



**RADIUM DEVELOPMENT BERHAD**

Registration No.: 201301009006 (1038848-V)

**INTERIM FINANCIAL REPORT**

**FOR FOURTH QUARTER ENDED 31 DECEMBER 2023**

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		41,704	3,522
Investment property		83,000	-
Right-of-use assets		894	1,548
Goodwill		1,600	1,590
Other investment		10,584	10,584
Deferred tax assets		5,777	-
Trade and other receivables		10,351	3,800
		<u>153,910</u>	<u>21,044</u>
<b>Current Assets</b>			
Inventories		270,948	262,080
Current tax assets		13,969	7,024
Trade and other receivables		121,000	114,825
Contract asset		6,336	102,396
Short-term investments		151,376	-
Cash and short-term deposits		200,484	105,002
		<u>764,113</u>	<u>591,327</u>
<b>TOTAL ASSETS</b>		<u>918,023</u>	<u>612,371</u>
<b>EQUITY AND LIABILITIES</b>			
Share capital		465,943	42,400
Retained earnings		322,687	340,208
Equity attributable to owners of the Company		<u>788,630</u>	<u>382,608</u>
Non-controlling interests		4,316	3,252
<b>Total Equity</b>		<u>792,946</u>	<u>385,860</u>
<b>Non-Current Liabilities</b>			
Loans and borrowings	B7	23,647	50,715
Lease liabilities		351	418
Deferred tax liabilities		44	751
		<u>24,042</u>	<u>51,884</u>
<b>Current Liabilities</b>			
Loans and borrowings	B7	15,829	47,236
Lease liabilities		579	1,197
Current tax liabilities		674	14,228
Trade and other payables		83,953	111,966
		<u>101,035</u>	<u>174,627</u>
<b>Total Liabilities</b>		<u>125,077</u>	<u>226,511</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>918,023</u>	<u>612,371</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<u>0.23</u>	<u>0.15</u>
<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 FOURTH QUARTER ENDED 31 DECEMBER 2023**

	Note	Current quarter ended 31.12.2023 RM'000	Comparative quarter ended 31.12.2022 RM'000	Current year to date ended 31.12.2023 RM'000	Preceding year to date ended 31.12.2022 RM'000
Revenue	A13	28,269	N/A	128,261	N/A
Cost of sales		(22,792)	N/A	(87,813)	N/A
Gross profit		5,477	N/A	40,448	N/A
Other income		35,769	N/A	40,098	N/A
Marketing expenses		(6,409)	N/A	(19,023)	N/A
Administrative expenses		(6,464)	N/A	(19,175)	N/A
Other operating expenses		(11,611)	N/A	(17,660)	N/A
Profit from operations		16,762	N/A	24,688	N/A
Finance costs		(992)	N/A	(4,887)	N/A
Profit before taxation		15,770	N/A	19,801	N/A
Taxation	B4	(5,171)	N/A	(1,578)	N/A
Profit for the year, representing total comprehensive income for the year		10,599	N/A	18,223	N/A
<b>Profit / Total comprehensive income attributable to:</b>					
Owners of the Company		7,890	N/A	17,159	N/A
Non-controlling interests		2,709	N/A	1,064	N/A
		10,599	N/A	18,223	N/A
Basic earnings per share attributable to owners of the Company (sen)	B10	0.23	N/A	0.55	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 fourth 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 year as there is no interim financial report prepared for the comparative quarter and year concerned.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR FOURTH QUARTER ENDED 31 DECEMBER 2023**

Note	<u>Attributable To Owners Of The Company</u>			Non- controlling interests	Total equity
	Share capital	Retained earnings	Total		
	RM'000	RM'000	RM'000		
<b>As at 1 January 2023</b>	42,400	340,208	382,608	3,252	385,860
Profit after tax / Total comprehensive income	-	17,159	17,159	1,064	18,223
<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 31 December 2023</b>	465,943	322,687	788,630	4,316	792,946

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR FOURTH QUARTER ENDED 31 DECEMBER 2023**

