



RADIUM DEVELOPMENT BERHAD

Registration No.: 201301009006 (1038848-V)

INTERIM FINANCIAL REPORT

FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Unaudited As at 31.12.2024 RM'000	Audited As at 31.12.2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		49,735	41,704
Investment properties		86,554	83,000
Right-of-use assets		1,341	951
Inventories		35,375	-
Goodwill		1,701	1,600
Other investment		10,584	10,584
Deferred tax assets		9,781	5,892
Trade and other receivables		2,956	10,351
		<u>198,027</u>	<u>154,082</u>
Current Assets			
Inventories		325,296	270,467
Current tax assets		10,921	13,990
Trade and other receivables		125,660	107,302
Contract cost		19,287	13,698
Contract asset		39,405	6,336
Short-term investments		27,633	151,376
Cash and short-term deposits		216,867	199,671
		<u>765,069</u>	<u>762,840</u>
TOTAL ASSETS		<u>963,096</u>	<u>916,922</u>
EQUITY AND LIABILITIES			
Share capital		465,943	465,943
Retained earnings		301,697	322,327
Equity attributable to owners of the Company		<u>767,640</u>	<u>788,270</u>
Non-controlling interests		8,305	4,316
Total Equity		<u>775,945</u>	<u>792,586</u>
Non-Current Liabilities			
Loans and borrowings	B7	73,598	23,647
Lease liabilities		627	407
Deferred tax liabilities		-	60
		<u>74,225</u>	<u>24,114</u>
Current Liabilities			
Loans and borrowings	B7	26,301	15,829
Lease liabilities		743	579
Current tax liabilities		1	674
Trade and other payables		85,881	83,140
		<u>112,926</u>	<u>100,222</u>
Total Liabilities		<u>187,151</u>	<u>124,336</u>
TOTAL EQUITY AND LIABILITIES		<u>963,096</u>	<u>916,922</u>
Net assets per share attributable to owners of the Company (RM)		<u>0.22</u>	<u>0.23</u>
Number of outstanding ordinary shares in issue ('000)		<u>3,468,000</u>	<u>3,468,000</u>

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR FOURTH QUARTER ENDED 31 DECEMBER 2024**

		Current quarter ended 31.12.2024	Comparative quarter ended 31.12.2023	Current year to date ended 31.12.2024	Preceding year to date ended 31.12.2023
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	A13	46,199	28,269	152,816	128,261
Cost of sales		(31,570)	(23,272)	(105,945)	(88,293)
Gross profit		14,629	4,997	46,871	39,968
Other income		5,252	35,769	12,682	40,098
Marketing expenses		(3,747)	(6,384)	(13,887)	(18,998)
Administrative expenses		(5,269)	(6,490)	(17,600)	(19,201)
Other operating expenses		(3)	(11,611)	(76)	(17,660)
Profit from operations		10,862	16,281	27,990	24,207
Finance costs		(1,338)	(992)	(3,092)	(4,887)
Profit before taxation		9,524	15,289	24,898	19,320
Taxation	B4	(366)	(5,050)	(6,859)	(1,457)
Profit for the year, representing total comprehensive income for the year		9,158	10,239	18,039	17,863
Profit / Total comprehensive income attributable to:					
Owners of the Company		6,802	7,530	14,050	16,799
Non-controlling interests		2,356	2,709	3,989	1,064
		9,158	10,239	18,039	17,863
Basic earnings per share attributable to owners of the Company (sen)	B10	0.20	0.22	0.41	0.54

The Unaudited Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR FOURTH QUARTER ENDED 31 DECEMBER 2024**

