



**AVALAND BERHAD**

**Company No: 200901038653 (881786-X)**

**(Incorporated In Malaysia)**

**Interim Financial Reports**

**For The Quarter Ended 30 June 2024**

**AVALAND BERHAD**  
**200901038653 (881786-X)**  
**Incorporated In Malaysia**

**Interim Financial Reports**

**For The Quarter Ended 30 June 2024**

	Page no.
Condensed Consolidated Statement of Comprehensive Income	1 - 2
Condensed Consolidated Statement of Financial Position	3 – 4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	6 - 8
Notes to Interim Financial Statements	9 – 16
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad	17 – 23

**AVALAND BERHAD**  
**200901038653 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 JUNE 2024**  
*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-JUN-24 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-23 RM'000	CURRENT YEAR TO DATE 30-JUN-24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-23 RM'000
Revenue	218,296	113,844	432,873	190,425
Cost of sales	(154,229)	(72,677)	(302,143)	(123,652)
Gross profit	<u>64,067</u>	<u>41,167</u>	<u>130,730</u>	<u>66,773</u>
Other income	1,083	1,632	2,679	4,198
Selling and marketing expenses	(7,322)	(2,198)	(14,034)	(4,592)
Direct operating and general administrative expenses	(20,701)	(19,657)	(43,444)	(39,526)
Finance costs	(5,353)	(4,909)	(11,905)	(8,828)
Profit before tax	<u>31,774</u>	<u>16,035</u>	<u>64,026</u>	<u>18,025</u>
Income tax expense	<u>(10,177)</u>	<u>(4,921)</u>	<u>(21,257)</u>	<u>(6,776)</u>
Profit for the period	21,597	11,114	42,769	11,249
Other comprehensive income/(loss), net of tax				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Change in fair value of cash flow hedge, net of tax	1,091	(1,636)	427	(2,942)
Total comprehensive income/(loss) for the period	<u>22,688</u>	<u>9,478</u>	<u>43,196</u>	<u>8,307</u>

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED 30 JUNE 2024**  
*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-JUN-24 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-23 RM'000	CURRENT YEAR TO DATE 30-JUN-24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-23 RM'000
<b>Profit/(Loss) for the period attributable to:</b>				
Owners of the Company	21,598	11,116	42,771	11,252
Non-controlling interest	(1)	(2)	(2)	(3)
	21,597	11,114	42,769	11,249
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	22,689	9,480	43,198	8,310
Non-controlling interest	(1)	(2)	(2)	(3)
	22,688	9,478	43,196	8,307
<b>Earnings per share attributable to owners of the Company:</b>				
Basic/Diluted earnings per share (Note B12)	1.48	0.76	2.94	0.77

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.*

**AVALAND BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30-JUN-24</b>	<b>31-DEC-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	217,534	219,505
Investment properties	252,542	247,297
Investment securities	-	4,514
Deferred tax assets	11,383	11,395
Land held for property development	287,952	286,013
	<u>769,411</u>	<u>768,724</u>
<b>Total Non-Current Assets</b>	<u>769,411</u>	<u>768,724</u>
<b>Current Assets</b>		
Inventories	3,340	3,750
Property development costs	383,846	419,602
Investment securities	4,514	-
Contract assets	380,972	283,628
Trade receivables	66,179	66,694
Other receivables	35,460	40,514
Tax recoverable	29,304	35,537
Derivative financial assets	2,574	-
Cash and bank balances	159,322	172,508
	<u>1,065,511</u>	<u>1,022,233</u>
<b>Total Current Assets</b>	<u>1,065,511</u>	<u>1,022,233</u>
<b>Total Assets</b>	<u>1,834,922</u>	<u>1,790,957</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Company</b>		
Share capital	1,541,092	1,541,092
Reserves	(1,062,472)	(1,062,899)
Retained earnings	499,965	457,194
	<u>978,585</u>	<u>935,387</u>
Non-controlling interests	217	219
	<u>217</u>	<u>219</u>
<b>Total Equity</b>	<u>978,802</u>	<u>935,606</u>

