

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.2022 RM'000	Previous year corresponding quarter 31.12.2021 RM'000	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000
Revenue	63,662	3,473	92,359	18,001
Cost of sales	(59,611)	(3,250)	(82,237)	(22,175)
Gross profit	4,051	223	10,122	(4,174)
Other operating income	405	525	2,137	953
Operating expenses	(6,410)	(6,264)	(13,393)	(7,406)
Loss from operations	(1,954)	(5,516)	(1,134)	(10,627)
Finance costs	(8,911)	(4,489)	(22,482)	(18,175)
Share of results of associate	-	-	-	(2,395)
Loss before tax (Note 25)	(10,865)	(10,005)	(23,616)	(31,197)
Tax expenses (Note 19)	(8,590)	1,376	(8,588)	3,268
Loss for the period	(19,455)	(8,629)	(32,204)	(27,929)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(19,455)	(8,629)	(32,204)	(27,929)
Loss and total comprehensive loss attributable to :				
Owners of the Parent	(19,455)	(8,629)	(32,204)	(27,929)
<b>LOSS PER SHARE (Note 30)</b>				
Basic (sen)	(2.11)	(0.97)	(3.50)	(3.13)
Diluted (sen)	(2.11)	(0.97)	(3.50)	(3.13)

The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION AS AT 31 DECEMBER 2022

	<b>As at 31.12.2022 RM'000</b>	<b>Audited as at 31.12.2021 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	952	1,322
Available-for-sale investment	90	90
Investment in associate	-	-
Investment properties	95	95
Inventory properties – Land held	69,463	122,355
Deferred tax assets	13,076	21,556
	<u>83,676</u>	<u>145,418</u>
<b>CURRENT ASSETS</b>		
Inventory properties - Development properties	1,175,793	1,162,603
Inventories	37,804	65,318
Trade and other receivables	137,179	126,944
Contract assets	10,145	21,918
Prepayments	799	898
Tax recoverable	6,278	5,620
Cash and bank balances	24,405	41,460
	<u>1,392,403</u>	<u>1,424,761</u>
<b>TOTAL ASSETS</b>	<b>1,476,079</b>	<b>1,570,179</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	766,884	766,884
Reserves	(22,055)	10,149
Shareholders' equity	<u>744,829</u>	<u>777,033</u>
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	-	18,058
Trade and other payables	293,539	251,711
Redeemable preference shares	10,617	-
Deferred tax liabilities	96,576	96,597
	<u>400,732</u>	<u>366,366</u>
<b>CURRENT LIABILITIES</b>		
Short term borrowings	123,998	151,293
Trade and other payables	171,457	239,658
Contract liabilities	20,128	19,440
Provisions	4,719	5,409
Tax payable	10,216	10,980
	<u>330,518</u>	<u>426,780</u>
<b>TOTAL LIABILITIES</b>	<b>731,250</b>	<b>793,146</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,476,079</b>	<b>1,570,179</b>
Net assets per share (RM)	0.81	0.84

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share capital RM'000	(Accumulated losses)/ Retained profits RM'000	Total equity RM'000
<b>Opening balance at 1 January 2022</b>	766,884	10,149	777,033
Total comprehensive loss for the period	-	(32,204)	(32,204)
<b>Closing balance at 31 December 2022</b>	766,884	(22,055)	744,829
<b>Opening balance at 1 January 2021</b>	726,946	38,078	765,024
Issuance of ordinary shares	40,195	-	40,195
Share issuance expenses	(257)	-	(257)
Total comprehensive loss for the period	-	(27,929)	(27,929)
<b>Closing balance at 31 December 2021</b>	766,884	10,149	777,033

The above condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIOD ENDED 31 DECEMBER 2022