	<u>Attributable To Owners Of The Company</u>			Non- controlling interests	Total equity
	Share capital	Retained earnings	Total		
Note	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	465,943	322,327	788,270	4,316	792,586
Profit after tax / Total comprehensive income	-	14,050	14,050	3,989	18,039
Transaction with owners of the Company					
Dividend paid to owners of the Company, representing total transactions with owners	A7	-	(34,680)	-	(34,680)
As at 31 December 2024	465,943	301,697	767,640	8,305	775,945
As at 1 January 2023	42,400	340,208	382,608	3,252	385,860
Profit after tax / Total comprehensive income	-	16,799	16,799	1,064	17,863
Transaction with owners of the Company					
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	A7	-	(34,680)	-	(34,680)
Total transactions with owners		423,543	388,863	-	388,863
As at 31 December 2023	465,943	322,327	788,270	4,316	792,586

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to the interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR FOURTH QUARTER ENDED 31 DECEMBER 2024**

	Current year to date ended 31.12.2024	Preceding year to date ended 31.12.2023
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	24,898	19,320
Adjustments for:		
Depreciation of property, plant and equipment	1,806	1,617
Depreciation of right-of-use assets	801	1,226
Fair value gain of:		
- investment property	-	(33,077)
- short-term investments	(3,741)	(1,868)
Finance costs	3,092	4,887
Interest income	(6,156)	(4,802)
Gain on disposal of short-term investments	(434)	(101)
Gain on lease modification	-	(1)
Net loss on revocation of sales	-	11,442
Write-off of:		
- deposit	51	19
- plant and equipment	2	-
Operating profit/(loss) before changes in working capital	20,319	(1,338)
Changes in working capital:		
Inventories	(90,204)	(39,716)
Trade and other receivables	(10,998)	(4,244)
Contract assets	(33,069)	66,024
Contract cost	(5,589)	(9,249)
Trade and other payables	2,638	(28,850)
Net cash used in operations	(116,903)	(17,373)
Interest received	6,156	4,720
Interest paid	(9)	(1,732)
Income tax paid	(10,094)	(28,560)
Income tax refunded	1,682	-
Net cash used in operating activities	(119,168)	(42,945)
CASH FLOW FROM INVESTING ACTIVITIES		
Changes in pledged deposits	(670)	1,732
Uplift/(investment) in short-term investments	127,918	(149,407)
Purchase of property, plant and equipment	(9,242)	(39,800)
Additional of investment property under construction	(3,554)	-
Net cash from/(used in) investing activities	114,452	(187,475)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR FOURTH QUARTER ENDED 31 DECEMBER 2024 (CONT'D)**

	Current year to date ended 31.12.2024	Preceding year to date ended 31.12.2023
	RM'000	RM'000
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid to owners of the Company	(34,680)	(34,680)
Proceeds from issuance of shares	-	434,000
Payment of share issuance expenses	-	(10,457)
Payment of lease liabilities	(807)	(1,256)
Drawdown of term loans	45,946	50,340
Repayment of term loans	(23,753)	(78,687)
Drawdown of bridging loans	100,418	-
Repayment of bridging loans	(85,187)	-
Revolving credit - net of drawdown/(repayment)	22,525	(30,000)
Repayment of hire purchase payables	(123)	(102)
Interest paid	(3,083)	(2,325)
Net change in amount owing to a related party	(14)	14
Net cash from financing activities	21,242	326,847
Net increase in cash and cash equivalents	16,526	96,427
Cash and cash equivalents at beginning of the financial year	192,256	95,829
Cash and cash equivalents at end of the financial year	208,782	192,256
Cash and cash equivalents comprised of:		
Cash and bank balances	208,568	192,106
Short-term deposits	8,299	7,565
	216,867	199,671
Less: Pledged deposits	(8,085)	(7,415)
	208,782	192,256

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to the interim financial report.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

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").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to the 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 2023, 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:

- Amendments 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 *Presentation of Financial Statements – Non-current Liabilities with Covenants*
- Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures – Supplier Finance Arrangements*

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

(b) Amendments to MFRSs not adopted

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*

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

A2. Significant accounting policies (Cont'd)

(b) Amendments to MFRSs not adopted (Cont'd)

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*
- Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7 *Financial Instruments: Disclosures*
 - Amendments to MFRS 9 *Financial Instruments*
 - Amendments to MFRS 10 *Consolidated Financial Statements*
 - Amendments to MFRS 107 *Statement of Cash Flows*

MFRSs effective for annual periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*
- MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

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 2024

A6. Changes in debts and equity securities

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 2024 of 1.0 sen per ordinary share, amounting to RM34.7 million was paid on 19 April 2024.

