

PEGASUS HEIGHTS BERHAD

Company No.197401002677 (19727-P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Note	Individual quarter ended		Cumulative quarter ended	
		31.12.23 RM'000	31.12.22 RM'000	31.12.23 RM'000	31.12.22 RM'000
Revenue	A4	2,753	3,699	13,369	16,063
Cost of sales		(920)	(2,724)	(9,244)	(12,554)
Gross profit		1,833	975	4,125	3,509
Other income		68	359	193	656
Administrative and other expenses		(2,389)	(1,207)	(9,481)	(8,823)
Finance cost		(43)	(17)	(89)	(67)
(Loss) / Profit before taxation	A4	(531)	110	(5,252)	(4,725)
Taxation	B5	1	(10)	1	87
(Loss) / Profit for the financial period		(530)	100	(5,251)	(4,638)
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / profit for the financial period		(530)	100	(5,251)	(4,638)
(Loss) / Profit attributable to:					
Equity holders of the parent		(530)	100	(5,251)	(4,638)
Minority interests		-	-	-	-
		(530)	100	(5,251)	(4,638)
Total comprehensive (loss) / profit attributable to:					
Equity holders of the parent		(530)	100	(5,251)	(4,638)
Minority interests		-	-	-	-
		(530)	100	(5,251)	(4,638)
Earnings per share attributable to equity holders of the parent:					
Basic, for (loss) for the period (sen)	B10	0.00	0.00	(0.05)	(0.04)
Diluted, for (loss) for the period (sen)	B10	0.00	0.00	(0.05)	(0.04)

PEGASUS HEIGHTS BERHAD

Company No.197401002677 (19727-P)

(Incorporated in Malaysia)

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

	Note	Unaudited As at 31.12.23 RM'000 (Unaudited)	Audited As at 31.12.22 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,640	1,902
Investment property		110,000	110,000
Intangible Asset		21	106
Right of Use Asset		721	1,097
		<u>112,382</u>	<u>113,105</u>
Current Assets			
Trade receivables		19,058	12,577
Other receivables		687	1,171
Inventories		80	86
Tax recoverable		508	435
Fixed deposits with licensed institution		-	1,040
Cash and bank balances		1,307	10,688
		<u>21,640</u>	<u>25,997</u>
TOTAL ASSETS		<u>134,022</u>	<u>139,102</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		30,176	210,176
Share Option Reserves		5,768	5,768
Retained Earning / (Accumulated losses)		89,692	(85,057)
Equity attributable to owners of the Company		<u>125,636</u>	<u>130,887</u>
Total Equity		<u>125,636</u>	<u>130,887</u>
Non-Current Liabilities			
Lease Liability	B8	295	511
Deferred tax liabilities		3,502	3,502
		<u>3,797</u>	<u>4,013</u>
Current Liabilities			
Bank Overdraft	B8	10	13
Lease Liability	B8	457	267
Trade payables		14	48
Other payables		4,108	3,864
Income tax payable		-	10
		<u>4,589</u>	<u>4,202</u>
TOTAL LIABILITIES		<u>8,386</u>	<u>8,215</u>
TOTAL EQUITY AND LIABILITIES		<u>134,022</u>	<u>139,102</u>
Net assets per share (RM)		0.0116	0.0121

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE PERIOD ENDED 31 DECEMBER 2023**

	<----- Attributable to Equity Holders of the Parent ----->					
	Share Capital RM'000	SIS Options Reserve RM'000	Warrants Reserve RM'000	Accumulated Losses RM'000	Distributable Total Equity RM'000	
Balance as at 01 January 2023	210,176	5,768	-	(85,057)	130,887	
Total comprehensive (loss) for the financial period	-	-	-	(5,251)	(5,251)	
<u>Transaction with owners:</u>						
Acquisition with Share Issuance	-	-	-	-	-	
Share Capital Reduction	(180,000)	-	-	180,000	-	B6
Total transaction with owners	(180,000)	-	-	180,000	-	
Balance as at 31 December 2023	30,176	5,768	-	89,692	125,636	
Balance as at 01 January 2022	191,463	5,771	18,193	(80,419)	135,008	
Total comprehensive (loss) for the financial period	-	-	-	(4,638)	(4,638)	
<u>Transaction with owners:</u>						
SIS Lapsed	-	(3)	-	-	(3)	
Proceed from Warrant Conversion	520	-	-	-	520	
Warrant Reserve	301	-	(301)	-	-	
Lapsed of warrant	17,892	-	(17,892)	-	-	
Total transaction with owners	18,713	(3)	(18,193)	-	517	
Balance as at 31 December 2022	210,176	5,768	-	(85,057)	130,887	