	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000
<b>Operating activities</b>		
Loss before tax	(23,616)	(31,197)
Adjustment for :		
Depreciation	369	384
Written off property, plant and equipment	11	-
Fair value gain on investment property	-	(5)
Provisions	-	1,730
Reversal of foreseeable loss in respect of construction contracts	-	(220)
Interest expenses	22,482	18,175
Interest income	(913)	(850)
Impairment loss on contract assets	1,966	-
Share of results of associate	-	2,395
Operating profit/(loss) before changes in working capital	299	(9,588)
Change in trade and other receivables	(10,151)	31,127
Change in trade and other payables	(69,681)	(15,416)
Change in inventories	27,513	2,804
Change in development properties	53,912	(21,510)
<b>Cash flows used in operating activities</b>	<b>(1,892)</b>	<b>(12,583)</b>
Interest paid	(7,264)	(8,210)
Taxes paid	(747)	(2,121)
<b>Net cash used in operating activities</b>	<b>(9,903)</b>	<b>(22,914)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(11)	(5)
Interest received	913	850
<b>Net cash from investing activities</b>	<b>902</b>	<b>845</b>

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW  
FOR THE PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000
<b>Financing Activities</b>		
Advances from related company	26,728	-
Withdrawal of pledged deposits	3,999	17,314
Repayment of borrowings	(43,275)	(17,894)
Repayment of obligations under finance leases	(42)	(146)
Proceeds from issuance of redeemable preference shares by subsidiary	10,500	-
Proceeds from issuance of ordinary shares	-	40,195
Share issuance expenses	-	(257)
<b>Net cash (used in)/from financing activities</b>	<b>(2,090)</b>	<b>39,212</b>
Net decrease in cash and cash equivalents	(11,091)	17,143
Cash and cash equivalents at beginning of period	12,785	(4,357)
<b>Cash and cash equivalents at the end of period</b>	<b>1,694</b>	<b>12,785</b>
Cash and cash equivalents comprise:		
Cash and bank balances	8,329	2,951
Deposits with licensed banks	16,076	38,509
	24,405	41,460
Less: Deposits with licensed banks pledged for banking facilities	(16,286)	(20,214)
Less : Bank overdraft	(6,425)	(8,461)
	<b>1,694</b>	<b>12,785</b>

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022

**1. BASIS OF PREPARATION**

The condensed consolidated interim financial statements (“Condensed Report”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and has also been prepared on a historical basis.

This condensed report should be read in conjunction with the audited financial statements for the year ended 31 December 2021. These explanatory notes attached to this condensed report 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 2021.

**2. CHANGES IN ACCOUNTING POLICIES**

**2.1 Changes in accounting policies arising from adoption of Standards, Amendments and IC interpretations**

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 except for the adoption of the following new amendments to MFRSs:

Annual Improvements to MFRS Standards 2018-2020

Amendments to References to the Conceptual Framework in MFRS 3 Business Combinations

Amendments to MFRS 16 : Covid-19 – Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 116 : Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 : Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the abovementioned new and amendments to MFRS do not have material impact on the financial statements of the Group upon their initial application.

**2.2 Standards, amendments and interpretations issued but not yet effective**

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

Amendments to MFRS 101 : Classification of Liabilities as Current or Non- Current and 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

MFRS 17 Insurance Contracts

Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.2 Standards, amendments and interpretations issued but not yet effective (cont'd)**

The Group will adopt the above new standards, amendments and interpretations when they become effective in the respective financial periods. These new and amendments to MFRS and IC are not expected to have any material impact to the financial statements of the Group upon their initial application.

**2.3 Significant accounting judgement and estimates**

(a) Revenue recognition on sale of development properties

For the sale of residential development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The Group recognises property development revenue and expenses in the statements of comprehensive income on the basis upon performance of services. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgment in determining the enforceability of the right to payment under the legal environment of the jurisdictions where the contracts are subject to.

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022

**2. CHANGES IN ACCOUNTING POLICIES (cont'd)**

**2.3 Significant accounting judgement and estimates (cont'd)**

(b) Revenue recognition on construction contract

The Group recognises revenue from construction activities in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date over the estimated total contract costs.

Significant judgment is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contract. In making the judgement, the Group evaluates based on past experience, internal budgeting and by relying on the work of specialists.

Where the outcome of a construction contract cannot be reliably measured, revenue is recognised to the extent of costs incurred that it is probable will be recovered.

(c) Provision for liquidated ascertained damages (“LAD”)

The Group has on-going construction projects and property development that have not been completed by the contractual deadline.

For the construction projects, the management has estimated LAD of RM8.01 million based on the revised project schedule and the terms of the contract projects. The Group has arrived at this estimation based on its prior experience with similar contracts.

