



[Registration No.197901003695 (47908-K)]

INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 DECEMBER 2023

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter		Year to Date	
	Current Year	Preceding Year	Current Year to	Preceding Year
	Quarter	Corresponding	Date	Corresponding
Note	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
	RM'000	RM'000	RM'000	RM'000
Revenue	390,462	186,193	1,514,462	942,557
Cost of sales	(279,507)	(38,249)	(1,065,255)	(492,830)
Gross profit	110,955	147,944	449,207	449,727
Other income	28,611	792	152,866	28,917
Selling and marketing expenses	(6,596)	(6,089)	(28,910)	(32,767)
Administrative expenses	(84,147)	(101,751)	(277,247)	(330,248)
Other expenses	(58,892)	(383,700)	(151,082)	(411,927)
Operating (loss)/profit	(10,069)	(342,804)	144,834	(296,298)
Finance income	2,179	6,869	7,106	11,096
Finance costs	(54,664)	(50,017)	(206,406)	(193,412)
Share of results of joint ventures	11,381	6,537	24,315	10,682
Share of results of an associate	(73,493)	(976)	(67,964)	(4,428)
Loss before tax	(124,666)	(380,391)	(98,115)	(472,360)
Income tax	(30,089)	64,480	(41,088)	61,763
Loss for the period	(154,755)	(315,911)	(139,203)	(410,597)
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent period:				
Foreign currency translation	47	(311)	200	(324)
Total comprehensive loss	(154,708)	(316,222)	(139,003)	(410,921)
(Loss)/profit attributable to:				
Owners of the parent	(158,923)	(314,373)	(174,188)	(435,587)
Holders of perpetual bond	11,243	11,339	44,605	42,148
Non-controlling interests	(7,075)	(12,877)	(9,620)	(17,158)
	(154,755)	(315,911)	(139,203)	(410,597)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter		Year to Date	
	Current Year	Preceding Year	Current Year to	Preceding Year
	Quarter	Corresponding	Date	Corresponding
Note	<u>31/12/2023</u>	<u>31/12/2022</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
	RM'000	RM'000	RM'000	RM'000
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(158,876)	(314,684)	(173,988)	(435,911)
Holders of perpetual bond	11,243	11,339	44,605	42,148
Non-controlling interests	(7,075)	(12,877)	(9,620)	(17,158)
	<u>(154,708)</u>	<u>(316,222)</u>	<u>(139,003)</u>	<u>(410,921)</u>
Loss per share attributable to owners of the parent: (sen per share)				
- Basic	B10 (7.30)	(17.56)	(8.01)	(24.73)
- Diluted	B10 (6.36)	(12.97)	(6.98)	(17.97)

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At 31/12/2023 RM'000	As At 31/12/2022 RM'000
Assets			
Non-current assets			
Property, plant and equipment		295,717	822,208
Biological assets		3,676	2,879
Inventories		6,701,472	6,293,893
Investment properties		1,447,766	1,457,968
Right-of-use assets		131,181	161,847
Investment in an associate		-	110,043
Investments in joint ventures		288,388	290,487
Other investments		887	887
Intangible assets		5,648	5,965
Deferred tax assets		307,186	216,951
Trade and other receivables		5,767	5,436
		<u>9,187,688</u>	<u>9,368,564</u>
Current assets			
Inventories		530,105	1,231,325
Trade and other receivables		477,384	305,019
Contract cost assets		282,229	229,571
Contract assets		537,190	298,312
Tax recoverable		9,273	22,068
Cash and bank balances		491,903	649,884
Other investments		174,554	174,630
		<u>2,502,638</u>	<u>2,910,809</u>
Asset classified as held for sale		493,514	-
		<u>2,996,152</u>	<u>2,910,809</u>
Total assets		<u>12,183,840</u>	<u>12,279,373</u>