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

PEGASUS HEIGHTS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2023**

	Year Ended 31.12.23 RM'000	Year Ended 31.12.22 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(5,252)	(4,725)
Adjustments for:		
Depreciation	599	646
Impairment / (Reversal) of Impairment loss on trade receivables	46	(315)
Amortisation of franchise license fee & deferred expenses	85	275
Share Options to employees Lapsed	-	(3)
Interest expense	89	67
Interest income	(148)	(354)
Amortisation of right of use asset	464	614
Gain on disposal plant, property and equipment	-	(240)
Operating loss before working capital changes	<u>(4,117)</u>	<u>(4,035)</u>
Increase in receivables	(6,043)	(2,582)
Decrease / (Increase) in inventories	6	(24)
Increase in payables	211	892
Cash used in operations	<u>(9,943)</u>	<u>(5,749)</u>
Tax paid	(82)	(587)
Interest paid	(89)	(67)
Net cash used in operating activities	<u>(10,114)</u>	<u>(6,403)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	148	354
Purchase of plant, property and equipment	-	(805)
Proceed from disposal of plant, property and equipment	-	390
Net cash generated from / (used in) investing activities	<u>148</u>	<u>(61)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease	(452)	(576)
Withdrawal / (placement) of fixed deposit	1,040	(21)
Proceeds from warrant conversion	-	520
Net cash generated from / used in) financing activities	<u>588</u>	<u>(77)</u>
Netdecrease in cash and cash equivalents	(9,378)	(6,541)
Cash and cash equivalents as at 1 January	10,675	17,216
Cash and cash equivalents as at end of period	<u>1,297</u>	<u>10,675</u>
CASH AND CASH EQUIVALENTS COMPRISE: -		
Cash and bank balances	1,307	10,688
Bank overdraft	(10)	(13)
	<u>1,297</u>	<u>10,675</u>

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

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

The accounting policies and methods of computation adopted by the Company and its subsidiaries (“Group”) in the interim financial statements are consistent with those adopted for the annual audited statements for the year ended 31 December 2022.

The adoption of the new/amended MFRS and its amendments does not give rise to any adjustment to the opening balances of retained profit of prior and current years or changes in comparatives.

A2. COMPARATIVES

There were no changes to the comparatives during the current financial period.

A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the preceding financial statements for the year ended 31 December 2022 was not qualified by the Auditors of the Company.

PEGASUS HEIGHTS BERHAD
Company No. 197401002677 (19727-P)
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A4. SEGMENTAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 31.12.23	Preceding Year Corresponding Quarter 31.12.22	Current year to Date 31.12.23	Preceding Year Corresponding Period 31.12.22
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Property Management	1,534	1,766	7,351	7,633
Trading	-	503	1,427	2,887
Project Management Consultancy	449	851	2,148	3,676
Investment Holding and Others	939	747	2,836	2,265
Total revenue including inter-segment sales	2,922	3,867	13,762	16,461
Eliminations of inter-segment sales	(169)	(168)	(393)	(398)
Total Revenue	2,753	3,699	13,369	16,063

Segment results

Property Management	(162)	1,242	(930)	451
Trading	(74)	(102)	(376)	(391)
Project Management Consultancy	459	(404)	(574)	(1,809)
Investment Holding and Others	(1,019)	(507)	(3,267)	(2,535)
Eliminations	308	(102)	(16)	(374)
(Loss) / Profit before interest and tax	(488)	127	(5,163)	(4,658)
Finance Cost	(43)	(17)	(89)	(67)
Taxation	1	(10)	1	87
(Loss) / Profit After Tax	(530)	100	(5,251)	(4,638)

As at 31 December 2023	Property Management RM'000	Trading RM'000	Project Management Consultancy RM'000	Investment Holding and Others RM'000	Eliminations RM'000	Group RM'000
Total segment assets	114,517	40	1,464	73,687	(55,686)	134,022
Unallocated asset: - Deferred tax assets	-	-	-	-	-	-
Total assets	114,517	40	1,464	73,687	(55,686)	134,022
Total Segment liabilities	90,346	1,488	905	17,599	(106,216)	4,122
Unallocated liabilities: - Finance Lease Liability	13	-	215	1,233	(709)	752
- Bank overdraft	10	-	-	-	-	10
- Deferred tax liabilities	3,502	-	-	-	-	3,502
Total liabilities	93,871	1,488	1,120	18,832	(106,925)	8,386

A4. SEGMENTAL INFORMATION (Continued)

