

Interim Financial Report

SECOND QUARTER
ENDED 31ST DECEMBER 2023



INTERIM FINANCIAL REPORT

SECOND QUARTER | ENDED 31ST DECEMBER 2023



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD 31 DECEMBER 2023 (UNAUDITED) ⁽¹⁾

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--|--|--|--|
| | 01.10.2023 TO 31.12.2023 RM'000 | 01.10.2022 TO 31.12.2022 RM'000 | 01.07.2023 TO 31.12.2023 RM'000 | 01.07.2022 TO 31.12.2022 RM'000 |
| Revenue | 51,627 | 80,054 | 137,418 | 158,167 |
| Costs of sales | (43,028) | (56,597) | (110,562) | (117,808) |
| Gross Profit | 8,599 | 23,457 | 26,856 | 40,359 |
| Other Income | 4,739 | 847 | 5,128 | 1,216 |
| Selling and distribution expenses | (321) | (424) | (773) | (1,154) |
| Administrative expenses | (3,289) | (2,472) | (8,395) | (6,823) |
| Other expenses | (1,551) | (2,047) | (3,673) | (4,190) |
| Operating Profit | 8,177 | 19,361 | 19,143 | 29,408 |
| Finance income | 1,404 | 660 | 1,672 | 1,532 |
| Finance costs | (1,270) | (3,164) | (3,388) | (5,936) |
| Share of results of associates, net of tax | - | - | - | - |
| Profit before tax | 8,311 | 16,857 | 17,427 | 25,004 |
| Income tax expense | (601) | (5,979) | (4,741) | (10,576) |
| Net profit for the period | 7,710 | 10,878 | 12,686 | 14,428 |
| Other comprehensive income for the financial period | - | - | - | - |
| Total comprehensive income for the financial period | 7,710 | 10,878 | 12,686 | 14,428 |
| Profit attributable to: | | | | |
| - Owners of the Company | 5,451 | 6,371 | 6,985 | 8,006 |
| - Non-controlling interests | 2,259 | 4,507 | 5,701 | 6,422 |
| | 7,710 | 10,878 | 12,686 | 14,428 |
| Profit per share (sen) attributable to owners of the Company | | | | |
| - Basic ⁽²⁾ | 0.41 | 0.49 | 0.52 | 0.61 |
| - Diluted ⁽³⁾ | 0.41 | 0.49 | 0.52 | 0.61 |

Notes:

(1) The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.

(2) Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (a)).

(3) Based on weighted average number of ordinary shares in issue (as detailed in Note B11 (b)).

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS 31 DECEMBER 2023
(UNAUDITED) ⁽¹⁾**

| | UNAUDITED | AUDITED |
|---|-------------------|-------------------|
| | As At | As At |
| | 31.12.2023 | 30.06.2023 |
| | RM'000 | RM'000 |
| Non-current assets | | |
| Property, plant and equipment | 10,324 | 10,596 |
| Inventories - Property held for development | 1,195,563 | 1,221,571 |
| Investment in associates | 6,636 | 6,622 |
| Investment properties | 282,886 | 255,104 |
| Goodwill on consolidation | 2,063 | 2,063 |
| Trade receivables | 850 | 847 |
| Deferred tax assets | 7,571 | 7,678 |
| Total non-current assets | 1,505,893 | 1,504,481 |
| Current assets | | |
| Inventories - Property under development | 98,669 | 119,216 |
| Inventories - Completed properties | 67,530 | 144,812 |
| Trade and other receivables | 313,782 | 276,757 |
| Contract assets | 19,976 | 17,904 |
| Contract costs | 6,399 | 6,431 |
| Current tax assets | 7,741 | 25,118 |
| Cash and short-term deposits | 236,107 | 199,941 |
| Total current assets | 750,204 | 790,179 |
| TOTAL ASSETS | 2,256,097 | 2,294,660 |

