,992	N/A
Cost of sales		(36,409)	N/A	(65,021)	N/A
Gross profit		10,373	N/A	34,971	N/A
Other income		2,713	N/A	4,329	N/A
Marketing expenses		(3,544)	N/A	(12,614)	N/A
Administrative expenses		(3,998)	N/A	(12,711)	N/A
Other operating expenses		(6,049)	N/A	(6,049)	N/A
(Loss)/Profit from operations		(505)	N/A	7,926	N/A
Finance costs		(1,022)	N/A	(3,895)	N/A
(Loss)/Profit before taxation		(1,527)	N/A	4,031	N/A
Taxation	<b>B4</b>	4,575	N/A	3,593	N/A
Profit for the period, representing total comprehensive income for the period		3,048	N/A	7,624	N/A
<b>Profit/(Loss) / Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		3,764	N/A	9,269	N/A
Non-controlling interests		(716)	N/A	(1,645)	N/A
		3,048	N/A	7,624	N/A
Basic earnings per share attributable to owners of the Company (sen)	<b>B10</b>	0.11	N/A	0.31	N/A

N/A – Not applicable

The Unaudited Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative quarter and period concerned.

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

Note	Attributable To Owners Of The Company			Non-controlling interests	Total equity
	Share capital	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2023</b>	42,400	340,208	382,608	3,252	385,860
Profit/(Loss) after tax / Total comprehensive income/(loss)	-	9,269	9,269	(1,645)	7,624
<b>Transaction with owners of the Company</b>					
Issuance of shares pursuant to Initial Public Offering	434,000	-	434,000	-	434,000
Share issuances expenses	(10,457)	-	(10,457)	-	(10,457)
Dividend paid to owners of the Company	-	(34,680)	(34,680)	-	(34,680)
<b>A7</b>					
Total transactions with owners	423,543	(34,680)	388,863	-	388,863
<b>As at 30 September 2023</b>	465,943	314,797	780,740	1,607	782,347

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

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

	Current period to date ended 30.9.2023	Preceding period to date ended 30.9.2022
	RM'000	RM'000
<b>CASH FLOW FOR OPERATING ACTIVITIES</b>		
Profit before taxation	4,031	N/A
Adjustments for:		
Depreciation of property, plant and equipment	1,124	N/A
Depreciation of right-of-use assets	934	N/A
Fair value gain on short-term investments	(921)	N/A
Finance costs	3,895	N/A
Finance income	(3,161)	N/A
Gain on lease modification	(1)	N/A
Operating profit before changes in working capital	5,901	N/A
Changes in working capital:		
Inventories	(73,904)	N/A
Trade and other receivables	(7,885)	N/A
Contract assets	(32,448)	N/A
Trade and other payables	(20,724)	N/A
Cash used in operations	(129,060)	N/A
Interest received	3,161	N/A
Interest paid	(568)	N/A
Income tax paid	(25,785)	N/A
<b>Net cash used in operating activities</b>	<b>(152,252)</b>	<b>N/A</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Change in pledged deposits	(2,861)	N/A
Net investment in short-term investments	(119,298)	N/A
Purchase of property, plant and equipment	(5,484)	N/A
<b>Net cash used in investing activities</b>	<b>(127,643)</b>	<b>N/A</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid to owners of the Company	(34,680)	N/A
Proceeds from issuance of shares	434,000	N/A
Payment of share issuance expenses	(10,457)	N/A
Payment of lease liabilities	(994)	N/A
Drawdown of term loans	40,655	N/A
Repayment of term loans	(64,895)	N/A
Revolving credit - net of repayment	(15,000)	N/A
Repayment of hire purchase payables	(76)	N/A
Interest paid	(3,289)	N/A
<b>Net cash generated from financing activities</b>	<b>345,264</b>	<b>N/A</b>
<b>Net increase in cash and cash equivalents</b>	<b>65,369</b>	<b>N/A</b>
<b>Cash and cash equivalents at beginning of the financial period</b>	<b>95,829</b>	<b>N/A</b>
<b>Cash and cash equivalents at end of the financial period</b>	<b>161,198</b>	<b>N/A</b>

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

	Current period to date ended 30.9.2023	Preceding period to date ended 30.9.2022
	RM'000	RM'000
<b>Cash and cash equivalents comprised:</b>		
Cash and bank balances	162,145	N/A
Short-term deposits	12,008	N/A
Bank overdraft	(947)	N/A
	173,206	N/A
Less: Pledged deposits	(12,008)	N/A
	161,198	N/A

N/A – Not applicable

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

### Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 -Interim Financial Reporting

#### A1. Basis of preparation

The interim financial report of the Group is unaudited and has been prepared in accordance with MFRS 134 - *Interim Financial Reporting* and paragraph 9.22 as well as Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

This is the third interim financial report of unaudited condensed consolidated financial results being announced by the Group in compliance with the Listing Requirements of Bursa Securities. As such, there are no comparative figures for the preceding corresponding quarter and period.