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As At 31/12/2023 RM'000	As At 31/12/2022 RM'000
Equity and liabilities			
Equity attributable to owners of the parent			
Share capital		3,051,570	2,677,890
Irredeemable convertible preference shares		301,209	466,258
Treasury shares		(28,440)	(28,440)
Other reserves		978,853	1,152,841
		<u>4,303,192</u>	<u>4,268,549</u>
Perpetual bond		660,103	660,004
Non-controlling interests		837,349	826,458
Total equity		<u>5,800,644</u>	<u>5,755,011</u>
Non-current liabilities			
Deferred tax liabilities		550,632	479,284
Borrowings	B7	1,956,855	2,420,194
Trade and other payables		558,371	539,467
Irredeemable convertible preference shares		41,686	70,339
Contract liabilities		126,297	129,739
Lease liabilities		5,848	7,925
		<u>3,239,689</u>	<u>3,646,948</u>
Current liabilities			
Borrowings	B7	1,204,170	1,352,771
Trade and other payables		1,805,713	1,392,304
Irredeemable convertible preference shares		3,754	4,921
Contract liabilities		100,662	117,054
Tax payable		26,788	6,526
Lease liabilities		2,420	3,838
		<u>3,143,507</u>	<u>2,877,414</u>
Total liabilities		<u>6,383,196</u>	<u>6,524,362</u>
Total equity and liabilities		<u>12,183,840</u>	<u>12,279,373</u>
Net assets per share (RM)		<u>1.90</u>	<u>2.17</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	----- Attributable to owners of the parent -----									
	----- Non-distributable -----					Distributable				
	Share Capital RM'000	Irredeemable Convertible Preference Shares RM'000	Treasury Shares RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total Reserves RM'000	Total RM'000	Perpetual Bond RM'000	Non-controlling Interests RM'000	Total Equity RM'000
As at 1 January 2022	2,046,168	1,004,593	(26,103)	156	1,611,330	1,611,486	4,636,144	527,791	820,182	5,984,117
Total comprehensive loss	-	-	-	(324)	(435,587)	(435,911)	(435,911)	-	(17,158)	(453,069)
Distribution for the financial year	-	-	-	-	-	-	-	42,148	-	42,148
Distribution paid for the financial year	-	-	-	-	-	-	-	(39,935)	-	(39,935)
Transactions with owners:										
Acquisition of non-controlling interests	-	-	-	-	(22,734)	(22,734)	(22,734)	-	17,834	(4,900)
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	-	5,600	5,600
Issuance of perpetual bond	-	-	-	-	-	-	-	130,000	-	130,000
Conversion of irredeemable convertible preference shares to ordinary shares	631,722	(538,335)	-	-	-	-	93,387	-	-	93,387
Purchase of treasury shares	-	-	(2,337)	-	-	-	-	-	-	(2,337)
Total transactions with owners	631,722	(538,335)	(2,337)	-	(22,734)	(22,734)	68,316	130,000	23,434	221,750
As at 31 December 2022	2,677,890	466,258	(28,440)	(168)	1,153,009	1,152,841	4,268,549	660,004	826,458	5,755,011
As at 1 January 2023	2,677,890	466,258	(28,440)	(168)	1,153,009	1,152,841	4,268,549	660,004	826,458	5,755,011
Total comprehensive income/(loss)	-	-	-	200	(174,188)	(173,988)	(173,988)	-	(9,620)	(183,608)
Distribution for the financial year	-	-	-	-	-	-	-	44,605	-	44,605
Distribution paid for the financial year	-	-	-	-	-	-	-	(44,506)	-	(44,506)
Transactions with owners:										
Issuance of ordinary shares	180,000	-	-	-	-	-	180,000	-	-	180,000
Issuance of preference shares to non-controlling interests	-	-	-	-	-	-	-	-	17,746	17,746
Disposal of minority interest	-	-	-	-	-	-	-	-	2,765	2,765
Conversion of irredeemable convertible preference shares to ordinary shares	193,680	(165,049)	-	-	-	-	28,631	-	-	28,631
Total transactions with owners	373,680	(165,049)	-	-	-	-	208,631	-	20,511	229,142
As at 31 December 2023	3,051,570	301,209	(28,440)	32	978,821	978,853	4,303,192	660,103	837,349	5,800,644