**AVALAND BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	<b>(UNAUDITED)</b> <b>AS AT</b> <b>30-JUN-24</b> <b>RM'000</b>	<b>(AUDITED)</b> <b>AS AT</b> <b>31-DEC-23</b> <b>RM'000</b>
<b>Non-Current Liabilities</b>		
Loans and borrowings	151,791	148,943
Deferred tax liabilities	1,527	1,478
Lease liabilities	1,208	1,608
<b>Total Non-Current Liabilities</b>	<u>154,526</u>	<u>152,029</u>
<b>Current Liabilities</b>		
Contract liabilities	1,717	3,739
Trade payables	115,082	109,371
Other payables	181,366	196,074
Loans and borrowings	133,398	131,533
Tax payable	9,828	4,037
Amount owing to ultimate holding company	259,078	252,450
Derivative financial liabilities	-	4,613
Lease liabilities	1,125	1,505
<b>Total Current Liabilities</b>	<u>701,594</u>	<u>703,322</u>
<b>Total Liabilities</b>	<u>856,120</u>	<u>855,351</u>
<b>Total Equity and Liabilities</b>	<u>1,834,922</u>	<u>1,790,957</u>
Net assets per share attributable to owners of the Company (RM)	0.67	0.64

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

**AVALAND BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 JUNE 2024**  
*(The figures have not been audited)*

**Attributable to the owners of the Company**

	<--- Non-Distributable --->		Distributable			Non-controlling interests	Total equity
	Share capital	Reverse acquisition reserve	Cash flow hedge reserve	Retained earnings	Attributable to owners of the Company		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2023</b>	1,541,092	(1,062,627)	1,496	391,081	871,042	224	871,266
Total comprehensive (loss)/income for the period	-	-	(2,942)	11,252	8,310	(3)	8,307
<b>As at 30 June 2023</b>	1,541,092	(1,062,627)	(1,446)	402,333	879,352	221	879,573
<b>As at 1 January 2024</b>	1,541,092	(1,062,627)	(272)	457,194	935,387	219	935,606
Total comprehensive income/(loss) for the period	-	-	427	42,771	43,198	(2)	43,196
<b>As at 30 June 2024</b>	1,541,092	(1,062,627)	155	499,965	978,585	217	978,802

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.*

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**200901038653 (881786-X)**  
**Incorporated In Malaysia**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2024**

	<b>(UNAUDITED)</b> <b>PERIOD</b> <b>ENDED</b> <b>30-JUN-24</b> <b>RM'000</b>	<b>(UNAUDITED)</b> <b>PERIOD</b> <b>ENDED</b> <b>30-JUN-23</b> <b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	64,026	18,025
Adjustments for:		
Depreciation of:		
Property, plant and equipment	5,831	4,894
Investment properties	252	259
Finance costs	11,905	8,828
Net fair value loss on foreign exchange forward	-	1,466
Gain on disposal of property, plant and equipment	(660)	(936)
Interest income	(826)	(817)
Unrealised loss/(gain) on foreign exchange	7	(1,258)
	80,536	30,461
Operating Profit Before Working Capital Changes	80,536	30,461
Decrease/(Increase) in:		
Inventories	411	264
Property development costs	36,892	22,040
Contract assets	(97,345)	(67,273)
Trade receivables	516	2,634
Other receivables	5,054	403
(Decrease)/Increase in:		
Contract liabilities	(2,023)	(3,417)
Trade payables	5,711	6,795
Other payables	(14,729)	(6,160)
	15,023	(14,253)
Cash Generated From/(Used In) Operations	15,023	(14,253)
Income taxes paid	(9,307)	(1,521)
	5,716	(15,774)
Net Cash Generated From/(Used In) Operating Activities	5,716	(15,774)



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2024**

	<b>(UNAUDITED)</b>	<b>(UNAUDITED)</b>
	<b>PERIOD</b>	<b>PERIOD</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>30-JUN-24</b>	<b>30-JUN-23</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	686	971
Interest received	826	817
Additions to:		
Investment properties	(5,497)	-
Property, plant and equipment	(3,885)	(835)
Land held for property development	(3,076)	(75,193)
Settlement of foreign exchange forward	-	(4,447)
	(10,946)	(78,687)
Net Cash Used In Investing Activities	(10,946)	(78,687)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Withdrawal/(Placement) of fixed deposits placed with licensed banks	11,418	(191)
Net repayments of borrowings	3,957	116,971
Drawdown of lease liabilities	-	257
Repayments of lease liabilities	(858)	(744)
Transaction costs paid	(1,198)	(3,441)
Finance costs paid	(9,856)	(8,275)
Changes in restricted cash held for loans and borrowings	38,977	12,961
	42,440	117,538
Net Cash Generated From Financing Activities	42,440	117,538
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>37,210</b>	<b>23,077</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>88,621</b>	<b>72,120</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>125,831</b>	<b>95,197</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE QUARTER ENDED 30 JUNE 2024**