The interim financial report should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

#### A2. Significant accounting policies

The significant accounting policies adopted by the Group in the interim financial report are consistent with those adopted in the Audited Financial Statements for the year ended 31 December 2022, except for the adoption of the following new accounting standards, amendments and interpretation that have been issued by the Malaysian Accounting Standards Board ("MASB"):

##### (a) MFRSs, Amendments to MFRSs and Interpretations adopted

For the preparation of the financial statements, the following accounting standards and amendments of the MFRS framework issued by the MASB are mandatory for the first time for the current financial period:

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

The adoption of the abovementioned accounting standards and amendments are not expected to have any material impact on the financial statements of the Group.

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

### A2. Significant accounting policies (Cont'd)

#### (b) Amendments to MFRSs not adopted

##### Amendments to MFRSs effective for annual periods beginning on or after 1 January 2024

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

##### Amendments to MFRSs effective for annual periods beginning on or after 1 January 2025

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

##### Amendments to MFRSs effective date yet to be confirmed

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

The abovementioned Amendments to MFRSs will be adopted in the annual financial statements of the Group when they become effective and the Directors anticipate that the adoption of these Amendments to MFRS will have no material impact on the financial statements of the Group in the period of initial application.

### A3. Seasonal or cyclical factors

The business operations of the Group were not materially affected by seasonal or cyclical factors during the current quarter and financial period to date under review.

### A4. Unusual items due to their nature, size or incidence

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter and financial period to date under review.

### A5. Changes in estimates

There were no material changes in estimates of the amounts reported during the current quarter and financial period to date under review.



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

### A6. Changes in debts and equity securities

On 31 May 2023, the Company was listed on the Main Market of Bursa Securities pursuant to the Initial Public Offering ("IPO") comprising the public issue of 868,000,000 new ordinary shares in the Company at an IPO price of RM0.50 per share.

Save for the above, there were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the current quarter and financial period to date under review.

### A7. Dividend paid

The first single-tier interim dividend in respect of the financial year ending 31 December 2023 of 1.0 sen per ordinary share, amounting to RM34.7 million was paid on 15 August 2023.

### A8. Segmental Information

For management purposes, the Group is organised into business units based on their products and services. The Group's reportable segments are as follows:

- (a) Property development
  - Development and sales of residential properties.
- (b) Investment holdings and others
  - Investment activities, provision of management services, provision of project management consultancy and information technology related services (dormant); and hotel business (dormant).

The Senior Management of the Group reviews the operations and performance of the respective business segments on a regular basis and their respective performances.

	Property development RM'000	Investment holdings and others RM'000	Total RM'000
Financial period to date ended 30 September 2023			
<b>Revenue</b>			
Total revenue	99,992	27,774	127,766
- Inter-segment revenue	-	(27,774)	(27,774)
Revenue from external parties	99,992	-	99,992
<b>Results</b>			
Segment profit/(loss)	14,525	(10,494)	4,031
- Inter-segment elimination	(19,406)	19,406	-
(Loss)/Profit before taxation	(4,881)	8,912	4,031
Taxation	(499)	4,092	3,593
Net (loss)/profit for the financial period	(5,380)	13,004	7,624

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

### A8. Segmental Information (Cont'd)

	Property development RM'000	Investment holdings and others RM'000	Total RM'000
Financial period to date ended 30 September 2023 (Cont'd)			
<b>Assets</b>			
Segment assets	661,268	251,694	912,962
Deferred tax assets and current tax assets	21,406	1,140	22,546
Total assets	682,674	252,834	935,508
<b>Liabilities</b>			
Segment liabilities	136,506	15,532	152,038
Deferred tax liabilities and current tax liabilities	704	419	1,123
Total liabilities	137,210	15,951	153,161

This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

### A9. Subsequent Events

There were no significant events subsequent to the end of the financial period to date under review.

### A10. Changes in the Composition of the Group

Save as disclosed below, there were no changes in the composition of the Group during the current quarter and financial period to date under review.

#### (a) Acquisition of Radium Global Sdn. Bhd. ("Radium Global")

On 6 June 2023, the Company acquired 1 ordinary shares representing 100% equity interest of Radium Global for a total cash consideration of RM1. Consequently, Radium Global became a wholly-owned subsidiary of the Company. The principal activity of Radium Global is property development.