	Current year to date ended 31.12.2023	Preceding year to date ended 31.12.2022
	RM'000	RM'000
<b>CASH FLOW FOR OPERATING ACTIVITIES</b>		
Profit before taxation	19,801	N/A
Adjustments for:		
Depreciation of property, plant and equipment	1,617	N/A
Depreciation of right-of-use assets	1,226	N/A
Deposit written off	19	N/A
Fair value gain of:		
- short-term investments	(1,868)	N/A
- investment property	(33,077)	N/A
Finance costs	4,887	N/A
Finance income	(4,771)	N/A
Gain on disposal of short-term investments	(101)	N/A
Gain on lease modification	(1)	N/A
Operating loss before changes in working capital	(12,268)	N/A
Changes in working capital:		
Inventories	(90,381)	N/A
Trade and other receivables	(12,745)	N/A
Contract assets	96,060	N/A
Trade and other payables	(28,023)	N/A
Cash used in operations	(47,357)	N/A
Interest received	4,771	N/A
Interest paid	(580)	N/A
Income tax paid	(28,561)	N/A
<b>Net cash used in operating activities</b>	<b>(71,727)</b>	<b>N/A</b>
<b>CASH FLOW FOR INVESTING ACTIVITIES</b>		
Change in pledged deposits	3,474	N/A
Net investment in short-term investments	(149,407)	N/A
Purchase of property, plant and equipment	(8,209)	N/A
<b>Net cash used in investing activities</b>	<b>(154,142)</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	(1,307)	N/A
Drawdown of term loans	50,340	N/A
Repayment of term loans	(78,687)	N/A
Revolving credit - net of repayment	(30,000)	N/A
Repayment of hire purchase payables	(102)	N/A
Interest paid	(4,256)	N/A
<b>Net cash generated from financing activities</b>	<b>324,851</b>	<b>N/A</b>
<b>Net increase in cash and cash equivalents</b>	<b>98,982</b>	<b>N/A</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>95,829</b>	<b>N/A</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>194,811</b>	<b>N/A</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)**

	Current year to date ended 31.12.2023	Preceding year to date ended 31.12.2022
	RM'000	RM'000
<b>Cash and cash equivalents comprised of:</b>		
Cash and bank balances	192,919	N/A
Short-term deposits	7,565	N/A
Bank overdraft	-	N/A
	200,484	N/A
Less: Pledged deposits	(5,673)	N/A
	194,811	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 fourth interim financial report announced in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad. There are no comparative figures for the preceding corresponding year as there is no interim financial report prepared for the comparative year concerned.

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 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 fourth 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 year.

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 year:

- 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 FOURTH QUARTER ENDED 31 DECEMBER 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 year 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 year 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 year to date under review.



## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 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 year 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 and investment
  - Development and sales of residential properties.
  - Letting of property.
- (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.

	<b>Property development and investment RM'000</b>	<b>Investment holdings and others RM'000</b>	<b>Total RM'000</b>
Financial year to date ended 31 December 2023			
<b>Revenue</b>			
Total revenue	128,261	51,342	179,603
- Inter-segment revenue	-	(51,342)	(51,342)
Revenue from external parties	128,261	-	128,261
<b>Results</b>			
Segment profit/(loss)	32,167	(12,366)	19,801
- Inter-segment elimination	(25,656)	25,656	-
Profit before taxation	6,511	13,290	19,801
Taxation	(4,507)	2,929	(1,578)
Net profit for the financial year	2,004	16,219	18,223

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

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

	Property development and investment RM'000	Investment holdings and others RM'000	Total RM'000
Financial year to date ended 31 December 2023 (Cont'd)			
<b>Assets</b>			
Segment assets	631,789	266,488	898,277
Deferred tax assets and current tax assets	18,606	1,140	19,746
Total assets	<u>650,395</u>	<u>267,628</u>	<u>918,023</u>
<b>Liabilities</b>			
Segment liabilities	123,109	1,250	124,359
Deferred tax liabilities and current tax liabilities	247	471	718
Total liabilities	<u>123,356</u>	<u>1,721</u>	<u>125,077</u>

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

### A9. Valuation of Investment Property

In line with the Group's adoption of fair value method in relation to its investment property, the Group's investment property was revalued by Knight Frank Malaysia Sdn. Bhd. during the current quarter and financial year to date under review.

### A10. Subsequent Events

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

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

There were no changes in the composition of the Group during the current quarter under review.

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

### A12. 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 31 December 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 31 December 2023 and 31 December 2022.