	<b>(UNAUDITED)</b>	<b>(UNAUDITED)</b>
	<b>PERIOD</b>	<b>PERIOD</b>
	<b>ENDED</b>	<b>ENDED</b>
	<b>30-JUN-24</b>	<b>30-JUN-23</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents included in the statement of cash flows comprise the following:		
Fixed deposits with licensed banks	10,125	28,952
Deposits under Housing Development Accounts	81,284	56,644
Cash on hand and in bank	67,913	42,636
Cash and bank balances	159,322	128,232
Less:		
Excess restricted cash	(24,827)	(13,234)
Fixed deposits with maturity period more than 90 days	(8,664)	(19,801)
Cash and cash equivalents	125,831	95,197

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.*

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**200901038653 (881786-X)**  
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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2024**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING**  
**STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023. These interim financial statements contain selected explanatory notes which provide explanations of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company and its subsidiaries ("Group").

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted as disclosed in the audited financial statements for the financial year ended 31 December 2023.

The Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2024:

Amendments to MFRS 16	Leases (Lease Liability in a Sale and Leaseback)
Amendments to MFRS 101	Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
Amendments to MFRS 101	Presentation of Financial Statements (Non-Current Liabilities with Covenants)
Amendments to MFRS 107 and MFRS 7	Statement of Cash Flows and Financial Instruments: Disclosure (Supplier Finance Arrangements)

The adoption of the above amendments to MFRSs does not have any significant impact to the Group.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2024**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING**  
**STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A1 Basis of preparation (cont'd)**

At the date of the unaudited interim financial statements, the new and revised Standards and Amendments which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability) <sup>1</sup>
Amendments to MFRS 9 and MFRS 7	Financial Instruments and Financial Instruments Disclosures: Classification and Measurement of Financial Instruments <sup>2</sup>
MFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual period beginning on or after 1 January 2025, with earlier application permitted.

<sup>2</sup> Effective for annual period beginning on or after 1 January 2026, with earlier application permitted.

<sup>3</sup> Effective for annual period beginning on or after 1 January 2027, with earlier application permitted.

<sup>4</sup> Effective date deferred to a date to be determined and announced, with earlier application permitted.

The abovementioned MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these MFRSs and amendments to MFRSs may have an impact on the financial statements of the Group and the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect until the Group and the Company undertake a detailed review.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2024**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING**  
**STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A2 Exceptional or unusual items**

There were no material items of exceptional or unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the period ended 30 June 2024.

**A3 Changes in estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the amounts reported for the current quarter under review.

**A4 Debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter under review.

**A5 Dividend paid**

There were no dividends paid in the current quarter under review.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2024**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A6 Segmental information**

The Group's segmental information for the period ended 30 June 2024 is as follows:

	<b>Property Development RM'000</b>	<b>Investment Holding RM'000</b>	<b>Complementary Business RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>							
External revenue	424,182	-	1,092	7,599	432,873	-	432,873
Inter-segment revenue	-	-	26,835	1,397	28,232	(28,232)	-
<b>Total revenue</b>	<b>424,182</b>	<b>-</b>	<b>27,927</b>	<b>8,996</b>	<b>461,105</b>	<b>(28,232)</b>	<b>432,873</b>
<b>Results</b>							
Operating profit/(loss)	76,580	(1,648)	278	(1,958)	73,252	-	73,252
Interest income	781	9,245	25	5	10,056	(9,230)	826
Other income	763	48	919	123	1,853	-	1,853
Finance costs	(9,636)	(8,811)	(2,192)	(496)	(21,135)	9,230	(11,905)
<b>Profit/(Loss) before tax</b>	<b>68,488</b>	<b>(1,166)</b>	<b>(970)</b>	<b>(2,326)</b>	<b>64,026</b>	<b>-</b>	<b>64,026</b>
Income tax expense	(20,739)	(149)	(298)	(71)	(21,257)	-	(21,257)
<b>Profit/(Loss) after tax</b>	<b>47,749</b>	<b>(1,315)</b>	<b>(1,268)</b>	<b>(2,397)</b>	<b>42,769</b>	<b>-</b>	<b>42,769</b>