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

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

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

### A11. Fair value measurement

#### (a) Financial instruments that are carried at fair value

Financial assets at Fair Value Through Profit or Loss ("FVTPL") are measured at different measurement hierarchies (i.e. Levels 1, 2 and 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair value.

- (i) Level 1: Quoted prices (unadjusted) of identical assets in active markets

The Group does not have any financial instruments measured at Level 1 as at 30 September 2023 and 31 December 2022.

- (ii) Level 2: Inputs other than at quoted prices included within Level 1 that are observable for the assets, either directly (prices) or indirectly (derived from prices)

The Group does not have any financial instruments measured at Level 2 as at 30 September 2023 and 31 December 2022.

- (iii) Level 3: Inputs for the assets that are not based on observable market data (unobservable inputs)

The unquoted share is measured at Level 3. The fair value of unquoted share is determined based on the residual method.

	<b>As at 30.9.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
<b>Level 3</b>		
Financial assets at FVTPL - unquoted share	10,584	10,584

#### (b) Financial instruments that are not carried at fair value

The carrying amounts of financial assets and financial liabilities at amortised cost are reasonable approximations of fair values.

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

### A12. Revenue

	Current period to date ended 30.9.2023 RM'000	Preceding period to date ended 30.9.2022 RM'000
Disaggregation of the Group's revenue from contracts with customers:		
Timing of revenue recognition		
- over time	90,250	N/A
- at point in time	9,742	N/A
	99,992	N/A

### A13. Commitments

There were no material capital commitments during the current quarter and financial period to date under review.

### A14. Related Party Transactions

The significant related party transactions as at current quarter and financial period to date were summarised as below:

Related parties	Nature of transactions	Current quarter ended 30.9.2023 RM'000	Current period to date ended 30.9.2023 RM'000
Directors and/or Major Shareholders of the Group and Persons Connected with them	Sale of properties	-	1,070
Southern Score Sdn. Bhd.	Provision of main construction management services	4,304	21,952

### A15. Changes in Contingent Liabilities and Assets

There were no material contingent liabilities or assets during the current quarter and financial period to date under review.

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

### Part B - Explanatory Notes Pursuant to Part A of Appendix 9B of The Main Market Listing Requirements of Bursa Securities

#### B1. Review of Performance

The comparison of the quarterly results is tabulated below:

**Table 1: Financial review for current quarter and financial period to date**

	Current quarter ended 30.9.2023 RM'000	Comparative quarter ended 30.9.2022 RM'000	Changes %	Current period to date ended 30.9.2023 RM'000	Preceding period to date ended 30.9.2022 RM'000	Changes %
Revenue	46,782	N/A	N/A	99,992	N/A	N/A
Gross Profit	10,373	N/A	N/A	34,971	N/A	N/A
(Loss)/Profit Before Tax ("LBT)/PBT")	(1,527)	N/A	N/A	4,031	N/A	N/A

The Group registered revenue and gross profit of RM46.8 million and RM10.4 million respectively in current quarter were mainly contributed by Residensi Vista Sentul, Suite Canselor and Residensi Desa Timur projects. The Group reported LBT of RM1.5 million in current quarter was mainly due by one-off restitution cost of RM6.0 million and advertisement expenses on launching event for Residensi Desa Timur project.

The Group registered revenue, gross profit and PBT of RM100.0 million, RM35.0 million and RM4.0 million respectively in current period to date were mainly contributed by Residensi Vista Sentul, Suite Canselor and Residensi Desa Timur projects; and offset against advertisement expenses on three on-going projects, the Group's branding activities in conjunction with Chinese New Year to promote its brand corporate identity, one-off restitution cost of RM6.0 million and one-off listing expense of RM3.6 million.

**Table 2: Financial review for current quarter compared with immediate preceding quarter**

	Current quarter ended 30.9.2023 RM'000	Immediate preceding quarter ended 30.6.2023 RM'000	Changes %
Revenue	46,782	27,921	68
Gross Profit	10,373	12,569	(17)
(LBT)/PBT	(1,527)	2,043	(>100%)

The Group registered revenue of RM46.8 million and gross profit of RM10.4 million in current quarter compared with revenue of RM27.9 million and gross profit RM12.6 million in immediate preceding quarter, representing an increase of RM18.9 million or 68% in revenue and a decrease of RM2.2 million or 17% in gross profit. The higher revenue was mainly contributed by Residensi Vista Sentul, Suite Canselor and Residensi Desa Timur projects. The lower recognition of gross profit for the current quarter under review was mainly due to the commencement of both Residensi Desa Timur and Suite Canselor projects. Both projects were recognised under their respective project budget where the construction tender price for the projects are higher compared to the older completed project.