For the property development projects, the management has estimated LAD of RM8.69 million based on the revised project schedule and has arrived at this estimation based on its prior experience with similar property development projects.

The management considers that these amounts will not be significantly affected by a reasonably possible change in the assumptions applied in deriving the estimated LAD.



NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022

**3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2021**

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2021 was not subject to any qualification.

**4. SEASONAL OR CYCLICAL FACTORS**

The Group's business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

**5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

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

**6. CHANGES IN ESTIMATES**

There were no changes in estimates that may have a material effect in the current quarter results.

**7. DEBT AND EQUITY SECURITIES**

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period to-date under review.

**8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT**

The primary objective of the Group's capital management is to ensure that it maintains a good credit rating and healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in line with changes in economic conditions. In order to maintain the optimal capital structure, the Group may, from time to time, adjust dividend payments to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group.

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022

**8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT (Cont'd)**

The gearing ratios as at 31 December 2022 and 31 December 2021, which are within the Group's objectives for capital management, are as follows:-

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Borrowings	123,998	169,351
Redeemable preference shares	10,617	-
Trade and other payables	464,996	491,369
Less: Cash and bank balances	<u>(24,405)</u>	<u>(41,460)</u>
Net debt	<u>575,206</u>	<u>619,260</u>
Equity	<u>744,829</u>	<u>777,033</u>
Total capital	<u>744,829</u>	<u>777,033</u>
<b>Capital and net debt</b>	<b>1,320,035</b>	<b>1,396,293</b>
<b>Gearing ratio</b>	<b>43.58%</b>	<b>44.35%</b>

The decrease in gearing ratio from 44.35% to 43.58% is mainly due to decrease in both borrowings and payables and also decrease in equity during the period under review.

The details of the drawdown and the repayment of bank borrowings in the current quarter and to-date are as follows:

	<b>Current year quarter 31.12.2022 RM'000</b>	<b>12 months cumulative to date 31.12.2022 RM'000</b>
a) Repayment of bank borrowings	(12,141)	(43,275)
b) Repayment of obligations under finance leases	-	(42)
c) Change in bank overdraft	1,041	(2,035)

**9. DIVIDENDS**

No dividends were recommended, declared or paid during the financial period ended 31 December 2022.

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 DECEMBER 2022

**10. VALUATION OF INVESTMENT PROPERTIES**

An independent valuation for investment properties was carried out by Raine & Horne during the previous financial year ended 31 December 2021 and the fair value arose from the valuation amounted to RM5,000 was recognised in the statements of profit or loss for previous financial year ended 31 December 2021. A similar valuation was carried out for the current financial year ended 31 December 2022 and no change to the fair value of the investment property.

**11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There are no material events subsequent to the end of the current quarter that have not been reflected in the quarterly financial statements.

**12. GROUP COMPOSITION**

There are no material changes in the composition of the Group during the financial quarter under review.

**13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

Except for as disclosed in Note 24(a) and as disclosed below, the Group has no other contingent liabilities :

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	23,998	69,309
Performance bond issued by subsidiaries involved in construction activities	25,150	37,606

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022

**14. OPERATING SEGMENTS**

The following tables provide an analysis of the Group's revenue, results, assets and liabilities by business segments:-

<b>As at 31 December 2022 RM'000</b>	Property Development	Construction	Elimination	Consolidated
<b>Revenue</b>				
Revenue	94,583	(1,800)	(424)	92,359
Other income	1,682	423	-	2,105
Unallocated other income	-	-	-	32
	<b>96,265</b>	<b>(1,377)</b>	<b>(424)</b>	<b>94,496</b>
<b>RESULT</b>				
Segment results	1,686	(999)	(85)	602
Unallocated corporate expenses				(1,736)
Share of result of associate				-
Finance costs				(22,482)
<b>Loss before tax</b>				<b>(23,616)</b>

<b>As at 31 December 2021 RM'000</b>	Property Development	Construction	Elimination	Consolidated
<b>Revenue</b>				
Revenue	17,614	387	-	18,001
Other income	470	453	-	923
Unallocated other income	-	-	-	29
	<b>17,159</b>	<b>4,140</b>	<b>-</b>	<b>21,299</b>
<b>RESULT</b>				
Segment results	(6,179)	(2,889)	(171)	(9,239)
Unallocated corporate expenses				(1,388)
Share of result of associate				(2,395)
Finance costs				(18,175)
<b>Loss before tax</b>				<b>(31,197)</b>

