

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.09.2024 RM'000	Previous year corresponding quarter 30.09.2023 RM'000	9 months ended 30.09.2024 RM'000	9 months ended 30.09.2023 RM'000
Revenue	18,181	23,757	94,630	63,820
Cost of sales	(15,886)	(20,241)	(79,984)	(57,547)
Gross profit	2,295	3,516	14,646	6,273
Other operating income	144	2,344	468	2,693
Operating expenses	(4,418)	(4,227)	(12,716)	(9,464)
(Loss)/Profit from operations	(1,979)	1,632	2,398	(498)
Finance costs	(207)	(664)	(817)	(5,936)
(Loss)/Profit before tax (Note 25)	(2,186)	968	1,581	(6,434)
Tax income/(expenses) (Note 19)	408	(792)	(1,910)	(790)
(Loss)/Profit for the period	(1,778)	176	(329)	(7,224)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the period	(1,778)	176	(329)	(7,224)
(Loss)/Profit after tax and total comprehensive (loss)/income attributable to :				
Owners of the Parent	(1,778)	176	(329)	(7,224)
(LOSS)/EARNINGS PER SHARE (Note 30)				
Basic (sen)	(0.19)	0.02	(0.04)	(0.78)
Diluted (sen)	(0.19)	0.02	(0.04)	(0.78)

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 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	As at 30.09.2024 RM'000	Audited as at 31.12.2023 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	4,172	651
Other investments	90	90
Investment properties	95	95
Inventory properties – land held for property development	638,254	634,406
Deferred tax assets	10,770	12,322
	<u>653,381</u>	<u>647,564</u>
CURRENT ASSETS		
Inventory properties – property development costs	504,199	503,854
Inventories	34,763	70,289
Trade and other receivables	139,979	180,944
Contract assets	11,853	14,461
Tax recoverable	5,818	5,786
Short term investments	505	438
Fixed deposits with licensed banks	15,511	16,009
Cash and bank balances	21,648	12,059
	<u>734,276</u>	<u>803,840</u>
TOTAL ASSETS	1,387,657	1,451,404
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	766,884	766,884
Reserves	(28,688)	(28,359)
Shareholders' equity	<u>738,196</u>	<u>738,525</u>
NON-CURRENT LIABILITIES		
Trade payables	26,008	28,050
Other payables	282,366	305,132
Hire purchase	416	-
Deferred tax liabilities	96,431	96,492
Provisions	34,916	34,916
	<u>440,137</u>	<u>464,590</u>
CURRENT LIABILITIES		
Short term borrowings	105,878	109,610
Redeemable preference shares	-	9,500
Hire purchase	110	-
Trade and other payables	81,299	92,789
Contract liabilities	986	14,257
Provisions	10,098	11,179
Current tax liabilities	10,953	10,954
	<u>209,324</u>	<u>248,289</u>
TOTAL LIABILITIES	649,461	712,879
TOTAL EQUITY AND LIABILITIES	1,387,657	1,451,404
Net assets per share (RM)	0.80	0.80

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
Opening balance at 1 January 2024	766,884	(28,359)	738,525
Total comprehensive loss for the period	-	(329)	(329)
Closing balance at 30 September 2024	766,884	(28,688)	738,196
Opening balance at 1 January 2023	766,884	(22,055)	744,829
Total comprehensive loss for the period	-	(7,224)	(7,224)
Closing balance at 30 September 2023	766,884	(29,280)	737,604

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 2023 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	9 months ended 30.09.2024 RM'000	9 months ended 30.09.2023 RM'000
Operating activities		
Profit/(Loss) before tax	1,581	(6,434)
Adjustment for :		
Depreciation	302	255
Gain on disposal of property, plant and equipment	(13)	5,775
Interest expenses	801	(2,179)
Interest income	(276)	(9)
Operating profit before changes in working capital	2,395	3,112
Change in trade and other receivables	45,421	(14,740)
Change in trade and other payables	(43,823)	21,778
Change in inventories	35,526	10,061
Change in development properties	67	(1,237)
Cash flows from/(used in) operating activities	39,586	18,974
Income tax refund	28	651
Taxes paid	(698)	(514)
Net cash from/(used in) operating activities	38,916	19,111
Investing activities		
Purchase of property, plant and equipment	(3,220)	(30)
Interest received	276	232
Proceeds from disposal of property, plant and equipment	13	16
(Addition)/Withdrawal of short-term investments	(67)	105
Net cash (used in)/from investing activities	(2,998)	323