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

### B1. Review of Performance (Cont'd)

The Group registered LBT of RM1.5 million in current quarter compared with PBT of RM2.0 million in immediate preceding quarter, representing a decrease of RM3.5 million or 1.8 times in (LBT)/PBT. The lower performance recorded was mainly due to one-off restitution cost of RM6.0 million and advertisement expenses on launching event for Residensi Desa Timur project incurred in current quarter.

### B2. Group's Prospect

#### Prospects for the year 2023

As of 16 October 2023, Bank Negara Malaysia ("BNM") projects Malaysia's Gross Domestic Product (GDP) growth to range between 4% to 5% for 2024 versus 4% for 2023, driven by sustained domestic demand and a recovery in exports. BNM projects inflation to range between 2.1% to 3.6% (against 2.5% to 3.0% for 2023), and for the unemployment rate to improve further to 3.4%. Meanwhile, BNM maintained its overnight policy rate (OPR) at 3% on 2 November 2023, given the stable domestic inflation and growth outlook.

In the recent Budget 2024, the government announced that funding for the Housing Credit Guarantee Scheme will be increased to RM10 billion, benefiting 40,000 borrowers. To facilitate the redevelopment of the strata properties, the threshold for residents' consent to sales within a block will be lowered from 100% to a uniform level, following the model of international practices such as in Singapore. The Group is optimistic that the above-mentioned initiatives will increase affordable homes demand in Klang Valley.

In order to attract foreign tourists and investors to Malaysia, current conditions of the Malaysia My Second Home (MM2H) applications will be eased. This is another positive measure that will benefit Suite Canselor, the Group's first commercial-residential development with hotel component over the long run.

The Group's key contributors for the performance for remaining 2023 are Residensi Wilayah component and Suite Apartment component of Residensi Desa Timur which were launched in May and June 2023 respectively, with an estimated combined Gross Development Value (GDV) of approximately RM1.0 billion.

Moving forward, the Group will expand its business through the acquisition of landbank(s) and joint venture arrangement(s) for future projects in Klang Valley to meet the demand of the residential property market in Klang Valley. The Group is always striving to identify suitable land banks preferably with development consents to increase the Group's current land banking needs.

The Group is cautiously optimistic that the financial performance of the year 2023 to be satisfactory despite challenging economic situations.

### B3. Variance of Actual Profit from Profit Forecast or Profit Guarantee

The Company did not issue any profit forecast or profit guarantee during the current quarter and financial period to date under review.

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

### B4. Tax expense

	Current quarter ended 30.9.2023 RM'000	Current period to date ended 30.9.2023 RM'000
Current period provision	1,882	8,137
Over provision in prior year	(11,523)	(11,991)
	<u>(9,641)</u>	<u>(3,854)</u>
Deferred taxation	(934)	(5,739)
Real property gain tax	6,000	6,000
	<u>(4,575)</u>	<u>(3,593)</u>

The effective tax rate for the current quarter and financial period to date is lower than the statutory tax rate of 24% mainly due to the reversal of over provision of income tax in prior year recognised in current financial period to date.

Taxation is computed after taking into consideration the available capital allowances and the adjusted business losses carried forward from previous years to set off against taxable profit.

### B5. Status of corporate proposals

#### (a) Joint Venture Arrangement (“JVA”) with Kadar Jutajaya Sdn. Bhd.

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 for 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 unto 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.

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

### B5. Status of corporate proposals (Cont'd)

#### (b) 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 all that 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 three hundred thousand (300,000) ordinary shares in N&M Cahaya such that the Company will hold seventy-five per centum (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 thirty (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.

### B6. Utilisation of Proceeds from the Public Issue

The status of the utilisation of proceeds from the Initial Public Offering (IPO) as at 30 September 2023 is as follows:

Details of use of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Reallocation RM'000	Balance unutilised RM'000	Estimated timeframe for the use of proceeds upon Listing
Acquisition of landbank and/or development expenditure	171,000	80,171	-	90,829	Within 36 months
Repayment of bank borrowings	93,870	40,448	-	53,422	Within 24 months
Hotel construction	109,300	9,529	-	99,771	Within 36 months
Working capital	39,830	5,000	3,017*	37,847	Within 24 months
Estimated listing expenses	20,000	16,983	(3,017)*	-	Immediate
Total	434,000	152,131	-	281,869	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company.