As at 31 December 2022	Property Management RM'000	Trading RM'000	Project Management Consultancy RM'000	Investment Holding and Others RM'000	Eliminations RM'000	Group RM'000
Total segment assets	112,217	840	2,253	72,268	(48,476)	139,102
Unallocated asset:						
- Deferred tax assets	-	-	-	-	-	-
Total assets	112,217	840	2,253	72,268	(48,476)	139,102
Total Segment liabilities	87,335	1,913	1,321	12,639	(99,286)	3,922
Unallocated liabilities:						
- Finance Lease Liability	36	-	6	1,543	(807)	778
- Bank overdraft	13	-	-	-	-	13
- Deferred tax liabilities	3,502	-	-	-	-	3,502
Total liabilities	90,886	1,913	1,327	14,182	(100,093)	8,215

A5. 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 financial period ended 31 December 2023.

A6. CHANGES IN ESTIMATES

There was no change in estimates that has a material effect on the current quarter results.

A7. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not affected by any seasonal or cyclical factors during the quarter under review.

A8. DIVIDENDS PAID

No interim dividend has been paid in the current financial period 31 December 2023. (31 December 2022: Nil).

A9. CARRYING AMOUNT OF REVALUED ASSETS

There were no other changes in carrying amount of revalued asset during the current financial quarter.

A10. DEBT AND EQUITY SECURITIES

There were no other issuance, cancellations, or repayments of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current financial quarter.

A12. DISCONTINUED OPERATION

There were no existing business segments that can be categorised as discontinued in the current financial year.

A13. CAPITAL COMMITMENTS

There were no material changes in capital commitments since the previous quarter.

A14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the previous quarter.

A15. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

A16. RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group are as follow:

Transactions with company in which a Director of the company has substantial financial interest

	As at 31.12.23 RM'000	As at 31.12.22 RM'000
Rental of premises	257	257

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. PERFORMANCE REVIEW

	Individual Quarter		Changes (%)	Cumulative Period		Changes (%)
	31.12.23 RM'000	31.12.22 RM'000		31.12.23 RM'000	31.12.22 RM'000	
Revenue	2,753	3,699	(25.6)	13,369	16,063	(16.8)
(Loss) / profit before interest and tax (LBIT/PBIT)	(488)	127	-	(5,163)	(4,658)	10.8
(Loss) / profit before tax (LBT/PBT)	(531)	110	-	(5,252)	(4,725)	11.2
(Loss) / profit after tax (LAT/PAT)	(530)	100	-	(5,251)	(4,638)	13.2
(Loss) / profit attributable to ordinary equity holders of the parent	(530)	100	-	(5,251)	(4,638)	13.2

Review of results for the current quarter

For the fourth quarter ended 31 December 2023, the Group registered a revenue of RM2.75 million, LBIT of RM0.49 million and LBT of RM0.53 million as compared to a revenue of RM3.70 million, PBIT of RM0.13 million and PBT of RM0.11 million in the preceding year's corresponding quarter.

Commentary on revenue

The Group recorded a lower revenue for the current quarter due to lower contributions from all the segments except for the investment holding and others segment. The Group's revenue decreased 25.6% to RM3.14 million compared to the preceding year's corresponding quarter.

Commentary on LBIT and LBT

The Group recorded a higher LBIT and LBT for the current quarter compared to the preceding year's corresponding quarter's PBIT and PBT due to reversal of impairment loss on trade receivables amounting to RM1.5 million in Q4 2022. Stripping out the reversal, the current quarter recorded a lower LBIT and LBT.

Review of results for the financial period ended 31 December 2023

The Group recorded a revenue of RM13.37 million, LBIT of RM5.16 million and LBT of RM5.25 million for the financial period ended 31 December 2023 as compared to a revenue of RM16.06 million, LBIT of RM4.66 million and LBT of RM4.73 million in the financial period ended 31 December 2022.

Commentary on revenue

The Group recorded lower revenue across all segments except for the investment holding and others segment.

The Group's revenue decreased by 16.8% to RM13.37 million as compared to the preceding financial period mainly due to the decrease of 41.6% and 50.6% from PMC and trading segments respectively.

Commentary on LBIT/ LBT

The Group recorded a higher LBIT and LBT for the financial period ended 31 December 2023 compared to the preceding year's financial period ended 31 December 2022 LBIT and LBT due to lower revenue contributions and the reversal of impairment loss.