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2024**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A6 Segmental information (cont'd)**

The segmental information as at 30 June 2024 is as follows:

	<b>Property Development RM'000</b>	<b>Investment Holding RM'000</b>	<b>Complementary Business RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Assets and liabilities</b>							
Segment assets	2,421,585	1,962,080	683,579	66,162	5,133,406	(3,339,171)	1,794,235
Tax recoverable and deferred tax assets	21,775	133	9,656	107	31,671	9,016	40,687
<b>Total assets</b>	<b>2,443,360</b>	<b>1,962,213</b>	<b>693,235</b>	<b>66,269</b>	<b>5,165,077</b>	<b>(3,330,155)</b>	<b>1,834,922</b>
Segment liabilities	1,870,047	417,655	626,426	118,207	3,032,335	(2,187,570)	844,765
Tax payable and deferred tax liabilities	9,969	48	34	-	10,051	1,304	11,355
<b>Total liabilities</b>	<b>1,880,016</b>	<b>417,703</b>	<b>626,460</b>	<b>118,207</b>	<b>3,042,386</b>	<b>(2,186,266)</b>	<b>856,120</b>

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2024**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING**  
**STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A7 Material events subsequent to the end of interim financial year**

There were no material events subsequent to the end of the current quarter under review up to the date of this report, except for the following:

- (a) On 24 June 2024, the Group has lodged an Islamic Medium Term Notes Programme of up to RM1 billion in nominal value based on the Shariah Principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Programme") with the Securities Commissions Malaysia ("SC").

As at 8 August 2024, the Group made a first issuance of RM300 million in nominal value pursuant to the Sukuk Murabahah Programme.

**A8 Changes in the composition of the Group**

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

**A9 Changes in contingent liabilities and contingent assets**

Details of contingent liabilities of the Group as at end of the current quarter under review are as follows:

- (a) Performance bond

	<b>As at 30-JUN-24 RM'000</b>	<b>As at 31-DEC-23 RM'000</b>
Performance bond provided in favour of third parties pursuant to the construction and/or development projects of the Group	<u>68,446</u>	<u>40,941</u>

**A10 Commitments**

There were no commitments in the Group for the current quarter under review.



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**200901038653 (881786-X)**  
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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2024**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING**  
**STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A11 Significant related party transactions**

During the financial period, the significant related party transactions entered by the Group, which were determined based on negotiations agreed between the parties, are as follows:

	<b>6 MONTHS ENDED 30-JUN-24 RM'000</b>
Interest paid/payable to ultimate holding company	6,118
Legal fees paid/payable for sales and purchase agreement to a firm, in which a director has interest	<u>399</u>

**A12 Seasonal or cyclical factors**

The Group's operations were not significantly affected by any seasonal or cyclical factors.

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**NOTES TO INTERIM FINANCIAL STATEMENTS**  
**UNAUDITED INTERIM FINANCIAL REPORTS FOR THE QUARTER ENDED 30 JUNE 2024**

**PART A - EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A13 Fair values**

The carrying amounts of the financial instruments approximate their fair values as these financial assets and financial liabilities have short-term maturity or are repayable on demand except for the following:

**Financial instruments carried at fair value**

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

	<b>As at 30-JUN-24 RM'000</b>	<b>As at 31-DEC-23 RM'000</b>
<b>Level 2</b>		
<u>Assets</u>		
Derivative financial instruments (cross currency interest rate swaps)	2,574	-
<u>Liabilities</u>		
Derivative financial instruments (cross currency interest rate swaps)	-	4,613

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**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1 Performance review**

Performance of the second quarter ended 30 June 2024 against the preceding year corresponding quarter (Q2 2024 vs Q2 2023)

In Q2 2024, the Group maintained its strong momentum as revenue rose by 91.8% to RM218.3 million from RM113.8 million in Q2 2023. The revenue growth was mainly contributed by advanced construction work progress from the Group's ongoing projects (namely Aetas Damansara, Alira Subang Jaya and projects in Cyberjaya) coupled with commendable take-up for Casa Embun Phase 2 and Amika Residences which were launched in the first quarter of 2024.