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2023	31/12/2022
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	(98,115)	(472,360)
Adjustments for:		
Depreciation of property, plant and equipment	28,643	33,041
Depreciation of right-of-use assets	5,480	6,061
Amortisation of intangible assets	220	459
Finance income	(7,106)	(11,096)
Finance costs	206,406	193,412
Fair value (gain)/loss on investment properties	(306)	3,510
Share of results of an associate	67,964	4,428
Share of results of joint ventures	(24,315)	(10,682)
Unrealised profit arising from transaction with a joint venture	-	199
Reversal of impairment loss on trade and other receivables	(26)	(2,830)
Net loss on disposal of asset classified as held for sale	-	459
Loss/(gain) on disposal of property, plant and equipment	397	(12)
Unrealised foreign exchange loss/(gain)	2,295	(685)
Loss/(gain) on disposal of quoted shares	512	(49,836)
Fair value loss on quoted shares	1,309	12,309
Gain on disposal of subsidiaries	(91,682)	-
Property, plant and equipment written off	32	174
Amortisation of deferred license fees	(5,077)	(5,603)
Amortisation of security retainers accumulation fund	11	11
Impairment loss on property, plant and equipment	14,460	4,101
Impairment loss on intangible assets	1,639	-
Impairment loss on trade and other receivables	-	8,616
Bad debt written off	853	884
Biological assets written off	-	17
Loss on lease termination	-	351
Dividend income from other investments	(510)	(855)
Overprovision of property development costs in prior years	-	(34,965)
Inventories written down	100,825	375,723
Land held for property development written off	27,821	4,045
Fair value gain on other investments	(306)	-
Unrealised returns on security retainers accumulation fund	(232)	(224)
Operating profit before working capital changes	231,192	58,652
Changes in working capital:		
Trade and other receivables	(180,337)	173,635
Contract assets	(238,878)	(62,557)
Inventories	416,067	(421,439)
Contract cost assets	(292,606)	45,033
Contract liabilities	(15,515)	66,371
Biological assets	(798)	(1,410)
Trade and other payables	636,175	324,871
Cash generated from operations	555,300	183,156
Finance costs paid	(211,039)	(167,489)
Net taxes paid	(37,968)	(40,341)
Net cash generated from/(used in) operating activities	306,293	(24,674)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	31/12/2023	31/12/2022
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(54,603)	(84,501)
Purchase of investment properties	(6,262)	(5,126)
Proceeds from disposal of quoted shares	59,475	101,909
Proceeds from disposal of property, plant and equipment	4,477	122
Proceeds from disposal of investment property	2,500	-
Proceeds from disposal of asset held for sale	-	17,041
Proceeds from disposal of subsidiaries	72,580	-
Advances to a joint venture	-	(1,646)
Acquisition of quoted shares	(60,914)	(72,312)
Acquisition of non-controlling interests	-	(4,900)
Addition of right of use assets	501	-
Dividend income received	25,570	23,322
Finance income received	7,106	11,096
Net cash generated from/(used in) investing activities	50,430	(14,995)
Cash flows from financing activities		
Payment of borrowing costs	(14,517)	(8,172)
Advances from a shareholder	-	115,151
Prepaid lease	-	(622)
Drawdown from a borrowings	742,167	350,896
Repayment of borrowings	(568,143)	(499,744)
Repayment of principal portion of lease liabilities	(3,299)	(1,289)
Repayment of Islamic Medium Term Notes	(644,500)	-
Uplift/(placement) of debt service reserve, escrow accounts and deposits with licensed banks not available for use	195,348	(182,179)
Proceeds from issuance of perpetual bond	-	130,000
Proceeds from issuance of shares to non-controlling interests	17,746	5,600
Purchase of treasury shares	-	(2,337)
Perpetual bond distribution paid	(44,506)	(39,935)
Net cash used in financing activities	(319,704)	(132,631)
Net increase/(decrease) in cash and cash equivalents	37,019	(172,300)
Effects of foreign exchange rate changes	197	(324)
Cash and cash equivalents at beginning of financial period	263,075	435,699
Cash and cash equivalents at end of financial period*	300,291	263,075

* Cash and cash equivalents at end of financial period comprise the following:

Cash and bank balances	491,903	649,884
Less: Cash and cash equivalents not available for use	(171,521)	(366,869)
Less: Bank overdrafts	(20,091)	(19,940)
Total cash and cash equivalents at end of financial period	300,291	263,075

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and other MFRSs issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group’s audited consolidated financial statements for the financial year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations

The accounting policies adopted for the interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2022 except for the adoption of the following new amendments to MFRSs:

Effective for financial periods beginning on or after 1 January 2023:

MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Insurance Contracts
Amendments to MFRS 17*	Initial Application of MFRS 17 and MFRS 9-Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above amendments to MFRSs did not result in material impact to the interim financial statements of the Group.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A2. Changes in accounting policies arising from adoption of new standards, amendments and interpretations (cont’d.)

The followings are new standards, amendments and interpretations that have been issued by the MASB but have not been early adopted by the Group:

Effective for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 7 and MFRS 107	Supplier Finance Arrangements
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants

Effective for financial periods beginning on or after 1 January 2025:

Amendments to MFRS 121	Lack of Exchangeability
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Effective date deferred to a date to be determined by MASB:

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* These standards are not relevant and applicable to the Group.