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

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
<b>Level 3</b>		
<b>Non-financial assets</b>		
- Investment property	83,000	-
<b>Financial assets</b>		
- Unquoted share	10,584	10,584
- Short-term investments	151,376	-
	<u>244,960</u>	<u>10,584</u>

#### (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 FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

### A13. Revenue

Current year to date ended 31.12.2023 RM'000	Preceding year to date ended 31.12.2022 RM'000
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Disaggregation of the Group's revenue from contracts with customers:

Timing of revenue recognition

- over time

118,519	N/A
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- at point in time

9,742	N/A
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128,261	N/A
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### A14. Commitments

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

### A15. Related Party Transactions

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

Related parties	Nature of transactions	Current quarter ended 31.12.2023 RM'000	Current year to date ended 31.12.2023 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	3,341	25,293

### A16. Changes in Contingent Liabilities and Assets

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

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 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 year to date**

	Current quarter ended 31.12.2023 RM'000	Comparative quarter ended 31.12.2022 RM'000	Changes %	Current year to date ended 31.12.2023 RM'000	Preceding year to date ended 31.12.2022 RM'000	Changes %
Revenue	28,269	N/A	N/A	128,261	N/A	N/A
Gross Profit	5,477	N/A	N/A	40,448	N/A	N/A
Profit Before Tax ("PBT")	15,770	N/A	N/A	19,801	N/A	N/A

The Group registered a revenue, gross profit and PBT of RM28.3 million, RM5.5 million, RM15.8 million respectively during the current quarter. There were mainly contributed by the recognition of work done in Suite Canselor and Residensi Desa Timur projects, a fair value gain of investment property of RM33.1 million, an offset against the net credit loss on revocation of sales of Residensi Platinum Mira project amounting to RM11.3 million and writing off of sales commission and legal fee amounting to RM3.3 million in relates to Residensi Platinum Mira project.

The Group registered revenue, gross profit and PBT of RM128.3 million, RM40.4 million and RM19.8 million respectively in current year to date. These were mainly contributed by the recognition of work done in Residensi Vista Sentul, Suite Canselor and Residensi Desa Timur projects, fair value gain of investment property of RM33.1 million, an offset against one-off expenses of net credit loss on revocation of sales, write off of related expenses as mentioned above, a restitution cost and listing expenses which amounts to RM11.3 million, RM3.3 million, RM6.2 million and RM3.6 million respectively. During the current quarter and financial year under review, the Group has changed its intention to retain the usage of its project land for Residensi Platinum Mira project under investing purposes and resulted the said land being rented to a third party to yield recurring investment income.

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

	Current quarter ended 31.12.2023 RM'000	Immediate preceding quarter ended 30.9.2023 RM'000	Changes %
Revenue	28,269	46,782	(40)
Gross Profit	5,477	10,373	(47)
PBT/Loss Before Tax ("LBT")	15,770	(1,527)	>100%

The Group registered revenue of RM28.3 million and gross profit of RM5.5 million in current quarter compared with revenue of RM46.8 million and gross profit RM10.4 million in immediate preceding quarter, representing a decrease of RM18.5 million or 40% in revenue and a decrease of RM4.9 million or 47% in gross profit. During the current quarter under review, the commencement of both Residensi Desa Timur and Suite Canselor projects are transitioning from pilling work to main building work which caused a lower recognition of revenue and gross profit to the Group.

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

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

The Group registered PBT of RM15.8 million in current quarter compared with LBT of RM1.5 million in immediate preceding quarter, representing an increase of RM17.3 million or 11.5 times in PBT/(LBT). The significant improvement in PBT was mainly due to fair value gain of investment property of RM33.1 million and offset against net credit loss on revocation of sales of Residensi Platinum Mira project amounting to RM11.3 million and writing off of sales commission and legal fee amounting to RM3.3 million in relates to Residensi Platinum Mira project.

### B2. Group's Prospect

#### Prospects for the year 2024

On 26 December 2023, AmlInvestment Bank Berhad expects an average profit increase of 27% for property developers in 2024, spurred by accelerated progress billings due to reduced labour shortages alongside stabilised construction costs, and a pause in interest rate hikes. Malaysian property stocks have experienced depressed valuations over the past three years due to negative headwinds. However, stabilisation of building material costs and higher availability of foreign labour on construction sites have alleviated these issues. These support an accelerated pace of construction works for ongoing projects, enhancing property developers' ability to recognise progress billings in 2023-2024.