In tandem to the above, the Group's gross profit in Q2 2024 improved by 55.6% to RM64.1 million compared to RM41.2 million recorded in Q2 2023.

Nevertheless, the Group's profit before tax surged by 98.2% to RM31.8 million in Q2 2024 as compared to the RM16.0 million posted in the corresponding quarter of the preceding year. The improved bottom-line was achieved in tandem with the higher top-line recorded in the quarter under review.

Performance of the current year-to-date against the preceding year-to-date (year-to-date "YTD" June 2024 vs YTD June 2023)

For the current year, the Group's year-to-date revenue has more than doubled to RM432.9 million from RM190.4 million in YTD June 2023, mainly contributed by the advanced construction progress from ongoing projects as well as healthy sales of newly launched projects during the year.

This resulted in a higher gross profit of RM130.7 million as compared to RM66.8 million in YTD June 2023, representing an increase of 95.8%.

Aligned with the increased topline, the Group's profit before tax rose by over threefold to RM64.0 million in YTD June 2024 as compared to RM18.0 million in YTD June 2023.

**B2 Material changes for the current quarter as compared to the preceding quarter (Q2 2024 vs Q1 2024)**

The Group's revenue in Q2 2024 rose marginally to RM218.3 million as compared to RM214.6 million in the preceding quarter due to sales and construction progress did not increase significantly in view of the festive seasons.

Despite that, the Group still managed to sustain its profit before tax of RM31.8 million in the current quarter as compared to RM32.3 million in the preceding quarter.

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**B3 Prospects**

The Group sustained its commendable financial performance and reported higher property sales of RM476.3 million for the six months period ended 30 June 2024. This is 78.6% higher than the RM266.7 million sales recorded in the corresponding period in the previous year.

The improved sales performance was driven by the encouraging take up for the Group's ongoing projects, namely Phase 1 Casa Embun (99%), Sanderling (89%), Alira Subang Jaya (92%) and Alora Residences (39%).

Thus far, the Group launched four projects in 2024, namely Phase 2 of Casa Embun in Cybersouth, Amika Residences in Subang Jaya, Aetas Seputeh in Kuala Lumpur and Anja Residences & Signature Retail in Bangi with a total gross development value ("GDV") of RM1.7 billion. All of the Group's recent launches in the first half of 2024 have also achieved strong demand with encouraging take-up rates thus far.

The Group's unbilled sales as at 30 June 2024 stood at RM954 million, up from RM863 million as at 31 December 2023. The improved unbilled sales will provide the Group with strong earnings visibility over the next few years.

The Group's developments are categorised into three tiers, namely AVA Luxe, AVA Prime and AVA Ria to cater to every market segment with a seamless range. AVA Luxe represents the Group's upscaled luxury brand (Aetas Seputeh), while AVA Prime represents the Group's lifestyle brand and caters to the middle-income market (Amika Residences). Meanwhile, AVA Ria focuses on affordable quality housing (Casa Embun and Anja Residences & Signature Retail). The Group is confident that the new projects will be well accepted by the market considering its strategic location, unique concepts and design for post-pandemic lifestyles.

In terms of the industry's outlook, the demand for homes have continued to grow with loan applications for purchase of properties reporting a 3.3% rise in the first half of 2024 to RM307 billion from the previous corresponding period. This comes as Malaysia has a stable interest rate environment in the past year with the recent decisions by Bank Negara Malaysia to maintain the 3.0% Overnight Policy Rate, which bodes well for the overall property sector. Moreover, the reinforced Malaysia My Second Home policy is attracting interest of foreigners for projects priced above RM600,000 and we are optimistic that it would help drive the demand for our Ava Prime and Ava Luxe products.

Nevertheless, the Group remains cautiously optimistic of its prospects with the robust demand for the Group's projects amidst its strategic location, strong value propositions and ability to meet the market's requirements. Furthermore, the Group has a land bank of 194.4 acres across Klang Valley with an estimated GDV of RM11.5 billion that would provide earnings visibility for the next 10 years.

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**B4 Profit forecast or profit guarantee**

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

**B5 Profit/(Loss) on sale of unquoted investments**

There was no sale of unquoted investments during the current quarter under review.