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 information technology related services 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 and investment RM'000	Investment holdings and others RM'000	Total RM'000
Current year to date ended 31 December 2024			
Revenue			
Total revenue	152,816	23,909	176,725
- Inter-segment revenue	-	(23,909)	(23,909)
Revenue from external parties	152,816	-	152,816
Results			
Segment profit/(loss)	30,870	(5,972)	24,898
- Inter-segment elimination	(17,553)	17,553	-
Profit before taxation	13,317	11,581	24,898
Taxation	(4,517)	(2,342)	(6,859)
Net profit for the financial year	8,800	9,239	18,039

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

A8. Segmental Information (Cont'd)

	Property development and investment RM'000	Investment holdings and others RM'000	Total RM'000
<u>Preceding year to date ended 31 December 2023</u>			
Revenue			
Total revenue	128,261	51,342	179,603
- Inter-segment revenue	-	(51,342)	(51,342)
Revenue from external parties	128,261	-	128,261
Results			
Segment profit/(loss)	31,686	(12,366)	19,320
- Inter-segment elimination	(25,656)	25,656	-
Profit before taxation	6,030	13,290	19,320
Taxation	(4,386)	2,929	(1,457)
Net profit for the financial year	1,644	16,219	17,863
<u>As at 31 December 2024</u>			
Assets			
Segment assets	760,652	181,742	942,394
Deferred tax assets and current tax assets	18,890	1,812	20,702
Total assets	779,542	183,554	963,096
Liabilities			
Segment liabilities	175,867	11,283	187,150
Deferred tax liabilities and current tax liabilities	1	-	1
Total liabilities	175,868	11,283	187,151
<u>As at 31 December 2023</u>			
Assets			
Segment assets	630,495	266,545	897,040
Deferred tax assets and current tax assets	18,742	1,140	19,882
Total assets	649,237	267,685	916,922
Liabilities			
Segment liabilities	122,296	1,306	123,602
Deferred tax liabilities and current tax liabilities	263	471	734
Total liabilities	122,559	1,777	124,336

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

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

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

Internal reorganisation of Mayang Sepakat Sdn. Bhd. ("Mayang Sepakat")

On 22 October 2024, Montanica Development Sdn. Bhd. ("Montanica Development"), a wholly-owned subsidiary of the Company, acquired 2,000,000 ordinary shares representing 100% equity interest of Mayang Sepakat from Hektar Stabil Sdn. Bhd., an indirect subsidiary of the Company, for a total cash consideration of RM2,000,000. Following the internal reorganisation, Mayang Sepakat became a wholly-owned subsidiary of Montanica Development.

A12. Fair value measurement

(a) Financial instruments that are carried at fair value

Financial assets at Fair Value Through Profit or Loss 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 2024 and 31 December 2023.

- (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 2024 and 31 December 2023.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

A12. Fair value measurement (Cont'd)

(a) Financial instruments that are carried at fair value (Cont'd)

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

	As at 31.12.2024 RM'000	As at 31.12.2023 RM'000
Level 3		
Non-financial assets		
- Investment property	83,000	83,000
Financial assets		
- Unquoted share	10,584	10,584
- Short-term investments	27,633	151,376
	<u>121,217</u>	<u>244,960</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.