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2024 (CONT'D)

	9 months ended 30.09.2024 RM'000	9 months ended 30.09.2023 RM'000
Financing Activities		
(Repayment)/advances to related company	(8,481)	7,510
Withdrawal of pledged deposits	498	-
Drawdown of borrowings	6,006	8,083
Repayment of borrowings	(9,682)	(22,762)
Interest paid	(5,034)	(4,873)
Repayment of redeemable preference shares	(9,500)	(1,000)
Repayment of obligations under hire purchase	(77)	-
Net cash (used in)/from financing activities	(26,270)	(13,042)
Net increase/(decrease) in cash and cash equivalents	9,648	6,392
Cash and cash equivalents at beginning of period	3,910	1,967
Cash and cash equivalents at the end of period	13,558	8,359
Cash and cash equivalents comprise:		
Cash and bank balances	21,648	16,454
Deposits with licensed banks	15,511	15,717
	37,159	32,171
Less: Deposits with licensed banks pledged for banking facilities	(15,374)	(15,583)
Less : Bank overdraft	(8,227)	(8,229)
	13,558	8,359

The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

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 2023. 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 2023.

2. CHANGES IN ACCOUNTING POLICIES

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

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2023 except for the adoption of the following new and amendments to MFRSs:

Amendments to MFRS 101: Presentation of Financial Statements – Non-current Liabilities with Covenants

Amendments to MFRS 16: Leases – Lease Liability in a Sale and Leaseback

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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

Amendments to MFRS 121: Lack of Exchangeability

Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurements of Financial Instruments

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 19 Subsidiaries without Public Accountability : Disclosures

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 are not expected to have any material impact to the financial statements of the Group upon their initial application.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

2.3 Significant accounting judgement and estimates

(a) Revenue and Cost Recognition of Property Development Activities

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.



NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

2. CHANGES IN ACCOUNTING POLICIES (cont'd)

2.3 Significant accounting judgement and estimates (cont'd)

(b) Revenue recognition on construction contract

Revenue from construction contract is accounted for by the stage of completion method.

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as contract assets. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as contract liabilities.



NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2023

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2023 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 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

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

The gearing ratios as at 30 September 2024 and 31 December 2023, which are within the Group's objectives for capital management, are as follows:-

	30.09.2024	31.12.2023
	RM'000	RM'000
Borrowings	105,878	109,610
Redeemable preference shares	-	9,500
Hire purchase	526	-
Trade and other payables	389,673	425,971
	<u>496,077</u>	<u>545,081</u>
Less: Cash and bank balances	(21,648)	(12,059)
Fixed deposits with licensed banks	(15,511)	(16,009)
Short-term investments	(505)	(438)
Net debt	<u>458,413</u>	<u>516,575</u>
Equity	<u>738,196</u>	<u>738,525</u>
Total capital	<u>738,196</u>	<u>738,525</u>
Capital and net debt	1,196,609	1,255,100
Gearing ratio	38.31%	41.16%

The decrease in gearing ratio from 41.16% to 38.31% is mainly due to repayment of borrowings, payables and also redemption of redeemable preference shares 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:

	Current year quarter 30.09.2024 RM'000	9 months cumulative to date 30.09.2024 RM'000
a) Drawdown of bank borrowings	-	6,006
b) Repayment of bank borrowings	(2,349)	(9,682)
c) Repayment of obligations under hire purchase	(33)	(77)
d) Change in bank overdraft	(17)	(56)

9. DIVIDENDS

No dividends were recommended, declared or paid during the financial period ended 30 September 2024.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 30 SEPTEMBER 2024

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 2023 and there was no fair value changes arose from the valuation to be recognised in the statements of profit or loss for the previous financial year ended 31 December 2023.