A3. Comments about seasonal or cyclical factors

The business operations of the Group were not significantly affected by any seasonal or cyclical factors.

A4. Nature and amount of items affecting assets, liabilities, equity, net income or cash flows that is unusual because of their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

A5. Material changes in estimates

There were no material changes in estimates for the financial period ended 31 December 2023.

A6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the financial period under review.

A7. Dividends

No dividend was paid during the current quarter under review.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A8. Segmental information

Segmental information is presented in respect of the Group’s principal business segments - property development, property management, property investment, recreation and resort and investment holding and others. The geographical information is not presented as the Group’s activities are carried out predominantly in Malaysia.

Business segment analysis for the quarter and financial period ended:

Business Segments	Property development and property management RM'000	Property investment, recreation and resort RM'000	Investment holding and others RM'000	Total RM'000
Individual Quarter				
31 December 2023				
Revenue	322,080	66,941	1,441	390,462
Results from operations	24,388	4,941	(39,398)	(10,069)
Net finance costs	(9,730)	(11,361)	(31,394)	(52,485)
Share of results of an associate	(73,493)	-	-	(73,493)
Share of results of joint ventures	11,381	-	-	11,381
Loss before tax	(47,454)	(6,420)	(70,792)	(124,666)
31 December 2022				
Revenue	138,759	70,244	(22,810)	186,193
Results from operations	(349,084)	8,642	(2,362)	(342,804)
Net finance costs	(9,736)	(14,052)	(19,360)	(43,148)
Share of results of an associate	(976)	-	-	(976)
Share of results of joint ventures	6,537	-	-	6,537
Loss before tax	(353,259)	(5,410)	(21,722)	(380,391)

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A8. Segmental information

Business segment analysis for the quarter and financial period ended (cont'd):

Business Segments	Property development and property management RM'000	Property investment, recreation and resort RM'000	Investment holding and others RM'000	Total RM'000
Year To Date				
31 December 2023				
Revenue	1,118,381	248,923	147,158	1,514,462
Results from operations	7,366	48,704	88,764	144,834
Net finance cost	(51,609)	(54,291)	(93,400)	(199,300)
Share of results of an associate	(67,964)	-	-	(67,964)
Share of results of joint ventures	24,315	-	-	24,315
Loss before tax	(87,892)	(5,587)	(4,636)	(98,115)
31 December 2022				
Revenue	626,800	204,303	111,454	942,557
Results from operations	(341,437)	38,755	6,384	(296,298)
Net finance cost	(57,074)	(52,190)	(73,052)	(182,316)
Share of results of an associate	(4,428)	-	-	(4,428)
Share of results of joint ventures	10,682	-	-	10,682
Loss before tax	(392,257)	(13,435)	(66,668)	(472,360)

A9. Material events subsequent to the end of interim period

There were no material events subsequent to the end of the current quarter up to the date of this report that have not been reflected in the interim financial statements under review.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A10. Changes in composition of the Group

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

A11. Changes in contingent liabilities or contingent assets

Since the last annual audited position as at 31 December 2022, the Group’s contingent liabilities have changed due to the increase of RM109.8million in corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to the subsidiaries of the Group.

Save as disclosed above, there were no other changes in contingent liabilities of the Group.

A12. Capital commitments

The amount of commitments for capital expenditure as at 31 December 2023 is as follows:

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
Capital expenditure:		
Approved and contracted for:		
- Property, plant and equipment	-	24,245
- Investment properties	7,484	9,182
	<u>7,484</u>	<u>33,427</u>
Approved and not contracted for:		
- Property, plant and equipment	6,450	14,200
- Investment properties	4,414	3,622
	<u>10,864</u>	<u>17,822</u>
	<u>18,348</u>	<u>51,249</u>

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B1. Performance review

Quarterly Results

For the current quarter under review, the Group recorded a revenue of RM390.5 million (Q4 2022: RM186.2 million) which was RM204.3 million or 109.7% higher when compared to the corresponding quarter in the preceding year. The significant increase in revenue in the current quarter reflected higher progress billings across key projects in the Klang Valley, Southern and Northern Regions.

The Group recorded a lower loss before tax (“LBT”) of RM124.7 million as compared to RM380.4 million in the corresponding quarter in the preceding year. The losses incurred by the Group in the current quarter was primarily a result of lower recognition on the net property development contribution from a project located in Klang Valley by our Group’s 30% owned associate company. Nonetheless, it is encouraging to note that the project continued to maintain its sales momentum. Further, the Group has continued with cost rationalisation measures resulting in a reduction of general and administrative expenses during the current quarter, which resulted in a lower loss.