B2. COMMENTS ON MATERIAL CHANGE IN LOSS BEFORE TAXATION FOR THE CURRENT QUARTER COMPARED TO THE PRECEDING QUARTER

	Current quarter 31.12.23 RM'000	Preceding quarter 30.09.23 RM'000	Changes (%)
Revenue	2,753	3,138	(12.3)
(Loss) before interest and tax (LBIT)	(488)	(1,031)	(52.7)
(Loss) before tax (LBT)	(531)	(1,052)	(49.5)
(Loss) after tax (LAT)	(530)	(1,052)	(49.5)
(Loss) attributable to ordinary equity holders of the parent	(530)	(1,052)	(49.5)

The Group recorded a decrease of 12.3% revenue to RM2.75 million for the current quarter compared to RM3.14 million for the immediate preceding quarter ended 30 September 2023.

The Group recorded a lower LBT of RM0.53 million for the current quarter as compared to LBT of RM1.05 million in the immediate preceding quarter ended 30 September 2023 due to profit recognition from the final costing of the project from the PMC segment.

B3. COMMENTARY ON PROSPECTS

The mall's occupancy rate decreased from 84.50% in Q3 2023 to 83.44% as of 31 December 2023. This reduction in occupancy is attributed to the non-renewal of some of the tenants. This will allow the management to focus on attracting and maintaining quality tenants.

F&B segment remains challenging due to several factors, including significant cost increases and shifting customer demand. These challenges are partly driven by the rising cost of living, which has impacted customer spending habits and preferences.

Trading business continues to be lacklustre. There were no new orders during the quarter and the outlook for this segment remains clouded.

PMC operations has been furthered scaled down due to difficult market condition. This will enable the Group to better focus on its core business functions.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interests and forecast profit after tax and minority interests and for the shortfall in profit guarantee are not applicable.

B5. INCOME TAX EXPENSE

	Individual quarter ended		Cumulative quarter ended	
	31.12.23	31.12.22	31.12.23	31.12.22
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Provision for current year tax	-	38	-	38
(Over) provision for taxation	(1)	(28)	(1)	(125)
Total income tax expenses	(1)	10	(1)	(87)

B6. CORPORATE PROPOSALS

There was no corporate proposal announced but not completed as at the date of this report.

B7. BORROWINGS

	As at 31.12.2023 RM'000
Short-term borrowings: -	
-Secured	467
-Unsecured	-
	<u>467</u>
Long-term borrowings: -	
-Secured	295
-Unsecured	-
	<u>295</u>
Total Borrowings	<u><u>762</u></u>

	As at 31.12.2023 RM'000
Bank overdraft	10
Lease Liability	752
Total Borrowings	<u><u>762</u></u>

B8. CHANGES IN MATERIAL LITIGATION

There was no material litigation for the current financial period under review.

B9. EARNINGS PER SHARE

(a) Basic EPS

	Individual quarter ended		Cumulative quarter ended	
	31.12.23	31.12.22	31.12.23	31.12.22
(Loss) / Profit attributable to ordinary equity holders of the parent (RM'000)	(530)	100	(5,251)	(4,638)
Weighted average number of Ordinary Shares in issue ('000)	10,821,178	10,821,178	10,821,178	10,799,395
Basic (loss) / earning per share (sen)	0.00	0.00	(0.05)	(0.04)

(b) Diluted EPS

	Individual quarter ended		Cumulative quarter ended	
	31.12.23	31.12.22	31.12.23	31.12.22
(Loss) / profit attributable to ordinary equity holders of the parent (RM'000)	(530)	100	(5,251)	(4,638)
Weighted average number of Ordinary Shares in issue ('000)	10,821,178	10,845,048	10,821,178	10,934,864
Diluted (loss) / earning per share (sen)	0.00	0.00	(0.05)	(0.04)

B10. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivative financial instruments

As at 31 December 2023, the Group does not hold any derivative financial instruments.

(b) Disclosure of gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities reported by the Group during the financial period under review.

B11. DISCLOSURE OF ADDITIONAL INFORMATION

Total comprehensive income for the period was derived after charging / (crediting) the following items:

	Cumulative quarter ended	
	31.12.23	31.12.22
	RM'000	RM'000
Interest income	(148)	(354)
Interest expenses	89	67
Impairment / (reversal) of impairment loss on trade receivables	46	(315)
Depreciation	599	646
Amortization of franchise license fee & deferred expenses	85	275
Amortization of right of use asset	464	614
Share Issuance Scheme Lapsed	-	(3)
(Gain) on disposal plant, property and equipment	-	(240)

Saved as disclosed above and in the unaudited Condensed Consolidated Statements of Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Listing Requirement of Bursa Malaysia Securities Berhad for the Main Market are not applicable.

By order of the Board
Dated this 28 February 2024