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023
(UNAUDITED) (CONTINUED) ⁽¹⁾**

| | UNAUDITED | AUDITED |
|---|---------------------|------------------|
| | As At | As At |
| | 31.12.2023 | 30.06.2023 |
| | RM'000 | RM'000 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 790,019 | 844,604 |
| Irredeemable convertible preference shares | - | - |
| Other reserves | (47,426) | (47,426) |
| Treasury Shares | (1,079) | (27,897) |
| Retained earnings | 467,855 | 433,747 |
| Equity attributable to equity holders of the Company | 1,209,369 | 1,203,028 |
| Non-controlling interests | 95,018 | 89,258 |
| Total equity | 1,304,387 | 1,292,286 |
| Non-current liabilities | | |
| Trade and other payables | 89,669 | 56,323 |
| Loans and borrowings | 194,191 | 87,468 |
| Deferred tax liabilities | 28,336 | 28,336 |
| Total non-current liabilities | 312,196 | 172,127 |
| Current liabilities | | |
| Trade and other payables | 442,682 | 495,848 |
| Contract liabilities | 140,786 | 193,357 |
| Loans and borrowings | 49,659 | 138,855 |
| Current tax liabilities | 6,387 | 2,187 |
| Total current liabilities | 639,514 | 830,247 |
| Total liabilities | 951,710 | 1,002,374 |
| TOTAL EQUITY AND LIABILITIES | 2,256,097 | 2,294,660 |
| Net assets per share attributable to owners of the Company (RM) | 0.90 ⁽¹⁾ | 0.90 |

Notes:

(1) The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD 31 DECEMBER 2023 (UNAUDITED) ⁽¹⁾

| | Share Capital RM'000 | Treasury Shares RM'000 | Reserve arising from Reverse Acquisition RM'000 | Irredeemable Convertible Preference Shares RM'000 | Retained Earnings RM'000 | Sub-total RM'000 | Non- Controlling Interest RM'000 | Total Equity RM'000 |
|--|----------------------------|------------------------------|---|---|--------------------------------|---------------------|---|------------------------|
| Group | | | | | | | | |
| As at 30 June 2022 | 786,278 | (25,782) | (47,426) | 58,326 | 429,322 | 1,200,718 | 87,631 | 1,288,349 |
| Conversion of ICPS | 58,326 | - | - | (58,326) | - | - | - | - |
| NCI shares of purchase of subsidiary | - | - | - | - | - | - | 124 | 124 |
| Purchase of treasury shares during the year | - | (2,115) | - | - | - | (2,115) | - | (2,115) |
| Profit for the financial year, representing comprehensive income | - | - | - | - | 4,425 | 4,425 | 1,503 | 5,928 |
| Balance at 30 June 2023 | 844,604 | (27,897) | (47,426) | - | 433,747 | 1,203,028 | 89,258 | 1,292,286 |
| NCI shares of purchase of subsidiary | - | - | - | - | - | - | 59 | 59 |
| Cancellation of treasury shares during the year | (54,585) | 27,462 | - | - | 27,123 | - | - | - |
| Purchase of treasury shares during the year | - | (644) | - | - | - | (644) | - | (644) |
| Profit for the financial Period, representing comprehensive income | - | - | - | - | 6,985 | 6,985 | 5,701 | 12,686 |
| Balance at 31 December 2023 | 790,019 | (1,079) | (47,426) | - | 467,855 | 1,209,369 | 95,018 | 1,304,387 |

Notes:

(1) The unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD 31 DECEMBER 2023 (UNAUDITED) ⁽¹⁾

| | 01.07.2023 TO 31.12.2023 RM'000 | 01.07.2022 TO 31.12.2022 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit Before Tax | 17,427 | 25,004 |
| Adjustments for: | | |
| Non cash item | (1,840) | 4,808 |
| Operating Profit Before Working Capital Changes | <u>15,587</u> | <u>29,812</u> |
| Net changes in working capital | | |
| Inventories - property under development and held for development | 12,877 | 41,757 |
| Inventories - completed properties | 44,390 | 16,451 |
| Receivables and others | (71,595) | 124,991 |
| Payables | 34,632 | (26,104) |
| Net Cash Generated from Operations | <u>35,891</u> | <u>186,907</u> |
| Interest paid | (3,388) | (5,936) |
| Interest received | 1,038 | 1,532 |
| Net tax refund/(paid) | 15,080 | (7,480) |
| Net Operating Cash Flows | <u>48,621</u> | <u>175,023</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (175) | (5) |
| Net proceed from disposal of subsidiaries | (904) | - |
| Investment properties costs incurred | (28,272) | (14,445) |
| Investment in an associate | (15) | - |
| Acquisition of subsidiaries | 30 | - |
| Net Investing Cash Flows | <u>(29,336)</u> | <u>(14,450)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Changes in hire purchase payables | (268) | (247) |
| Purchase of treasury shares | (645) | (1,907) |
| Changes in bank borrowings | 27,794 | (111,557) |
| Withdrawal/(Placement) of fixed deposits | 2,408 | (91) |
| Net Financing Cash Flows | <u>29,289</u> | <u>(113,802)</u> |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR FINANCIAL PERIOD 31 DECEMBER 2023 (UNAUDITED) (CONTINUED) ⁽¹⁾