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022

14. OPERATING SEGMENTS (cont'd)

**ASSETS AND LIABILITIES**

As at 31 December 2022 RM'000	Property Development	Construction	Elimination	Consolidated
<b><u>ASSETS</u></b>				
Segment assets	1,397,882	297,507	(563,490)	1,131,899
Investment in associate Investment properties				- 95
Available-for-sale investments				90
Unallocated corporate assets				343,995
<b>Consolidated total assets</b>				<b>1,476,079</b>
<b><u>LIABILITIES</u></b>				
Segment liabilities	(541,764)	(602,897)	516,824	(627,836)
Unallocated corporate liabilities				(103,414)
<b>Consolidated total liabilities</b>				<b>(731,250)</b>

As at 31 December 2021 RM'000	Property Development	Construction	Elimination	Consolidated
<b><u>ASSETS</u></b>				
Segment assets	1,439,903	302,285	(518,688)	1,223,500
Investment in associate Investment properties				- 95
Available-for-sale investments				90
Unallocated corporate assets				346,494
<b>Consolidated total assets</b>				<b>1,570,179</b>
<b><u>LIABILITIES</u></b>				
Segment liabilities	(606,850)	(597,727)	515,525	(689,052)
Unallocated corporate liabilities				(104,094)
<b>Consolidated total liabilities</b>				<b>(793,146)</b>

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
 FOR THE QUARTER ENDED 31 DECEMBER 2022

**15. RELATED PARTY TRANSACTIONS**

Significant related party transactions are as follows:

	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	2,420	2,162	10,956	27,111
Rental and maintenance related services from a company of which certain directors of the Company have interest	18	9	1,484	448

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
FOR THE QUARTER ENDED 31 DECEMBER 2022

**16. REVIEW OF PERFORMANCE**

(i) Financial review for current quarter and financial period to-date

	3 months quarter ended		Changes		12 months cumulative to-date		Changes	
	31.12.2022 (RM'000)	31.12.2021 (RM'000)	Amount (RM'000)	%	31.12.2022 (RM'000)	31.12.2021 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>								
Property development	66,194	6,906	59,288	858.50	94,583	17,614	76,969	436.98
Constructions	(2,532)	(3,433)	901	26.24	(2,224)	387	(2,611)	(674.68)
	<b>63,662</b>	<b>3,473</b>	60,189	1,733.05	<b>92,359</b>	<b>18,001</b>	74,358	413.08

<b>(Loss)/ Profit before tax</b>								
Property development	(6,736)	(4,551)	(2,185)	(48.01)	(5,248)	(10,270)	5,022	48.90
Constructions	(3,580)	(5,194)	1,614	31.07	(16,534)	(17,051)	517	3.03
Others	(549)	(260)	(289)	(111.15)	(1,834)	(3,876)	2,042	52.68
	<b>(10,865)</b>	<b>(10,005)</b>	(860)	(8.60)	<b>(23,616)</b>	<b>(31,197)</b>	7,581	24.30

a) Performance review for current quarter against the same quarter in the preceding year (Q4 2022 vs Q4 2021)

For the current quarter under review, the Group recorded revenue of RM63.66 million which was RM60.19 million higher as compared to the quarter ended 31 December 2021 of RM3.47 million. Despite the higher revenue, the Group recorded a slightly higher loss before tax of RM10.87 million for the quarter ended 31 December 2022 as compared to a loss before tax of RM10.01 million for the quarter ended 31 December 2021 which was mainly driven by the property development segment. Within the property development segment for the current quarter, the higher revenue was due to higher sales contribution whereas the higher loss before tax was mainly attributed to higher finance costs.