A13. Revenue

	Current year to date ended 31.12.2024 RM'000	Preceding year to date ended 31.12.2023 RM'000
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Disaggregation of the Group's revenue from contracts with customers:

Timing of revenue recognition		
- over time	152,816	118,519
- at point in time	-	9,742
	<u>152,816</u>	<u>128,261</u>

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

A14. Commitments

Save as disclosed below, there were no material capital commitments during the current quarter and financial year to date under review.

Capital commitment not provided for in the financial year as at 31 December 2024 is as follows:

	As at 31.12.2024 RM'000	As at 31.12.2023 RM'000
Approved and contracted but not provided for:		
- Acquisition of land held for property development	443,701	-
- Acquisition of property, plant and equipment	22,950	-
	<u>466,651</u>	<u>-</u>

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 31.12.2024 RM'000	Current year to date ended 31.12.2024 RM'000
Alfa Sutramas Sdn. Bhd.	Interest income	324	1,297
Southern Score Sdn. Bhd.	Provision of main construction management services	(443)	(1,417)
Megan Projek Sdn. Bhd.	Rental expenses	<u>(178)</u>	<u>(645)</u>

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 2024

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 31.12.2024 RM'000	Comparative quarter ended 31.12.2023 RM'000	Changes %	Current year to date ended 31.12.2024 RM'000	Preceding year to date ended 31.12.2023 RM'000	Changes %
Revenue	46,199	28,269	63	152,816	128,261	19
Gross Profit	14,629	4,997	193	46,871	39,968	17
Profit Before Tax ("PBT")	9,524	15,289	(38)	24,898	19,320	29

For the current quarter under review ("4QFY2024"), the Group registered revenue of RM46.2 million, gross profit of RM14.6 million, and PBT of RM9.5 million, compared to revenue of RM28.3 million, gross profit of RM5.0 million, and PBT of RM15.3 million in the comparative quarter ("4QFY2023"), representing an increase of RM17.9 million or 63% in revenue, an increase of RM9.6 million or 193% in gross profit, and a decrease of RM5.8 million or 38% in PBT. The Group revenue in 4QFY2024 was primarily driven by our ongoing projects, namely the Suite Canselor, Residensi Desa Timur and Radium Arena projects. Meanwhile, revenue in 4QFY2023 was mainly contributed by the Suite Canselor and Residensi Desa Timur project, which were transitioning from piling work to main building work which caused a lower recognition of revenue and gross profit to the Group. The lower PBT in 4QFY2024 was mainly due to the absence of a one-off fair value gain of investment property of RM33.1 million recognised in 4QFY2023.

For the current year to date under review ("FY2024"), the Group registered revenue of RM152.8 million, gross profit of RM46.9 million, and PBT of RM24.9 million, compared to revenue of RM128.3 million, gross profit of RM40.0 million, and PBT of RM19.3 million in the preceding year to date ("FY2023"), representing an increase of RM24.5 million or 19% in revenue, an increase of RM6.9 million or 17% in gross profit, and an increase of RM5.6 million or 29% in PBT. The improved performance in FY2024 was mainly contributed by our ongoing projects, namely the Suite Canselor, Residensi Desa Timur and Radium Arena projects. Additionally, the marketing expenses decreased from RM19.0 million in FY2023 to RM13.9 million in FY2024 driven by better cost control on marketing related expenses in the Group.

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

	Current quarter ended 31.12.2024 RM'000	Immediate preceding quarter ended 30.9.2024 RM'000	Changes %
Revenue	46,199	48,454	(5)
Gross Profit	14,629	12,624	16
PBT	9,524	7,729	23

The Group registered revenue of RM46.2 million, gross profit of RM14.6 million, and PBT of RM9.5 million in 4QFY2024, compared with revenue of RM48.5 million, gross profit of RM12.6 million, and PBT of RM7.7 million in the immediate preceding quarter ("3QFY2024"), representing a decrease of RM2.3 million or 5% in revenue, an increase of RM2.0 million or 16% in gross profit, and an increase of RM1.8 million or 23% in PBT.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

B1. Review of Performance (Cont'd)

During the current quarter under review, the performance was mainly driven by its on-going projects, namely the Suite Canselor and Residensi Desa Timur projects. Both projects commenced their respective main building works at the beginning of the current financial year, which has contributed significantly to the Group's revenue.