\* The unutilised balance of RM3.0 million allocated for estimated listing expenses were allocated to working capital in the current quarter and financial period under review.



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

### B7. Group Borrowings and Debt Securities

#### (a) The Group's borrowings and debt securities at end of the financial period to date:

	Non-current RM'000	Current RM'000	Total RM'000
<b>As at 30.9.2023</b>			
<b>Secured</b>			
<u>Islamic:</u>			
Term loans	14,451	-	14,451
Bank overdrafts	-	947	947
	14,451	947	15,398
<u>Conventional:</u>			
Term loans	28,705	-	28,705
Hire purchase	347	106	453
	29,052	106	29,158
<b>Total secured (a)</b>	<b>43,503</b>	<b>1,053</b>	<b>44,556</b>
<b>Unsecured</b>			
<u>Islamic:</u>			
Revolving credit	-	15,000	15,000
<b>Total unsecured (b)</b>	<b>-</b>	<b>15,000</b>	<b>15,000</b>
<b>Total borrowings (a) + (b)</b>	<b>43,503</b>	<b>16,053</b>	<b>59,556</b>
<b>As at 31.12.2022</b>			
<b>Secured</b>			
<u>Islamic:</u>			
Term loans	18,481	5,814	24,295
Bank overdrafts	-	27	27
	18,481	5,841	24,322
<u>Conventional:</u>			
Term loans	31,807	11,293	43,100
Hire purchase	427	102	529
	32,234	11,395	43,629
<b>Total secured (a)</b>	<b>50,715</b>	<b>17,236</b>	<b>67,951</b>
<b>Unsecured</b>			
<u>Islamic:</u>			
Revolving credit	-	30,000	30,000
<b>Total unsecured (b)</b>	<b>-</b>	<b>30,000</b>	<b>30,000</b>
<b>Total borrowings (a) + (b)</b>	<b>50,715</b>	<b>47,236</b>	<b>97,951</b>

#### (b) Commentaries on the Group's borrowings and debt securities

During the financial period, the decrease in the borrowings was mainly due to repayment of term loans and offset against increase in bank overdraft.

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

### **B8. Material Litigation**

#### **Vistarena Development Sdn. Bhd. (Vistarena”)**

Vistarena (“the Defendant”), a 80%-owned subsidiary of the Company, had on 9 June 2023 being served with a Writ of Summons and Statement of Claim (“the Suit”) from 241 individual purchasers of Block B, Residensi Platinum OUG (“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 Block A and Block B (“the Meeting”) to discuss the issues pertaining, inter alia 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 and the 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. 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. Hearing date for the Application to Intervene is fixed on 3 January 2024.

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

### B8. Material Litigation (Cont'd)

#### Vistarena Development Sdn. Bhd. (Vistarena") (Cont'd)

As at the date of this report, there is no material financial and operational impact arising from the Suit on the Defendant and the Company.

### B9. Dividend

Other than the dividend paid as disclosed in Note A7, no dividend has been proposed by the Board of Directors for the current financial period to date.

### B10. Earnings per Share ("EPS")

The basic EPS of the Group is calculated based on the profit attributable to owners (ordinary equity holders) of the Company divided by the weighted average number of ordinary shares in issue.

	Current quarter ended 30.9.2023	Comparative quarter ended 30.9.2022	Current period to date ended 30.9.2023	Preceding period to date ended 30.9.2022
Profit attributable to owners of the Company (RM'000)	3,764	N/A	9,269	N/A
Weighted average number of ordinary shares in issue ('000)	3,468,000	N/A	2,987,897	N/A
Basic EPS (sen)	0.11	N/A	0.31	N/A

The diluted EPS of the Group is equal to the basic EPS as the Group does not have any dilutive shares in issue.

This is the third interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative quarter and period concerned.

### B11. Auditors' Report on Preceding Annual Financial Statements

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

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

### B12. Items included in the Statement of Profit or Loss

	Current quarter ended 30.9.2023 RM'000	Current period to date ended 30.9.2023 RM'000
Depreciation of property, plant and equipment	(680)	(1,124)
Depreciation of right-of-use assets	(330)	(934)
Finance costs	(1,022)	(3,895)
Gain on lease modification	1	1
Fair value gain on short-term investments	921	921
Finance income	1,788	3,161

### B13. Derivative Financial Instruments

The Group does not have any derivative financial instruments as at the date of this report.

### B14. Fair Value Changes of Financial Liabilities

The Group does not have any financial liabilities that are measured at fair value at the date of this report.

By Order of the Board,  
Datuk Gan Kah Siong  
Group Managing Director

28 November 2023