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 :

	30.09.2024	31.12.2023
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	10,564	9,610

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

14. OPERATING SEGMENTS

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

As at 30 September 2024 RM'000	Property Development	Construction	Elimination	Consolidated
Revenue				
Revenue	94,686	(56)	-	94,630
Other income	370	96	-	466
Unallocated other income	-	-	-	2
	95,056	40	-	95,098
RESULT				
Segment results	7,247	(3,271)	(166)	3,810
Unallocated corporate expenses				(1,412)
Finance costs				(817)
Profit before tax				1,581

As at 30 September 2023 RM'000	Property Development	Construction	Elimination	Consolidated
Revenue				
Revenue	58,389	5,431	-	63,820
Other income	2,628	55	-	2,683
Unallocated other income	-	-	-	10
	61,017	5,486	-	66,513
RESULT				
Segment results	3,332	(2,947)	(45)	340
Unallocated corporate expenses				(838)
Finance costs				(5,936)
Loss before tax				(6,434)

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

14. OPERATING SEGMENTS (cont'd)

ASSETS AND LIABILITIES

As at 30 September 2024 RM'000	Property Development	Construction	Elimination	Consolidated
<u>ASSETS</u>				
Segment assets	1,287,075	247,992	(198,122)	1,336,945
Investment in associate				-
Investment properties				95
Available-for-sale investments				90
Unallocated corporate assets				50,527
Consolidated total assets				1,387,657
<u>LIABILITIES</u>				
Segment liabilities	(435,471)	(615,415)	403,836	(647,050)
Unallocated corporate liabilities				(2,411)
Consolidated total liabilities				(649,461)

As at 30 September 2023 RM'000	Property Development	Construction	Elimination	Consolidated
<u>ASSETS</u>				
Segment assets	1,489,658	293,423	(520,567)	1,262,514
Investment in associate				-
Investment properties				95
Available-for-sale investments				90
Unallocated corporate assets				212,817
Consolidated total assets				1,475,516
<u>LIABILITIES</u>				
Segment liabilities	(403,198)	(609,018)	377,398	(634,818)
Unallocated corporate liabilities				(103,094)
Consolidated total liabilities				(737,912)

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		9 months ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	-	3,022	839	6,486
Rental and maintenance related services from a company of which certain directors of the Company have interest	8	9	26	27

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.

16. REVIEW OF PERFORMANCE

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

	3 months quarter ended		Changes		9 months cumulative to-date		Changes	
	30.09.2024 (RM'000)	30.09.2023 (RM'000)	Amount (RM'000)	%	30.09.2024 (RM'000)	30.09.2023 (RM'000)	Amount (RM'000)	%
Revenue								
Property development	18,181	18,326	(145)	(0.79)	94,686	58,389	36,297	62.16
Constructions	-	5,431	(5,431)	(100.00)	(56)	5,431	(5,487)	(101.03)
	18,181	23,757	(5,576)	(23.47)	94,630	63,820	30,810	48.28
(Loss)/Profit from operations	(1,979)	1,632	(3,611)	(221.26)	2,398	(498)	2,896	581.53
Finance costs	(207)	(664)	457	68.83	(817)	(5,936)	5,119	86.24
(Loss)/Profit before tax	(2,186)	968	(3,154)	(325.83)	3,767	(6,434)	10,201	158.55

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

16. REVIEW OF PERFORMANCE (cont'd)

- (i) Financial review for current quarter and financial period to-date
 - a) Performance review for current quarter against the same quarter in the preceding year (Q3 2024 vs Q3 2023)

The Group's financial performance for the quarter ended 30 September 2024 showed a decline in revenue, which dropped by RM5.58 million or 23.47% compared to the quarter ended 30 September 2023. The current quarter's revenue of RM18.18 million was entirely driven by the property development segment, benefiting from higher work progress on the ongoing Danga Sutera Semi-Detached Phase 3 housing project. The decrease was primarily due to the absence of revenue from construction segment, which had contributed significantly in the previous quarter in the preceding year.