While inflation remains a concern, analysts believe it is manageable as the market adapts to the new environment.

The Urban Renewal Implementation Guidelines (Garis Panduan Pelaksanaan Pembaharuan Semula Bandar, GPP PSB), launched by the Housing and Local Government Ministry (KPKT) in September 2023 is seen as a precursor to the Urban Renewal Act, which is expected to be tabled in 2024. Instead of requiring 100% consent for en-bloc sales, KPKT is proposing a 75% consent threshold to streamline the urban renewal process. The Group is optimistic that the above-mentioned initiatives will increase affordable homes demand in Klang Valley.

The Group's key contributors for the performance for the year 2024 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. Meanwhile, the Group anticipates the launch of a new project at Old Klang Road in the first half of 2024 and intend to launch a joint venture development in Mukim Batu by end of the year 2024.

In response to the evolving property development landscape, the Group is actively pursuing opportunities to expand our landbank and explore joint ventures, particularly in the Klang Valley, to meet the growing demand for residential properties. We are identifying land banks with development consents to bolster our land banking needs and are exploring new ventures to diversify our revenue streams.

The Group is cautiously optimistic that the financial performance of the year 2024 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 year to date under review.

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

### B4. Tax expense

	Current quarter ended 31.12.2023 RM'000	Current year to date ended 31.12.2023 RM'000
Current period provision	5,916	14,053
Over provision in prior year	-	(11,991)
	<u>5,916</u>	<u>2,062</u>
Deferred taxation	(745)	(6,484)
Real property gain tax	-	6,000
	<u>5,171</u>	<u>1,578</u>

The effective tax rate for the current quarter and financial year 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 year 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”) have agreed 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 FOURTH QUARTER ENDED 31 DECEMBER 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 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 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.

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.

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

The status of the utilisation of proceeds from the Initial Public Offering (IPO) as at 31 December 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 financial year under review.



EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

**B7. Group Borrowings and Debt Securities**

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

	Non-current RM'000	Current RM'000	Total RM'000
<b>As at 31.12.2023</b>			
<b>Secured</b>			
<u>Islamic:</u>			
Term loans	-	9,382	9,382
Bank overdrafts	-	-	-
	-	9,382	9,382
<u>Conventional:</u>			
Term loans	23,337	6,330	29,667
Hire purchase	310	117	427
	23,647	6,447	30,094
<b>Total secured</b>	23,647	15,829	39,476
<b>Total borrowings</b>	23,647	15,829	39,476
<b>As at 31.12.2022</b>			
<b>Secured</b>			
<u>Islamic:</u>			
Term loans	18,481	5,815	24,296
Bank overdrafts	-	26	26
	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>	50,715	17,236	67,951
<b>Unsecured</b>			
<u>Islamic:</u>			
Revolving credit	-	30,000	30,000
<b>Total unsecured (b)</b>	-	30,000	30,000
<b>Total borrowings (a) + (b)</b>	50,715	47,236	97,951

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

During the financial year, the decrease in the borrowings was mainly due to repayment of term loans and revolving credit.

## EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 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, the 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 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.

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.

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)**

**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 year 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.

	<b>Current quarter ended 31.12.2023</b>	<b>Comparative quarter ended 31.12.2022</b>	<b>Current year to date ended 31.12.2023</b>	<b>Preceding year to date ended 31.12.2022</b>
Profit attributable to owners of the Company (RM'000)	7,890	N/A	17,159	N/A
Weighted average number of ordinary shares in issue ('000)	3,468,000	N/A	3,108,910	N/A
Basic EPS (sen)	0.23	N/A	0.55	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 fourth interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year as there is no interim financial report prepared for the comparative quarter and year 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 FOURTH QUARTER ENDED 31 DECEMBER 2023 (CONT'D)

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

	Current quarter ended 31.12.2023 RM'000	Current year to date ended 31.12.2023 RM'000
Depreciation of property, plant and equipment	(493)	(1,617)
Depreciation of right-of-use assets	(292)	(1,226)
Deposit written off	(19)	(19)
Finance costs	(992)	(4,887)
Gain on disposal of short-term investments	101	101
Gain on lease modification	-	1
Fair value gain of:		
- short-term investments	947	1,868
- investment property	33,077	33,077
Finance income	1,610	4,771

### 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

22 February 2024