Year to date Results

For the financial period ended 31 December 2023, the Group recorded a revenue of RM1,514.5 million, which was RM571.9 million or 60.7% higher when compared to the preceding year. The significant increase in revenue was attributed by higher progress billings across key projects in the Klang Valley, Southern and Northern Regions coupled with the completion of the disposals of land in Kota Kemuning, Kajang and Genting Highlands for a total consideration of RM205.6 million.

The Group’s recorded a lower LBT of RM98.1 million as compared to RM472.4 million which was mainly due to the higher progress billings as mentioned above coupled with completion of the divestment of equity interests held in two subsidiaries. The Group’s property investment, recreation and resort segment has also seen a significant improvement which is evidenced by the increase in the occupancy rates of the hotels owned by the Group.

B2. Variation of results against preceding quarter

The Group recorded a revenue of RM390.5 million for the current quarter, showing a slight decrease of RM12.3 million or 3.1% compared to the preceding quarter ended 30 September 2023. This decline in revenue was primarily attributed to the completion of disposals of land in Kota Kemuning, Kajang and Genting Highlands in the preceding quarter as mentioned above whereby there were no land disposals in the current quarter. Excluding these said land disposals, the revenue in the current quarter would have been higher by RM195.5 million which was contributed by higher sales and progress billings across key projects in the Klang Valley, Southern and Northern Regions which have picked up during this quarter as compared to the preceding quarter.

INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2023

PART B – EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BHD

B2. Variation of results against preceding quarter (cont'd.)

The Group recorded a LBT of RM124.7 million in the current quarter as compared to a profit before tax of RM24.0 million in the preceding quarter ended 30 September 2023 mainly due to the reduction in net property development contribution recognised by the Group 30% owned associate company as mentioned above.

B3. Prospects

Malaysia's economic growth will be supported by continued expansion in domestic demand, benefitting mainly from the realisation of multi-year projects, implementation of catalytic initiatives under the recently announced national master plans and higher inbound tourism activity due to the expected increase in Chinese tourists, which in turn are expected to increase spending and support local businesses. Further, in November 2023, Bank Negara Malaysia announced that the Overnight Policy Rate ("OPR") will be maintained at 3% and at this current OPR level, the monetary policy stance is expected to be accommodative and remains supportive of the economy.

With the continued price hikes of building materials and labour shortage, productivity in the property sector is severely affected. Amidst the current challenging economic environment, a number of factors have a direct and favourable impact on the real estate market in the second half of 2023. The country's overhang numbers, which have decreased in 2023 as compared to 2022 (especially in Klang Valley where the overhang fell by 12% year-on-year), suggested that the housing market is strengthening. Further, the overall real estate market activity increased dramatically in terms of transaction value, indicating high demand for houses, as Malaysia's total property transaction value increased by 2% for landed properties and 22% for non-landed properties in 2023 as compared to 2022. Budget 2024, which was tabled in the Dewan Rakyat in October 2023, is also seen as a catalyst for the property sector, where it proposed relaxation of the Malaysia My Second Home requirements and an increase in funding from RM5 billion to RM10 billion for Skim Jaminan Kredit Perumahan, which will assist about 40,000 borrowers. The Group believes that the demand for properties in prime locations in Tropicana's established, mature and developing townships will persist, with attractive pricing and various promotional packages. Further, the Group expects improved sales especially for its properties in Johor, as a result of the Johor Bahru-Singapore Rapid Transit System Link project, as well as the positive growth effects from the possible resuscitation of the High Speed Rail project, additional ferry crossings, and possibly even a third link bridge. Premised on the expected demand, the Group will continue to launch its properties at strategic locations across the Klang Valley, Genting Highlands, Northern and Southern Regions. Moving forward, the Group will also continue to launch new phases in its established development sites, namely Tropicana Aman, Tropicana Metropark and Tropicana Alam.

The Group will continue to leverage on its various sales initiatives and marketing campaigns to secure more sales and therefore remaining positive and confident on the long-term prospects of its property development business. In addition, the Group will continue to develop and market its properties located at various strategic locations, which will in turn, translates to higher sales and positive contributions to the future earnings of the Group.

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B4. Profit forecast or profit guarantee

No profit forecast or profit guarantee was issued for the financial period.