With this decrease in revenue, the Group recorded loss before tax of RM2.19 million for the quarter ended 30 September 2024, compared to a profit before tax of RM0.97 million for the quarter ended 30 September 2023.

The performance from each business segment is set out below:

Property Development

Revenue for the current quarter was RM18.18 million, reflecting a slight decrease of RM150,000 compared to the quarter ended 30 September 2023 of RM18.33 million. The revenue was contributed by the ongoing development Danga Sutera Semi-Detached Phase 3 project.

Construction

For the current quarter ended 30 September 2024, no revenue was recognised under the construction sector, in contrast to RM5.43 million revenue recorded in the quarter ended 30 September 2023, which was derived from Rapid Transit System ("RTS") piling works project. This is due to the fact that the previous construction projects have reached the finalisation stage, with no ongoing construction projects in the current quarter.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

16. REVIEW OF PERFORMANCE (cont'd)

- (i) Financial review for current quarter and financial period to-date
- b) Performance review for financial year to-date (9M FY 2024 vs 9M FY 2023)

The Group's revenue for the financial period ended 30 September 2024 amounted to RM94.63 million, an increase of RM30.81 million compared to RM63.82 million for the preceding year corresponding period ended 30 September 2023. With this higher revenue and reduced finance costs, the Group recorded a profit before tax of RM1.58 million.

The performance from each business segment is set out below:

Property Development

Revenue for the 9-month period ended 30 September 2024 surged by RM36.30 million, reaching RM94.69 million, compared to RM58.39 million for the preceding year corresponding period ended 30 September 2023. This substantial increase is primarily attributable to the additional revenue recognised from sales of completed projects, namely Botanika and Danga Sutera Semi-Detached Phase 2, as well as the higher level of work achieved during this period for the ongoing Danga Sutera Semi-Detached Phase 3 project.

Construction

A negative revenue of RM56,000 was recognised in the construction sector for the 9-month period ended 30 September 2024, compared to RM5.43 million registered as revenue for preceding year corresponding period. The negative revenue for the 9-month period ended 30 September 2024 is mainly due to the finalisation of accounts for a construction project. The RTS piling works project was the main contributor for the construction sector's revenue in the preceding year corresponding period.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

16. REVIEW OF PERFORMANCE (cont'd)

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

	Current quarter	Immediate preceding quarter	Changes	
	30.09.2024 (RM'000)	30.06.2024 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	18,181	38,239	(20,058)	(52.45)
Constructions	-	-	-	0.00
	18,181	38,239	(20,058)	(52.45)
(Loss)/Profit from operations	(1,979)	3,522	(5,501)	(156.19)
Finance costs	(207)	(272)	65	23.90
(Loss)/Profit before tax	(2,186)	3,250	(5,436)	(167.26)

In the current quarter under review, the Group recorded a revenue of RM18.18 million and a loss before tax of RM2.19 million respectively, compared to revenue of RM38.24 million and a profit before tax of RM3.25 million reported in the immediate preceding quarter.

The revenue for the current quarter was mainly contributed by the on-going property development project, Danga Sutera Semi-Detached Phase 3. The sharp decrease in revenue was mainly driven by the absence of sales from Botanika project. For the construction sector, no revenue was recorded for both current and immediate preceding quarter due to lack of active construction work in progress.

The net loss before tax for the current quarter stood at RM2.19 million, representing a decrease of RM5.44 million compared to profit before tax of RM3.25 million in the immediate preceding quarter. The substantial increase in losses was primarily attributed to the lower sales of completed properties and also the costs incurred to attract investors.