B2. Group's Prospect

Prospects for the year 2025

According to official advance estimates by the Department of Statistics Malaysia, Malaysia's economy expanded 4.8% in the fourth quarter of 2024, driven by strong domestic demand, recovering external factor as well as strategic investments in areas like renewable energy and digital infrastructure. For 2024, economic growth is projected at 5.1%, an improvement from 3.6% in 2023. Meanwhile, the annual inflation rate for 2024 stood at 1.8%, marking the second consecutive year of decline since 2022. Bank Negara Malaysia maintained the Overnight Policy Rate (OPR) at 3.00%, signalling continued support for economic growth.

For 2025, the Group's performance will be primarily driven by the Residensi Wilayah components and Suite Apartment components of Residensi Desa Timur, with a combined estimated gross development value ("GDV") of RM1 billion. Additionally, the Group has recently launched Radium Arena, a 988-unit Suite Apartment located in Old Klang Road, and plans to unveil a joint venture development in Mukim Batu in the second half of 2025, with a potential GDV of RM400 million.

In line with its growth strategy, the Group continues to strategically replenish its landbank in the Klang Valley. In November and December 2024, the Group signed conditional sale and purchase agreements to acquire:

- (a) 3 parcels of 13.16-acre contiguous land in Cheras, Kuala Lumpur with a potential GDV of RM2.54 billion; and
- (b) a parcel of 2.56-acre land in Ampang, Selangor with a projected GDV of RM470 million.

Beyond the Group's core development business, it is actively exploring new property-related business ventures, that generate recurring income, contributing to business diversification and revenue sustainability.

Barring any unforeseen circumstances, the Board remains confident in the Group's performance for the financial year 2025, driven by anticipated growth in contributions from both ongoing and upcoming development projects.

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 2024

B4. Tax expense

	Current quarter ended 31.12.2024 RM'000	Current year to date ended 31.12.2024 RM'000
Current period provision	2,452	10,729
Under provision in prior year	-	79
	<u>2,452</u>	<u>10,808</u>
Deferred taxation	(2,086)	(3,949)
	<u>366</u>	<u>6,859</u>

The effective tax rate for the current quarter is lower than the statutory tax rate of 24% mainly due to recognition of deferred tax on tax losses and temporary differences. Meanwhile, the effective tax rate for the current year to date is higher than the statutory tax rate of 24% primary due to non-deductibility of certain expenses and losses in certain subsidiaries that are not available to offset against taxable profits in other subsidiaries within the Group.

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 2024

B5. Status of corporate proposals (Cont'd)

(a) Joint Venture Arrangement (“JVA”) with Kadar Jutajaya Sdn. Bhd. (Cont'd)

On 20 September 2024, the Parties have agreed to further extend the period for fulfilment of Condition Precedent for a further twelve (12) months commencing from 20 September 2024 to 19 September 2025 (“Second Extension of Time”), subject to interest of ten percent (10%) per annum calculated on daily basis based on the unpaid landowner’s entitlement.

The JVA is pending completion.

(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 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.

The LOI is pending completion.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

B5. Status of corporate proposals (Cont'd)

(c) Acquisition of three (3) pieces of land by Radium J Velodrome Sdn. Bhd.