The performance from each business segment is set out below:

**Property Development**

Revenue for the current quarter of RM66.19 million has increased by RM59.29 million as compared to the quarter ended 31 December 2021 of RM6.91 million. The higher revenue for current quarter was mainly derived from the land sales recognised and also the improved sales achieved for its completed development of double storey terrace houses at Danga Sutera. A loss before tax of RM6.74 million was recorded in current quarter as compared to loss before tax of RM4.55 million in the same quarter in the preceding year mainly due to higher finance costs and higher operating expenses incurred by the development sector.

NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
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**16. REVIEW OF PERFORMANCE (cont'd)**

(i) Financial review for current quarter and financial period to-date (cont'd)

- a) Performance review for current quarter against the same quarter in the preceding year (Q4 2022 vs Q4 2021) (cont'd)

**Construction**

The construction sector registered negative revenue of RM2.53 million for the current quarter ended 31 December 2022 as compared to negative revenue of RM3.43 million for the same quarter in the preceding year. Consequently, a lower loss before tax of RM3.58 million was recorded in the current quarter as compared to the loss before tax of RM5.19 million in the preceding year corresponding quarter ended 31 December 2021. The negative revenue recorded was mainly due to reversal of the revenue upon finalisation of the construction projects.

**Others**

The other sector recorded a loss before tax of RM549,000 for current quarter ended 31 December 2022 as compared to RM260,000 for the same quarter in the preceding year. The increase in the losses incurred in current quarter was mainly contributed by the professional fees incurred for corporate exercises.

- b) Performance review for financial year to-date (12M FY 2022 vs 12M FY 2021)

The Group's revenue of RM92.36 million for the financial period ended 31 December 2022 has increased by RM74.36 million as compared to the preceding year corresponding period ended 31 December 2021 of RM18.00 million. With the improved revenue, the Group recorded a lower loss before tax of RM23.62 million for the financial period ended 31 December 2022 as compared to loss before tax of RM31.20 million for the financial period ended 31 December 2021. The higher revenue and lower loss before tax for the current year was due to the land sales and also the improved sales from property development sector.

The performance from each business segment is set out below:

**Property Development**

Revenue for the 12-month period ended 31 December 2022 has increased by RM76.97 million to RM94.58 million as compared to the preceding year corresponding period ended 31 December 2021 of RM17.61 million, resulting a lower loss before tax of RM5.25 million recorded for 12-month period ended 31 December 2022. This is mainly contributed by the disposal of freehold vacant land and also the improved sales of double storey terrace houses for Danga Sutera project.



NOTES TO THE 4<sup>TH</sup> QUARTER FINANCIAL REPORT  
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**16. REVIEW OF PERFORMANCE (cont'd)**

- (i) Financial review for current quarter and financial period to-date (cont'd)
- b) Performance review for financial year to–date (12M FY 2022 vs 12M FY 2021) (cont'd)

**Construction**

A negative revenue of RM2.22 million was recorded for the 12-month period ended 31 December 2022, a decrease of RM2.61 million as compared to the preceding year corresponding period of RM387,000. The Group has also recorded a lower loss before tax of RM16.53 million in 12-month period ended 31 December 2022 as compared to the preceding period ended 31 December 2021 of RM17.05 million due to reversal of construction cost upon finalisation of the construction projects.

**Others**

A loss before tax of RM1.83 million was recorded for 12-month period ended 31 December 2022 as compared to a loss before tax of RM3.88 million for 12-month period ended 31 December 2021. The higher loss before tax for the 12-month period ended 31 December 2021 arose from the recognition of share of loss of the investment in associate whereas no further recognition for share of loss in associate is required for the current financial year ended 31 December 2022.

- (ii) Financial review for current quarter compared with immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
	31.12.2022 (RM'000)	30.09.2022 (RM'000)	Amount (RM'000)	%
<b>Revenue</b>				
Property development	66,194	17,564	48,630	276.87
Constructions	(2,532)	(73)	(2,459)	(3,368.49)
	<b>63,662</b>	<b>17,491</b>	46,171	263.97

<b>(Loss)/ Profit before tax</b>				
Property development	(6,736)	3,255	(9,991)	(306.94)
Constructions	(3,580)	(4,242)	662	15.61
Others	(549)	(507)	(42)	(8.28)
	<b>(10,865)</b>	<b>(1,494)</b>	(9,371)	(627.24)

For the current quarter under review, the Group recorded a higher revenue of RM63.66 million and a higher loss before tax of RM10.87 million respectively, as compared to the immediate preceding quarter's revenue and loss before tax of RM17.49 million and RM1.49 million.