17. PROSPECTS

As a sustainable and premier property developer with our current focus in Iskandar Malaysia, we are cautiously optimistic about the region's economic landscape for for the year. Key drivers such as infrastructure development, industrial growth, and urbanisation trends are expected to create a dynamic environment. Ongoing catalytic projects like the Johor Bahru-Singapore Rapid Transit System ("RTS") link, the Gemas-Johor Bahru electrified double tracking rail project, and the joint initiative by Singapore and Malaysia to create a Special Economic Zone (JS-SEZ) in Johor will rejuvenate the property market. These initiatives are likely to improve buyer confidence and enhance perceptions of the Johor property market's long term growth prospects.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

17. PROSPECTS (cont'd)

Additionally, industrial expansion within the Iskandar Malaysia economic corridor continues to make the region an attractive hub for investment and development. However, external challenges persist, including the prolonged Russia-Ukraine war and ongoing tensions in the Middle East, which continue to create uncertainty and volatility on the global economic outlook. These factors may lead to fluctuating commodity prices, material costs, currency volatility, and shifts in inflation, interest rates, and investor sentiment. Domestically, potential policy changes such as subsidy rationalisation, minimum wage adjustments, and increased EPF contributions for foreign workers proposed in Budget 2025 could impact costs for property developers, including IWCity. We will closely monitor these developments to mitigate their potential impact on market dynamics and consumer behaviour.

Despite these uncertainties, IWCity's prospects remain promising, supported by its strategically located land bank and the potential of upcoming project launches. The Group remains committed to delivering value through well-planned developments that meet to the evolving needs of the market.

Barring any unforeseen circumstances, IWCity is poised to capitalise on the growing opportunities in Iskandar Malaysia, with revenue and performance expected to be driven by continued property sales and strategic new launches

18. PROFIT FORECAST

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

19. TAX INCOME/(EXPENSES)

	Quarter ended		9 months cumulative to date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	(436)	(710)	(1,479)	(710)
- Prior year	841	(90)	1,059	(90)
Deferred tax				
- Current year	3	8	(759)	10
- Prior year	-	-	(731)	-
	<u>408</u>	<u>(792)</u>	<u>(1,910)</u>	<u>(790)</u>

The effective tax rate is not reflective of the statutory tax rate, primarily due to the utilisation of deferred tax assets and the overprovision of deferred tax in prior year. Additionally, certain expenses are non-deductible for tax purposes and losses incurred by certain subsidiaries cannot be offset against taxable profits in other subsidiaries.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

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

Save for the following, there are no other corporate proposals announced but not completed as at 28 November 2024, being the last practicable date from the date of the issuance of this report.

On 27 September 2023, the Company received a letter dated the same day from Tan Sri Dato' Lim Kang Hoo ("TSDLKH"), being the major shareholder of the Company, requesting the Company to consider participating in a reorganisation, rationalisation and merger proposal comprising, among others, the proposed merger of the properties and assets of Iskandar Waterfront Holdings Sdn Bhd ("IWH") and the Company under a single entity through the acquisition by the Company of the entire issued share capital of all the existing direct subsidiaries of IWH ("Proposal").

Following thereto, the Board of Directors of the Company ("Board") had on 25 October 2024 announced that the Company has sought mutual agreement from TSDLKH for a further extension of 6 months commencing from 28 October 2024 to 27 April 2025 to grant more time to the Company to assess, evaluate and deliberate the Proposal in detail and to commence discussions and negotiations on the terms of the binding heads of agreement or its equivalent between the parties.

For details, please refer to the announcement dated 27 September 2023, 27 October 2023, 26 April 2024 and 25 October 2024.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

23. BORROWINGS AND DEBT EQUITIES

Details of the Group's borrowings (all denominated in Malaysian currency) as at 30 September 2024 are as follows:

	Current	Non-current	Total
	RM'000	RM'000	RM'000
Secured			
Revolving credit – Note 1	97,651	-	97,651
Hire purchase	110	416	526
Bank overdraft	8,227	-	8,227
Total	105,988	416	106,404

Note 1 : Revolving credit facility is for working capital.

24. MATERIAL LITIGATION

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

On 3 November 2020, Tenaga Nasional Berhad ("Plaintiff") commenced a Writ action against the Company ("Second Defendant") and its subsidiary, Tebrau Bay Constructions Sdn Bhd ("First Defendant") in the Johor Bahru High Court ("High Court") for, among others, continuously trespassing the Plaintiff's right of way ("ROW") and causing damage to one of the Submarine Cable 230 kV Plentong – Woodlands Avenue 8 No. 1 and No. 2 ("Submarine Cables") by carrying out reclamation works near the Submarine Cables. Another subsidiary, Tebrau Bay Sdn Bhd was included in the suit as a Third Defendant on 15 December 2021.