B5. Income tax

	Individual Quarter		Year to Date	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM'000	RM'000	RM'000	RM'000
Tax expense for the period	(16,377)	(16,972)	(62,702)	(45,816)
(Under)/over provision of tax for previous financial period	670	2,541	670	13,477
Real property gain tax	(4,582)	-	(4,582)	(47)
Deferred tax transfers	(9,800)	78,911	25,526	94,149
Total Group's tax (expense)/benefit	(30,089)	64,480	(41,088)	61,763

The Group's effective tax rate was higher than the statutory tax rate mainly due to non-allowable expenses for tax deduction.

B6. Corporate Proposals

Status of corporate proposals

The following corporate proposals announced by the Company has not been completed as at 20 February 2024, being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report:

- 1) On 15 April 2013, Tropicana Aman Sdn Bhd ("TASB"), a wholly-owned subsidiary of the Company, entered into a sale and purchase cum development agreement with Menteri Besar Selangor (Pemerbadanan) ("MBI") and Permodalan Negeri Selangor Berhad ("PNSB") for the proposed acquisition cum development of 11 parcels of leasehold land, all in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor measuring approximately 1,172.26 acres for a total cash consideration of RM1,297,259,264 ("Proposed Acquisition").

MBI, PNSB and TASB had entered into supplementary agreements in respect of the Proposed Acquisition on 7 August 2014 and 12 March 2015 respectively. As at the date of this report, TASB has paid for 20 sub-divided parcels. The acquisitions for 20 sub-divided parcels are completed. There are remaining 8 parcels of land to be paid.

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B6. Corporate Proposals (cont'd.)

- 2) On 1 November 2021 and 5 November 2021, the Company has announced that Tropicana Alam Sdn Bhd, a wholly-owned subsidiary of the Company, have on 1 November 2021, entered into a joint venture agreement with Puncak Alam Housing Sdn Bhd, a non-related party, to form an unincorporated joint venture for the purpose of developing three parcels of leasehold land, all situated in Mukim of Ijok, District of Kuala Selangor, State of Selangor, having an aggregate area of approximately 362.74 acres.
- 3) On 3 February 2023, the Company has announced that Tropicana GP Views Sdn Bhd (“TGPVSB”), a wholly-owned subsidiary of the Company, have on 3 February 2023 entered into a sale and purchase agreement (“SPA for Disposal 3”) with KSL Medini Development Sdn Bhd (“KSL Medini”), a wholly-owned subsidiary of KSL Holdings Berhad, for the disposal of all that parcel of lands measuring approximately 10.85 acres in area as more particularly described in the SPA for Disposal 3 (“Land 3”) forming part of the master lands held under the following titles:
- (a) H.S.(D) 15095, PTD 15196 to H.S.(D) 15097, PTD 15198, Mukim Jeram Batu, Daerah Pontian, Negeri Johor;
 - (b) H.S.(D) 15098, PTD 15200 to H.S.(D) 15157, PTD 15259, Mukim Jeram Batu, Daerah Pontian, Negeri Johor;
 - (c) H.S.(D) 15159, PTD 15261 to H.S.(D) 15203, PTD 15305, Mukim Jeram Batu, Daerah Pontian, Negeri Johor;
 - (d) H.S.(D) 15229, PTD 15199, Mukim Jeram Batu, Daerah Pontian, Negeri Johor;
 - (e) H.S.(D) 15224, PTD 15344, Mukim Jeram Batu, Daerah Pontian, Negeri Johor; and
 - (f) H.S.(D) 15211, PTD 15314, Mukim Jeram Batu, Daerah Pontian, Negeri Johor, for a purchase consideration of RM21,268,170.00 (“Proposed Disposal 3”).

As at the date of this report, the Proposed Disposal 3 has been completed in accordance with the provisions of the SPA for Disposal 3.

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B6. Corporate Proposals (cont'd.)