The higher revenue recorded in the current quarter was due to better performance contributed from the property development sector as a result of the disposal of freehold vacant land and improved sales in double storey terrace houses for Danga Sutera project. Despite the higher revenue, the Group has also recorded higher loss before tax due to additional operating costs incurred such as quit rent and assessment, impairment loss for contract assets, and finance costs incurred in property development sector.

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**17. PROSPECTS**

Based on revised Malaysia Budget 2023, the Malaysian economy was projected with a Gross Domestic Product (“GDP”) growth of 4.5%. The property market is expected to be more positive in 2023 following the increasing transactions last year compared to the pandemic years. Recent positive developments, which include the central bank's postponement of the interest rate hike, the ease in approval time, requirements of foreign labour and China's borders reopening are also contributing to the improvements in the overall market sentiment and consumer spending.

Going forward, the Group's focus of the property market will continue to be landed residences and affordably priced commercial products in strategic and good locations. This is consistent with the Group's plan to reinforce its sales pipelines and adopt structural improvements to achieve operational excellence.

The Group will continue to monitor the market situation and is optimistic about the prospects of its upcoming new property development launch given its strategic location, attractive pricing, with good products and features. Nevertheless, the Group is of the opinion that there are still uncertainties and challenges looming over the next financial year for the property sector which may include rising of interest rate and geopolitical uncertainties.

**18. PROFIT FORECAST**

The Group has not provided any profit forecast in a public document.

**19. TAXATION**

	Quarter ended		12 months cumulative to date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Income tax	(114)	-	(128)	1,551
Deferred tax	(8,476)	1,376	(8,460)	1,717
	<u>(8,590)</u>	<u>1,376</u>	<u>(8,588)</u>	<u>3,268</u>

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**19. TAXATION (cont'd)**

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable loss for the period.

	<b>Current quarter 31.12.2022 RM'000</b>	<b>12 months cumulative to date 31.12.2022 RM'000</b>
Major components of tax expenses:		
Loss before tax	(10,865)	(23,616)
Taxation at the Malaysian statutory tax rate of 24%	(2,608)	(5,668)
Adjustments:		
- Income not subject to tax	(1)	(4)
- Under provision tax for prior year	(14)	(14)
- Non - deductible expenses	2,509	5,558
- Over provision of deferred tax for prior year	(8,476)	(8,460)
	<u>(8,590)</u>	<u>(8,588)</u>
Effective tax rate	79.06%	36.37%

The high effective tax rate is mainly due to the recognition of the overprovision of deferred tax for prior year in current quarter.

**20. UNQUOTED INVESTMENTS AND PROPERTIES**

There were no purchases or sales of unquoted investments and properties for the current quarter and financial period-to-date.

**21. QUOTED INVESTMENTS**

There were no purchases or sales of quoted securities for the current quarter and financial period-to-date.

There were no investments in quoted securities as at the end of the current quarter.

**22. STATUS OF CORPORATE PROPOSALS**

There are no other corporate proposals announced but not completed as of the reporting date.

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**23. BORROWINGS AND DEBT EQUITIES**

Details of the Group's borrowings (all denominated in Malaysian currency) as at 31 December 2022 are as follows:

<b>Secured</b>	<b>Current RM'000</b>	<b>Total RM'000</b>
Bridging loans – Note 1	17,572	17,572
Revolving credit – Note 2	100,000	100,000
Bank overdraft	6,425	6,425
Total	123,997	123,997

Note 1 : Bridging loans are for the development properties. The loans were repaid through redemption and cash.

Note 2 : Revolving credit facility is for working capital.

**24. MATERIAL LITIGATION**

**(A) Johor Bahru High Court Summons No. JA-22NCVC-149-11/2020**

On 17 November 2020, the Company and its subsidiary, Tebrau Bay Constructions Sdn Bhd (“Defendants”) received a Writ of Summons and Statement of Claim filed by Tenaga Nasional Berhad (“TNB” or “the Plaintiff”) claiming RM76.56 million, various injunctions, economic loss, other damages, interests and costs to be assessed by the High Court for the alleged damages on the Johor Bahru – Singapore TNB cable link. In the claim, TNB alleged that reclamation works undertaken by the Group had trespassed on the right of way (“ROW”) of the TNB’s submarine cables.