**B6 Quoted securities**

There was no purchase or disposal of quoted and marketable securities during the current quarter under review.

**B7 Status of corporate proposals**

There were no corporate proposals previously announced by the Group that remained uncompleted as at 20 August 2024, the last practicable date which is not earlier than seven (7) days from the issue of this interim financial report.

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**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B8 Group borrowings**

Group borrowings as at 30 June 2024 and 31 December 2023 were as follows:

	<b>As at 30-JUN-24 RM'000</b>	<b>As at 31-DEC-23 RM'000</b>
<b>Short-term</b>		
<u>Unsecured:</u>		
Lease liabilities (Hire purchases)	103	119
Revolving credits	125,700	125,020
<u>Secured:</u>		
Term loans and islamic loans	7,698	6,513
	<u>133,501</u>	<u>131,652</u>
<b>Long-term</b>		
<u>Unsecured:</u>		
Lease liabilities (Hire purchases)	272	317
<u>Secured:</u>		
Term loans and islamic loans	151,791	148,943
	<u>152,063</u>	<u>149,260</u>
	<u><b>285,564</b></u>	<u><b>280,912</b></u>

Save for the advances from ultimate holding company and its related interest payable, there were no loans and borrowings denominated in foreign currency as at 30 June 2024 and 31 December 2023.

Weighted average interest rates per annum of borrowings effective as at reporting date are as follow:

	<b>30-JUN-24</b>
Lease liabilities	2.36%
Revolving credits	5.10%
Term loan and islamic loans	5.13%

The proportion of borrowings between fixed and floating were as follows:

	<b>30-JUN-24</b>	
	<b>RM'000</b>	<b>% to total borrowings</b>
Fixed rate	375	0.13%
Floating rate	285,189	99.87%
	<u>285,564</u>	<u>100.00%</u>

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**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B9 Income tax expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-JUN-24 RM'000	30-JUN-23 RM'000	30-JUN-24 RM'000	30-JUN-23 RM'000
Income tax expense comprises:				
Current tax	10,177	4,921	21,331	6,776
Deferred tax	-	-	(74)	-
	10,177	4,921	21,257	6,776

**B10 Trade receivables**

The table below is the aging analysis of trade receivables at the end of the reporting period:

	30-JUN-24 RM'000
Neither past due nor impaired	34,496
1 to 30 days past due	18,573
31 to 60 days past due	4,231
61 to 90 days past due	3,726
More than 90 days past due	14,018
	40,548
Less: Allowance for doubtful debt for trade receivables	(8,865)
	66,179

Allowance for doubtful debt for trade receivables was provided for balances aged beyond 180 days as it is probable the Group will be unable to collect such debts after sending reminder letters and letter of demand.

On confirmation of insolvency of receivables, the balances will be written off.

**B11 Dividend payable**

There was no dividend proposed for the quarter under review.

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**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B12 Earnings per share**

The calculation of the earnings per ordinary share of the Group has been calculated by dividing profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-JUN-24 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-JUN-23 RM'000	CURRENT YEAR TO DATE 30-JUN-24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-JUN-23 RM'000
Basic earnings per share				
Profit attributable to owners of the Company (RM'000)	21,598	11,116	42,771	11,252
Weighted average number of ordinary shares ('000)	1,456,995	1,456,995	1,456,995	1,456,995
Basic/Diluted earnings (sen per share)	<u>1.48</u>	<u>0.76</u>	<u>2.94</u>	<u>0.77</u>

**B13 Profit before tax**

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

	CURRENT YEAR QUARTER 30-JUN-24 RM'000	YEAR TO DATE 30-JUN-24 RM'000
Staff costs	12,745	25,840
Depreciation of:		
Property, plant and equipment	3,149	5,831
Investment properties	126	252
Unrealised loss on foreign exchange	5	7
Gain on disposal of property, plant and equipment	(149)	(660)
Interest income	<u>(536)</u>	<u>(826)</u>



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**PART B - EXPLANATORY NOTES PURSUANT TO PART A OF AND APPENDIX 9B OF THE MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B14 Changes in material litigation**

There was no material litigation against the Group as at the reporting date.

**B15 Auditors' report on preceding annual financial statements**

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

**B16 Authorisation for issue**

The current interim financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 27 August 2024.