| | 01.07.2023 | 01.07.2022 |
|---|-------------------|-------------------|
| | TO | TO |
| | 31.12.2023 | 31.12.2022 |
| | RM'000 | RM'000 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 48,574 | 46,771 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD | 160,943 | 119,469 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD | <u>209,517</u> | <u>166,240</u> |
| Cash and cash equivalents at end of financial period comprises: | | |
| Cash and bank balances | 223,909 | 186,153 |
| Short term deposits | 12,198 | 18,456 |
| Islamic commercial paper | (10,000) | (20,000) |
| | <u>226,107</u> | <u>184,609</u> |
| Less: Fixed deposit pledged to licensed banks | (16,517) | (16,353) |
| Less: Deposits with maturity more than 3 months | (73) | (2,016) |
| | <u>209,517</u> | <u>166,240</u> |

Notes:

- (1) *The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements*

A EXPLANATORY NOTES

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board, and paragraph 9.22 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2023 and the explanatory notes attached therein.

These explanatory notes attached to these interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2023.

A2. Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the financial year ended 30 June 2023

The Group has also adopted the following new standard/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2023:

- Initial Application of MFRS 17 and MFRS 9 Comparative Information
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error
- Amendments to MFRS 112 Income Taxes

The adoption of the new MFRSs, amendments to MFRSs and IC Interpretations did not have any material impact on the financial position and results of the Group.

A3. Auditors’ Report on Preceding Annual Financial Statements

There was no audit qualification reported in the Auditors’ Report on the financial statements for the financial year ended 30 June 2023.

A4. Seasonality or Cyclicity of Operations

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

A5. Unusual Items

There were no significant items affecting the assets, liabilities, equity, net income or cash flows for the current financial period-to-date.

A6. Changes in Estimates

There were no changes in the estimates that have had a material effect in the current quarter and current financial period-to-date results.

A7. Debt and Equity Securities

Save for the following, there was no issuance, cancellation, share buyback, resale or repayment of debt and equity securities during the current financial period under review.

Repurchase and cancellation of shares

During the financial period, the Company had cancelled 92,478,600 of its treasury shares at an average price of RM 0.2970. The ordinary shares purchased were being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016 and were presented as a deduction from equity.

A EXPLANATORY NOTES (CONTINUED)**A7. Debt and Equity Securities (continued)**

During the quarter under review, the Company had repurchased 2,561,600 of its ordinary shares from the open market with the price at average of RM 0.2516 per shares.

As at 31 December 2023, the Company held a total of 4,321,400 or RM 1,079,332.5 treasury shares at average price of RM 0.2498 per share.

A8. Dividend Paid

There was no dividend paid in the current quarter under review.

A9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been brought forward, without amendment from the previous audited financial statements.

A10. Material Events subsequent to the End of the Interim Period

There were no material events subsequent to the end of the financial period reported that have not been reflected in the financial statement.

A11. Changes in Composition of the Group

On 13 July 2023, NPO Development Sdn Bhd, a wholly owned subsidiary of the Company had acquired 70,000 ordinary shares, representing 70% of the issued share capital of Pride Hectares Sdn Bhd (“PHSB”) for a consideration of RM70,000. Following the acquisition, PHSB is now a 70% subsidiary of the Company.