On 25 November 2024, the Company announced that its indirect wholly-owned subsidiary, Radium J Velodrome Sdn. Bhd., had on even date entered into a conditional Sale and Purchase Agreement with Dupion Development Sdn. Bhd. for the proposed acquisition of the following 3 parcels of contiguous leasehold land:

- (i) a piece of 99-year leasehold land expiring on 16 July 2113 held under Pajakan Negeri 52861 Lot 480881, Tempat Velodrom Cheras, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 49,800 square metres (12.30 acres) bearing postal address Lot 480881, Jalan Yaacob Latif, Bandar Tun Razak, 56000 Wilayah Persekutuan Kuala Lumpur;
- (ii) a piece of 99-year leasehold land expiring on 23 June 2115 held under Pajakan Negeri 52880 Lot 481143, Tempat Jalan Cheras, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 2,625 square metres (0.65 acres) bearing postal address Lot 481143, Jalan Yaacob Latif, Bandar Tun Razak, 56000 Wilayah Persekutuan Kuala Lumpur; and
- (iii) a piece of 99-year leasehold land expiring on 23 June 2115 held under Pajakan Negeri 52879 Lot 481144, Tempat Jalan Cheras, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 835 square metres (0.21 acres) bearing postal address Lot 481144, Jalan Yaacob Latif, Bandar Tun Razak, 56000 Wilayah Persekutuan Kuala Lumpur,

for a total purchase consideration of RM458.0 million, to be satisfied entirely in cash ("Proposed Acquisition").

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Acquisition is expected to be completed by the first quarter of 2025.

Details of the Proposed Acquisition are contained in the earlier announcement made on 25 November 2024.

(d) Acquisition of one (1) piece of land by Mayang Sepakat Sdn. Bhd.

On 3 December 2024, the Company's indirect wholly-owned subsidiary, Mayang Sepakat Sdn. Bhd. ("Purchaser"), entered into a conditional Sale and Purchase Agreement ("SPA") with Majlis Perbandaran Ampang Jaya ("Vendor") to acquire a piece of leasehold land expiring on 6 August 2108 held under PN110508, Lot No. 62019 Seksyen 15, Bandar Ampang, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring approximately 2.56 acres (10,359 metre squares) in area ("the Land") for a total purchase consideration of RM45,000,888 ("Purchase Consideration") subject to the terms and conditions therein the SPA.

The Purchase Consideration shall be paid in the following manner:

- (i) 30% of Purchase Consideration amounting to RM13,500,266.40 was paid as deposit on 2 October 2024; and

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

B5. Status of corporate proposals (Cont'd)

(d) Acquisition of one (1) piece of land by Mayang Sepakat Sdn. Bhd. (Cont'd)

The Purchase Consideration shall be paid in the following manner: (Cont'd)

- (ii) Balance purchase price amounting to RM31,500,621.60 to be paid within three (3) months from the Unconditional Date (defined herein) of the SPA, with an extension of three (3) months subject to interest at the rate of 8% per annum calculated on a daily basis only on the unpaid balance of the balance purchase price.

The SPA is subject to the following conditions precedent:

- (i) The SPA shall be conditional upon the Vendor having obtained the unconditional written consent and/or approvals from the appropriate authorities consenting to the transfer of the Land from the Vendor to the Purchaser ("the Letter(s) of Approval") within six (6) months from the date of SPA ("Conditional Period") and/or the extended period of three (3) months commencing immediately upon expiry of the Conditional Period ("Extended Conditional Period") and/or the further Extended Conditional Period as may be granted by the Purchaser at the Purchaser's discretion, as the case may be.
- (ii) The SPA shall become unconditional on the date of the Purchaser's Solicitors' receipt of the original Letters of Approval in favour of the Purchaser ("Unconditional Date").

The SPA is pending completion.