Prior to the parties entering into the SPA for Disposal 3, the parties and/or their related companies have entered into 2 earlier transactions, as follows:

- (a) on 8 August 2022, Tropicana Desa Mentari Sdn Bhd (“TDMSB”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (“SPA for Disposal 1”) with KSL Development Sdn Bhd (“KSL Development”), a wholly-owned subsidiary of KSL Holdings Berhad, for the disposal of all that parcel of lands measuring approximately 84.087 acres in area (which includes Zon Penampan (Lot 65682), Zon Penampan (Lot 65683) and Rizab Jalan Sediada) as more particularly described in the SPA for Disposal 1 (“Land 1”) forming part of the master lands held under the following titles :
- (i) Geran Mukim 800, Lot 313, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (ii) Geran Mukim 801, Lot 321, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (iii) Geran Mukim 802, Lot 324, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (iv) Geran Mukim 803, Lot 325, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (v) Geran Mukim 805, Lot 327, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (vi) Geran Mukim 806, Lot 328, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (vii) Geran Mukim 1199, Lot 65678, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (viii) Geran Mukim 1200, Lot 65679, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (ix) Geran Mukim 1201, Lot 65680, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (x) Geran Mukim 1202, Lot 65681, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (xi) Geran Mukim 804, Lot 326, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
 - (xii) Geran Mukim 786, Lot 337, Tempat Pulai, Mukim Pulai, Daerah Johor Bahru, Negeri Johor;
- and
- (xiii) Geran 105314, Lot 797, Mukim Pulai, Daerah Johor Bahru, Negeri Johor, for a purchase consideration of RM109,884,891.60 (“Proposed Disposal 1”).

The Proposed Disposal 1 is conditional upon TDMSB applying for and obtaining the SBKS Approval (as defined in the SPA for Disposal 1) and the issuance of the new individual titles to Land 1 pursuant to the SBKS Approval, as a condition precedent, to be fulfilled within 3 months from the date of the SPA for Disposal 1 subject to an automatic extension of 3 months and a further automatic extension of up to the fulfilment of the said condition precedent with TDMSB paying to KSL Development late payment interest as provided in the SPA for Disposal 1.

As at the date of this report, the said condition precedent has been fulfilled and the Proposed Disposal 1 is pending settlement of the purchase consideration by KSL Development and pending completion, in accordance with the terms of the SPA for Disposal 1; and

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B6. Corporate Proposals (cont'd.)

(b) on 12 September 2022, TGPVSB, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (“SPA for Disposal 2”) with KSL Medini, a wholly-owned subsidiary of KSL Holdings Berhad, for the disposal of all that parcel of lands measuring approximately 53.89 acres in area (not including the Pencawang Masuk Utama (PMU) measuring approximately 5.93 acres in area and Kawasan Hijau/ Zon Penampian measuring approximately 9.04 acres in area) as more particularly described in the SPA for Disposal 2 (“Land 2”) forming part of the master lands held under the following titles :

- (i) Geran Mukim 143, Lot 981, Tempat Batu 23, Bukit Salina;
- (ii) Geran Mukim 142, Lot 982, Tempat Batu 23, Bukit Salina;
- (iii) Geran Mukim 888, Lot 983, Tempat Batu 23, Bukit Salima;
- (iv) Geran Mukim 890, Lot 984, Tempat Batu 23, Bukit Salima;
- (v) Geran Mukim 889, Lot 985, Tempat Batu 23, Pulau Bukit Seliman;
- (vi) Geran Mukim 887, Lot 986, Tempat Batu 23, Bukit Salima;
- (vii) Geran Mukim 891, Lot 987, Tempat Batu 23;
- (viii) Geran Mukim 413, Lot 994, Tempat Batu 23;
- (ix) Geran Mukim 410, Lot 995, Tempat Batu 23; and
- (x) Geran Mukim 418, Lot 996, Tempat Batu 23, Jalan Johor,

all of which are located in the Mukim Jeram Batu, Daerah Pontian, Negeri Johor for a purchase consideration of RM102,935,612.34 (“Proposed Disposal 2”).

The Proposed Disposal 2 is conditional upon the following conditions precedent being fulfilled by TGPVSB :

- (1) to apply and obtain the SBKS Approval (as defined in the SPA for Disposal 2) and the issuance of the new individual titles to Land 2 pursuant to the SBKS Approval;
- (2) to apply and obtain the Earthworks Approval (as defined in the SPA for Disposal 2) in accordance with the provisions of the SPA for Disposal 2;
- (3) where applicable, to pay the Low-Cost Housing Exemption Penalty Fee (as defined in the SPA for Disposal 2) in accordance with the provisions of the SPA for Disposal 2; and
- (4) to pay for the Development Charges (as defined in the SPA for Disposal 2) in accordance with the provisions of the SPA for Disposal 2,

within 6 months from the date of the SPA for Disposal 2 subject to an automatic extension of 3 months and a further automatic extension of up to the fulfilment of the said conditions precedent with TGPVSB paying to KSL Medini late payment interest as provided in the SPA for Disposal 2.