The Group has appointed a counsel to defend the claim and made an application to strike out the plaintiff’s suit. The Group’s defence, amongst others, is that at all material times, the reclamation works were carried out by independent contractors outside of the Plaintiff’s ROW, in accordance with plans approved by the Johor Bahru City Council.

Further, the Plaintiffs have not provided any evidence of the nature, cause and specifics of the alleged damage to the submarine cables.

The hearing of Defendants’ striking out applications and the case management for discovery and interrogatories applications of Tebrau Bay Constructions Sdn Bhd and Iskandar Waterfront City Berhad fixed on 22 February 2023 has been adjourned to 19 April 2023.

Accordingly, the details of the claim shall be part of contingent liability disclosure.

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**24. MATERIAL LITIGATION (cont'd)**

**(B) Johor Bahru High Court Summons No. JA-21NCvC-13/03/2022**

On 29 March 2022, Tebrau Bay Sdn Bhd (“TBSB”) was served with a Writ of Summon and Statement of Claim from Inland Revenue Board of Malaysia (“IRB”), in respect of unpaid income taxes to RM10.83 million plus 5% per annum on the alleged claims, costs and other reliefs as the Honourable Court deems fit and proper to grant.

The suit is not expected to have any signification operational or financial impact to the Group as the said amount has already been fully provided in the prior financial statements for the financial year ended 31 December 2021 except for any additional costs or interests granted (if any).

The Company wishes to inform that following Case Management on 10 January 2023, the Court has fixed a further Case Management on 21 March 2023 for TBSB to update the availability of the Grounds of Judgment by the High Court in respect of the High Court’s decision dated 13 September 2022.

**25. LOSS BEFORE TAX**

The following amounts have been included in arriving at loss before tax:

	Quarter ended		12 months cumulative to date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation	88	95	368	289
Interest income	(330)	(94)	(913)	(295)
Interest expenses	8,911	4,785	22,481	13,580
Provision for LAD	-	2,193	-	2,193
Share of results of associate	-	2,284	-	2,394
Other income	(74)	23	(1,224)	(131)

Other than as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Malaysia Listing Requirement are not applicable.

**26. CAPITAL COMMITMENTS**

There are no material capital commitments as at the date of this report.

**27. EVENTS AFTER REPORTING PERIOD**

There are no material events subsequent to the end of the current quarter.

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**28. DERIVATIVES**

- a. There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 31 December 2022; and
- b. The Group has not entered into any type of derivatives in the previous financial period under review.

**29. DIVIDEND PAYABLE**

No dividend has been declared for the financial period ended 31 December 2022 (31 December 2021: RM Nil).

**30. LOSS PER SHARE**

The basic and diluted loss per share has been calculated by dividing the Group's loss for the period attributable to owners of the Company by weighted average number of shares in issue. The weighted number of shares in issue is calculated as follows:

	Quarter ended		12 months cumulative to date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Loss for the period attributable to owners of the Company (RM'000)	(19,455)	(8,629)	(32,204)	(27,929)
Number of shares at beginning of the period ('000)	921,128	837,389	921,128	837,389
Effects of shares issued pursuant to :				
- Private placement	-	55,826	-	55,826
Weighted average number of ordinary shares for earnings per share	921,128	893,215	921,128	893,215
Basic loss per share (sen)	(2.11)	(0.97)	(3.50)	(3.13)
Diluted loss per share (sen)	(2.11)	(0.97)	(3.50)	(3.13)

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**31. STATUS OF JOINT VENTURE PROJECT**

Following is the status of the existing joint venture projects as at 31 December 2022 :

	<b>Paradise Realty Sdn. Bhd.</b>	<b>Greenland Tebrau Sdn. Bhd. (Lot 1A)</b>
<u>Development Status</u>		
Total land area	20.324 acres	11.013 acres
% land under development	100%	100%
% of development completed	49.96%	-
% of development not yet completed	50.04%	100%

**32. AUTHORISATION FOR ISSUE**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 February 2023.