Essentially, the Plaintiff is seeking for the following main reliefs against the Defendants:

- (i) Declaration that the Defendants and/or their employees and/or their agents and/or their nominees have trespassed and continuously trespassed the Plaintiff's ROW;
- (ii) Damages of RM 76,564,759.77; and
- (iii) Damages on economic losses, inconvenience, hardship and distress.

In view of the above, 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 subcontractors and not the Defendants.

Further, the Plaintiff does not provided any evidences on the nature, cause and specification of the alleged damage to the Submarine Cables.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

24. MATERIAL LITIGATION (cont'd)

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

On 11 November 2024, the Court has allowed both of the First and Second Defendants' Discovery and Interrogatories Applications where the Plaintiff is required to produce the relevant documents within one month from 11 November 2024. At the same time, the Court has also fixed a case management for the matter on 7 January 2025 to fix the pre-trial directions for the proceedings.

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

(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% interest per annum on the alleged unpaid income taxes, costs and other reliefs as the Honourable Court deems fit and proper to grant.

On 8 January 2024, the Court has made the following decision in relation to the hearing for TBSB's appeal against the High Court's decision dated 13 September 2022:

- (a) allow for TBSB's appeal and set aside the High Court's decision dated 13 September 2022 on Summary Judgement;
- (b) this matter is to be remitted back to High Court and a case management has been fixed on 22 January 2024.

Following the Case Management on 12 August 2024, the Court has given the following directions:

- (a) The parties are to comply with the pre-trial directions (summary of case, list of witnesses, common bundle of documents) by 30 September 2024;
- (b) The parties are to file and exchange the parties' respective witness statement by 10 June 2025;
- (c) The last Case Management is fixed on 10 June 2025; and
- (d) The trial dates fixed from 6 July 2025 to 9 July 2025 are maintained.

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 2021 financial statements except for any additional costs or interests granted (if any).

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

25. (LOSS)/PROFIT BEFORE TAX

The following amounts have been included in arriving at profit/(loss) before tax:

	Quarter ended		9 months cumulative to date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation	118	83	302	255
Interest income	(90)	(87)	(276)	(232)
Interest expenses	207	664	817	5,936
Other income	(54)	(2,257)	(179)	(2,461)
Gain on disposal of property, plant and equipment	-	-	(13)	(9)

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 except for the following:

	As at 30.09.2024	As at 31.12.2023
	RM'000	RM'000
Capital expenditure:		
Authorised and contracted for:		
- Property, plant and equipment	590	722
Authorised but not contracted for:		
- Property, plant and equipment	661	-
	<u>1,251</u>	<u>722</u>

27. EVENTS AFTER REPORTING PERIOD

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

28. DERIVATIVES

- There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 30 September 2024; and
- The Group has not entered into any type of derivatives in the previous financial period under review.

NOTES TO THE 3rd QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 30 SEPTEMBER 2024

29. DIVIDEND PAYABLE

No dividend has been declared for the financial period ended 30 September 2024 (30 September 2023: RM Nil).

30. (LOSS)/EARNINGS PER SHARE

The basic and diluted (loss)/earnings per share has been calculated by dividing the Group's (loss)/profit 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		9 months cumulative to date	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
(Loss)/profit for the period attributable to owners of the Company (RM'000)	(1,778)	176	(329)	(7,224)
Weighted average number of ordinary shares for earnings per share	921,128	921,128	921,128	921,128
Basic (loss)/earnings per share (sen)	(0.19)	0.02	(0.04)	(0.78)
Diluted (loss)/earnings per share (sen)	(0.19)	0.02	(0.04)	(0.78)

31. STATUS OF JOINT VENTURE PROJECT

Following is the status of the existing joint venture projects as at 30 September 2024 :

	Paradise Realty Sdn. Bhd.	Greenland Tebrau Sdn. Bhd. (Lot 1A)
<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 November 2024.