On 28 August 2023, the Court has ordered Renofajar Sdn. Bhd. (“Renofajar”), an indirect wholly owned subsidiary of the Company to be wound up under the provisions of the Companies Act 2016. Subsequently, the Renofajar is under the purview and control of the Official Receiver. With the loss of control, Renofajar will be deconsolidate from the Group.

On 30 November 2023, the Company disposed of its 100% interest in Safetags Solution Sdn. Bhd. for a cash consideration of RM1.00.

A12. Changes in Contingent Liabilities and Contingent Assets**Contingent Liabilities**

| | As At 31.12.2023 RM'000 | As At 30.06.2022 RM'000 |
|--|-------------------------------|-------------------------------|
| Corporate guarantees for credit facilities granted to subsidiaries | 198,713 | 204,963 |

Contingent Assets

The Group does not have any material contingent assets to be disclosed as at 31 December 2023.

A13. Significant Related Party Transactions

There was no significant related party transaction in the current quarter under review.

A EXPLANATORY NOTES (CONTINUED)**A14. Segmental Information**

The segmental analysis for the financial period ended 31 December 2023 was as follows.

Analysis by Operating Divisions:-

| | Property Development RM'000 | Investment Holding & others RM'000 | Total RM'000 |
|--|--|---|-------------------------|
| Segment profit | 19,596 | (2,169) | 17,427 |
| Included in the measure of segment profit are:- | | | |
| Revenue from external customers | 137,149 | 269 | 137,418 |
| Inter-segment revenue | 17,469 | 2,473 | 19,942 |
| Elimination | (17,469) | (2,473) | (19,942) |
| Total revenue | 137,149 | 269 | 137,418 |
| Finance income | 456 | 581 | 1,037 |
| Finance costs | (2,731) | (657) | (3,388) |
| Not included on the measure of segment profit but provided to the Management :- | | | |
| Tax expense | (4,693) | (48) | (4,741) |
| Segment assets | 2,126,368 | 129,729 | 2,256,097 |
| Segment liabilities | 1,558,676 | (606,966) | 951,710 |

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Group Performance

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.10.2023 TO 31.12.2023 | 01.10.2022 TO 31.12.2022 | 01.07.2023 TO 31.12.2023 | 01.07.2022 TO 31.12.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | |
| Property Development | 51,445 | 79,928 | 137,149 | 158,028 |
| Other Operations | 182 | 126 | 269 | 139 |
| | 51,627 | 80,054 | 137,418 | 158,167 |
| Profit / (Loss) before tax | | | | |
| Property Development | 9,520 | 18,247 | 19,596 | 32,601 |
| Other Operations | (1,209) | (1,390) | (2,169) | (7,597) |
| | 8,311 | 16,857 | 17,427 | 25,004 |
| | | | | |

Performance of the second quarter against the same quarter in the preceding year (Q2 FY2024 vs Q2 FY2023)

(a) Property Development

The Group's recorded revenue of RM51.4 million for the current quarter which is slight decreased by 36% or RM28.48 million as compared to the revenue of RM79.93 million registered in the previous year's corresponding quarter and it is mainly attributable by the sales of completion properties namely Neu Suites @ Off Jalan Ampang and on-going projects namely The Riv @ KL Sentral and TheShore @ Kota Kinabalu. Revenue in current quarter mainly attributable by the on-going projects namely The Riv @ KL Sentral, Seiring @ Bukit Subang and sales of completion properties namely Neu Suites @ Off Jalan Ampang.

In tandem with slight decrease in revenue generated and no major changes in operating expenses, the profit before tax decreased by RM8.7 million or 48% from RM18.2 million to RM9.5 million.

(b) Other Operations

Revenue from Other Operations mainly contributed by rental business. Losses before tax were mainly due to the operating expenses and staff payroll and staff related costs.