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 2024 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
Acquisition of landbank and/or development expenditure	171,000	162,451	-	8,549	Within 36 months
Repayment of bank borrowings	93,870	93,870	-	-	Within 24 months
Hotel construction	109,300	15,182	-	94,118	Within 36 months
Working capital	39,830	35,000	3,017*	7,847	Within 24 months
Estimated listing expenses	20,000	16,983	(3,017)*	-	Immediate
Total	434,000	323,486	-	110,514	

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.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

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
As at 31.12.2024			
Secured			
<u>Islamic:</u>			
Bridging loan	-	7,761	7,761
Revolving credit	-	7,514	7,514
	-	15,275	15,275
<u>Conventional:</u>			
Bridging loan	7,414	56	7,470
Term loans	50,510	10,732	61,242
Hire purchase	674	227	901
Revolving credit	15,000	11	15,011
	73,598	11,026	84,624
Total secured / Total borrowings	73,598	26,301	99,899
As at 31.12.2023			
Secured			
<u>Islamic:</u>			
Term loans	-	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
Total secured / Total borrowings	23,647	15,829	39,476

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

During the financial year, the increase in the borrowings were used for working capital purpose.

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.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

B8. Material Litigation (Cont'd)

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

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 ("the Court"). 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 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 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 Court has on 3 January 2024 allowed the application to intervene hence 104 individual purchasers of Block A were added as co-defendants ("the Co-defendants").

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

B8. Material Litigation (Cont'd)

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

On 5 March 2024, the Defendant filed an application for the disposal of the Plaintiffs' case on points of law ("Order 14A Application") and the hearing date was scheduled on 19 June 2024. Following the same, the Co-defendants also filed a separate application for the disposal of the Plaintiffs' case on points of law ("Co-defendants Application").

After numerous court's dates, on 4 October 2024, the date fixed for decision of Order 14A Application and Co-defendants Application, the court decided in favour of all the Defendants, i.e. need not to establish/construct two (2) separate entrances since the management corporation had been established.

On the same date, 4 October 2024, the Court proceeded to fix 29 November 2024 for:

- (I) case management on issue of defects and rectification works together with misrepresentation; and
- (II) hearing of the Plaintiffs' application to adduce supplementary affidavit (application to file additional affidavit by the Plaintiffs) (Plaintiffs' application filed prior to the decision of Order 14A Application and Co-defendants Application).

On 29 November 2024, the date was fixed for both case management for (I) and hearing of (II) above.

For case management of (I), on issue of misrepresentation and defects & rectification works, the Court gave directions as follows:

1. 28 February 2025: both parties are to file their respective Bundle of Documents on or before this date;
2. 14 March 2025: both parties are to file their respective Agreed Facts and Issues to be Tried on or before this date; and
3. The next case management date is 26 March 2025, and the trial dates on 19 April 2027 to 22 April 2027.

For hearing of (II), the Plaintiffs had withdrawn their application.

As at the date of this report, there is no expected material financial 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 year to date.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31 DECEMBER 2024

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 31.12.2024	Comparative quarter ended 31.12.2023	Current year to date ended 31.12.2024	Preceding year to date ended 31.12.2023
Profit attributable to owners of the Company (RM'000)	6,802	7,530	14,050	16,799
Weighted average number of ordinary shares in issue ('000)	3,468,000	3,468,000	3,468,000	3,108,910
Basic EPS (sen)	0.20	0.22	0.41	0.54

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

B11. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statement for the financial year ended 31 December 2023 was not subject to any qualification.

B12. Items included in the Statement of Profit or Loss

	Current quarter ended 31.12.2024 RM'000	Current year to date ended 31.12.2024 RM'000
Depreciation of property, plant and equipment	(563)	(1,806)
Depreciation of right-of-use assets	(211)	(801)
Fair value gain of short-term investments	487	3,741
Finance costs	(1,338)	(3,092)
Gain on disposal of short-term investments	214	434
Interest income	2,313	6,156
Write-off of:		
- deposit	(3)	(51)
- plant and equipment	-	(2)

B13. Derivative Financial Instruments

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



B U I L D I N G G O O D

RADIUM DEVELOPMENT BERHAD

Registration No.: 201301009006 (1038848-V)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR FOURTH QUARTER ENDED 31
DECEMBER 2024**

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**

25 February 2025