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B6. Corporate Proposals (cont'd.)

As at the date of this report, the said conditions precedent have been fulfilled and the Proposed Disposal 2 is pending settlement of the purchase consideration by KSL Medini and pending completion, in accordance with the terms of the SPA for Disposal 2.

B7. Borrowings

	As at 31/12/2023 RM'000	As at 31/12/2022 RM'000
Secured short term borrowings	1,204,170	1,352,771
Secured long term borrowings	1,956,855	2,420,194
	3,161,025	3,772,965

B8. Material litigation

- 1) On 26 August 2013, the Company received an order from the Arbitral Tribunal to add the Company as a party to the arbitration proceedings between Dijaya-Malind JV (Mauritius) Limited (“DMML”), Dijaya-Malind Properties (India) Private Limited (“DMPPL”) and Starlite Global Enterprise (India) Limited (“SGEIL”) (“Order”).

The arbitration proceedings were previously instituted by DMML and DMPPL against SGEIL to seek the return of the deposit sum and damages arising from termination of the Deed of Novation cum Joint Development Agreement.

The Company appealed to the City Civil Court of Hyderabad against the Order which was dismissed on 2 June 2014. As our legal counsel is in the opinion that the Order is erroneous and wrong in law, the Company has filed a further appeal to the High Court of Judicature of Andhra Pradesh and is pending a hearing date to be set.

- 2) On 25 August 2023, a suit (“Suit”) was brought by RHB Trustees Berhad, Sunway REIT Management Sdn Bhd (“Sunway REIT”) and Sunway Education Group Sdn Bhd (“Sunway Education”) (collectively, “Plaintiffs”) against the Company and Tropicana Education Management Sdn Bhd (“TEM”) (collectively, “Defendants”) in relation to the letter of offer concerning the proposed sale of all that piece of land where the St. Joseph’s Institution International School Malaysia (Tropicana PJ Campus) is located (“Property”) by TEM to Sunway REIT and the proposed sale of all the shares in Tropicana SJII Education Management Sdn Bhd (“TSEM”) by the Company to a “Sunway Group of Company to be identified”. On 10 October 2023, a counterclaim was brought by the Defendants against the Plaintiffs and on 11 October 2023, the Defendants filed a striking out application against the Suit (“SO Application”). The SO Application has been fixed for hearing on 30 April 2024.

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B9. Dividend payable

There was no dividend proposed for the quarter under review.

B10. Loss per share

a) Basic loss per share

Basic loss per ordinary share were calculated by dividing loss for the period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Individual Quarter		Year to Date	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Loss attributable to owners of the parent (RM'000)	(158,923)	(314,373)	(174,188)	(435,587)
Weighted average number of ordinary shares ('000)	2,178,339	1,790,261	2,175,937	1,761,181
Basic loss per share (sen)	(7.30)	(17.56)	(8.01)	(24.73)

b) Diluted loss per share

For the purpose of calculating diluted loss per share, the net loss for the period attributable to owners of the parent and the weighted average number of ordinary shares and ICPS outstanding during the period have been adjusted for the dilutive effects of all potential ordinary shares.

	Individual Quarter		Year to Date	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Loss attributable to owners of the parent (RM'000)	(158,923)	(314,373)	(174,188)	(435,587)
Weighted average number of ordinary shares ('000) for the purpose of diluted earnings per share	2,203,339	1,890,261	2,175,937	1,690,181
Effect of conversion of ICPS to ordinary shares	294,551	533,585	318,188	733,860
Adjusted weighted average number of ordinary shares in issue ('000) for the purpose of diluted earnings per share	2,497,890	2,423,846	2,494,125	2,424,041
Diluted loss per share (sen)	(6.36)	(12.97)	(6.98)	(17.97)

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B11. Notes to the statements of comprehensive income

	Individual Quarter 31/12/2023 RM'000	Year to Date 31/12/2023 RM'000
Profit/(loss) for the period/year is arrived at after (crediting)/charging:-		
Finance income	(2,179)	(7,106)
Finance costs	54,664	206,406
Amortisation of intangible assets	(310)	220
Depreciation of property, plant and equipment	8,388	28,643
Depreciation of right-of-use assets	1,215	5,480
	<hr/>	<hr/>

B12. Auditors' report on preceding annual financial statements

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

B13. Authorisation for issue

The interim financial statements were authorised for issuance by the Board of Directors in accordance with the Directors' resolution dated 27 February 2024.