Performance of the second quarter cumulative year against the same period in the preceding year (Q2 YTD FY2024 vs Q2 YTD FY2023)

(a) Property Development

The Group's recorded revenue of RM137.15 million for the current financial period which decreased by 13% or RM20.88 million as compared to the revenue of RM158.03 million registered in the previous year's mainly attributable on-going projects namely Neu Suites @ Off Jalan Ampang, The Riv @ KL Sentral and Aster & Adam @ Klang. Revenue in current financial period mainly attributable by the sales of completion properties namely Neu Suites @ Off Jalan Ampang and on-going projects namely The Riv @ KL Sentral and Seiring @ Bukit Subang

In tandem with the reduction of revenue generated during the financial period, the profit before tax reduced by RM13 million or 40% from RM32.6 million to RM19.6 million.

(b) Other Operations

Revenue from Other Operations mainly contributed by rental business. Losses before tax were mainly due to the operating expenses and staff payroll and staff related costs.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)

B2. Material Changes in the Quarterly Results compared to the Results of the Preceding Quarter

| | INDIVIDUAL QUARTER | | CHANGES |
|--|--------------------------------|-------------------------------|----------|
| | 01.10.2023 TO 31.12.2023 | 01.7.2023 TO 30.09.2023 | |
| | RM'000 | RM'000 | RM'000 |
| Revenue | 51,627 | 85,791 | (34,164) |
| Gross Profit | 8,599 | 18,257 | (9,658) |
| Profit before interest and tax | 8,812 | 10,966 | (2,154) |
| Profit before tax | 8,311 | 9,116 | (805) |
| Profit after tax | 7,710 | 4,976 | 2,734 |
| Profit attributable to owners of the Company | 5,451 | 1,534 | 3,917 |

The revenue generated in the current quarter is comparatively lower than the preceding quarter, primarily due to revenue recognition for sales derived from newly launched projects is relatively lower due to the early stage of project progress and revenue derived from the sales of the completed and near-completion inventories in the current quarter are relatively lower.

It is worth noting that in the preceding quarter, revenues derived from the sales of completed and near-completion inventories had been nearly fully recognized.

Moving forward, the diversification into property investment is expected to provide future recurrent income, mitigating the impact of cyclical fluctuations in the property market.

B3. Prospects and progress on previously announced financial estimate

(a) Prospects

As of December 2023, the Group's six ongoing projects, collectively valued at approximately RM1.6 billion in Gross Development Value, have achieved an average take-up rate of 69%. Additionally, the unbilled sales amount to RM400 million, poised to make a positive contribution to the Group's earnings over the next two to four years. Despite this encouraging performance, the Group remains cautious and resilient in managing its current ongoing development projects. Simultaneously, it continues to focus on selling completed property inventory while strategically reassessing and pursuing new opportunities.

The Group's growth strategy involves expanding its land portfolio and investing in strategically located development properties within the Klang Valley. This strategic approach aims to sustain Titijaya Group's presence and success in both property development and investment ventures. To this end, the Group has announced the acquisition of five (5) storey medium-cost two-bedroom flats with the intention to redevelop them into mixed commercial properties. This acquisition is poised to yield a synergistic effect with the adjacent property, First Subang SS15 Courtyard, developed by the Group. Capitalizing on the strategically advantageous location in Subang Jaya, which holds significant development value, the Group is optimistic that this acquisition will not only augment the future revenue stream but also make a positive contribution to the overall financial performance of the Group.

(b) Progress and steps to achieve financial estimate, forecast, projection and internal targets

There was no financial estimate previously announced by the Group.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)**B4. Statement of the Board of Directors' opinion on achievability of financial estimate, forecast, projection and internal targets previously announced**

Not applicable.

B5. Financial estimate, forecast or projection

No profit forecast has been issued by the Group previously in any public document.

B6. Dividend

The Board of Directors does not recommend any interim dividend for the current financial period 31 December 2023.

B7. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income

The profit before tax has been arrived at after charging / (crediting):-

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.10.2023 TO 31.12.2023 | 01.10.2022 TO 31.12.2022 | 01.07.2023 TO 31.12.2023 | 01.07.2022 TO 31.12.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| After charging: | | | | |
| Depreciation of property, plant and equipment | 304 | 49 | 446 | 231 |
| Depreciation of investment properties | 464 | 42 | 490 | 65 |
| Directors' remuneration | 469 | 424 | 829 | 829 |
| Interest expenses | 1,270 | 3,164 | 3,388 | 5,936 |
| Expenses relating to low value assets | 101 | 80 | 121 | 112 |
| Staff costs | 2,411 | 2,336 | 4,326 | 4,363 |
| Unwinding of discount on payables | 279 | 279 | 558 | 558 |
| After crediting: | | | | |
| Bank interest income | (444) | (381) | (773) | (810) |
| Fixed deposit interest income | 207 | (254) | (243) | (676) |
| Other interest income | (532) | (25) | (21) | (46) |
| Gain on disposal of subsidiaries | (5,176) | - | (5,176) | - |
| Rental income | (579) | (214) | (979) | (730) |

There is no exception item for the current financial quarter under review.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)**B8. Income tax expense**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.10.2023 TO 31.12.2023 | 01.10.2022 TO 31.12.2022 | 01.07.2023 TO 31.12.2023 | 01.07.2022 TO 31.12.2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax (credit)/expense | 755 | 5,154 | 5,349 | 13,224 |
| Deferred taxation | (154) | 825 | (608) | (2,648) |
| | 601 | 5,979 | 4,741 | 10,576 |

The Group's effective tax rate for the current financial period is higher than the statutory tax rate of 24% by the Inland Revenue Board mainly due to certain expenses are not tax deductible and non-recognition of deferred tax on tax losses.

B9. Status of Corporate Proposal

There were no material transactions or events subsequent to the current quarter ended 31 December until 16 February 2024 (the latest practicable date which is not earlier than 7 calendar days from the date of issue of this quarterly report).

B10. Group Loans and Borrowings and Debt Securities

The Group's total loans and borrowings and debt securities as were as follows:-

| | 31.12.2023 RM'000 | 30.06.2023 RM'000 |
|-----------------------------------|----------------------|----------------------|
| Non-current: | | |
| Bank borrowings | 193,333 | 86,385 |
| Finance lease liabilities | 858 | 1,083 |
| | <u>194,191</u> | <u>87,468</u> |
| Current: | | |
| Bank borrowings | 49,166 | 138,319 |
| Finance lease liabilities | 493 | 536 |
| | <u>49,659</u> | <u>138,855</u> |
| Total loans and borrowings | <u>243,850</u> | <u>226,323</u> |

All borrowings were denominated in Ringgit Malaysia.

B ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA SECURITIES (CONTINUED)

B11. Earnings per Share

(a) Basic Earnings Per Share

The basic earnings per share for the current quarter and financial period-to-date are computed as follows:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.10.2023 TO 31.12.2023 | 01.10.2022 TO 31.12.2022 | 01.07.2022 TO 31.12.2023 | 01.07.2021 TO 31.12.2022 |
| Profit attributable to owners of the company (RM'000) | 5,451 | 6,371 | 6,985 | 8,006 |
| Weighted average number of ordinary shares in issue ('000) | 1,335,882 | 1,306,649 | 1,336,372 | 1,306,267 |
| Basic earning per share (sen) | 0.41 | 0.49 | 0.52 | 0.61 |
| | | | | |

(b) Diluted Earnings Per Share

Dilutive earnings per share of current quarter have been calculated by dividing the profit attributable to owners of the Company for the financial period by the weighted average number of shares that would have been issued upon full conversion of the remaining Irredeemable Convertible Preference Shares (“ICPS”) on the basis of one (1) ordinary share for every ten (10) ICPS held.

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 01.10.2023 TO 31.12.2023 | 01.10.2022 TO 31.12.2022 | 01.07.2022 TO 31.12.2023 | 01.07.2021 TO 31.12.2022 |
| Profit attributable to owners of the Company (RM'000) | 5,451 | 6,371 | 6,985 | 8,006 |
| Weighted average number of ordinary shares in issue ('000) | 1,335,882 | 1,306,649 | 1,336,372 | 1,306,267 |
| Effect of dilution: Irredeemable Convertible Preference Shares ('000) | - | - | - | - |
| Adjusted weighted average number of ordinary shares ('000) | 1,335,882 | 1,306,649 | 1,336,372 | 1,306,267 |
| Dilluted earning per share (sen) | 0.41 | 0.49 | 0.52 | 0.61 |
| | | | | |