

FARLIM GROUP (MALAYSIA) BHD (82275 A)
(Incorporated In Malaysia)

UNAUDITED RESULTS OF THE GROUP FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31 DEC 2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 DEC 2022 RM'000	CURRENT YEAR TO DATE 31 DEC 2023 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 DEC 2022 RM'000
REVENUE	4,227	4,748	15,376	16,789
Operating Expenses	(6,937)	(17,416)	(23,963)	(36,654)
Other Operating Income	143	126	763	13,745
LOSS FROM OPERATIONS	<u>(2,567)</u>	<u>(12,542)</u>	<u>(7,824)</u>	<u>(6,120)</u>
Interest Income	28	27	109	68
Interest Expense	(8)	-	(8)	-
Investing Results	316	138	984	411
LOSS BEFORE TAXATION	<u>(2,231)</u>	<u>(12,377)</u>	<u>(6,739)</u>	<u>(5,641)</u>
Taxation	(33)	(31)	(55)	(41)
LOSS FOR THE FINANCIAL PERIOD	<u>(2,264)</u>	<u>(12,408)</u>	<u>(6,794)</u>	<u>(5,682)</u>
Other Comprehensive Loss	-	(651)	-	(672)
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD	<u><u>(2,264)</u></u>	<u><u>(13,059)</u></u>	<u><u>(6,794)</u></u>	<u><u>(6,354)</u></u>
LOSS ATTRIBUTABLE TO :				
Owners Of The Company	(2,282)	(12,406)	(6,835)	(5,692)
Non-controlling interests	18	(2)	41	10
	<u>(2,264)</u>	<u>(12,408)</u>	<u>(6,794)</u>	<u>(5,682)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO :				
Owners Of The Company	(2,282)	(13,057)	(6,835)	(6,364)
Non-controlling interests	18	(2)	41	10
	<u>(2,264)</u>	<u>(13,059)</u>	<u>(6,794)</u>	<u>(6,354)</u>
LOSS PER SHARE ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY :				
Basic Loss Per Ordinary Share (Sen)	(1.49)	(8.11)	(4.47)	(3.72)
(Based on no of 153,025,613 (2022:153,025,613) ordinary shares)	<u>(1.49)</u>	<u>(8.11)</u>	<u>(4.47)</u>	<u>(3.72)</u>
Diluted Loss Per Ordinary Share (Sen)	(1.49)	(8.11)	(4.47)	(3.72)
(Based on no of 153,025,613 (2022:153,025,613) ordinary shares)	<u>(1.49)</u>	<u>(8.11)</u>	<u>(4.47)</u>	<u>(3.72)</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2022.

FARLIM GROUP (MALAYSIA) BHD (82275 A)
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UNAUDITED RESULTS OF THE GROUP FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	AS AT END OF CURRENT QUARTER 31 DEC 2023 RM'000	AS AT PRECEDING FINANCIAL YEAR ENDED 31 DEC 2022 RM'000
ASSETS :		
<u>NON-CURRENT ASSETS</u>		
PROPERTY, PLANT AND EQUIPMENT	3,319	3,254
RIGHT-OF-USE ASSETS	685	153
INVESTMENT PROPERTIES	11,348	11,580
OTHER INVESTMENTS	35	39
INVENTORIES	48,535	49,582
GOODWILL ON CONSOLIDATION	2,970	2,970
	<u>66,892</u>	<u>67,578</u>
<u>CURRENT ASSETS</u>		
INVENTORIES	29,191	23,860
CONTRACT ASSETS	1,029	1,760
OTHER INVESTMENTS	28,889	47,028
TRADE AND OTHER RECEIVABLES	14,872	4,417
PREPAYMENTS	111	108
TAX RECOVERABLE	65	16
CASH AND CASH EQUIVALENTS	5,317	7,563
	<u>79,474</u>	<u>84,752</u>
TOTAL ASSETS	<u>146,366</u>	<u>152,330</u>
EQUITY AND LIABILITIES :		
<u>EQUITY ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY</u>		
SHARE CAPITAL	169,042	169,042
TREASURY SHARES	(5,123)	(5,123)
ACCUMULATED LOSS	(40,291)	(33,455)
	<u>123,628</u>	<u>130,464</u>
NON-CONTROLLING INTERESTS	297	259
TOTAL EQUITY	<u>123,925</u>	<u>130,723</u>
<u>NON-CURRENT LIABILITIES</u>		
LEASE LIABILITIES	353	-
DEFERRED TAXATION	36	36
	<u>389</u>	<u>36</u>
<u>CURRENT LIABILITIES</u>		
TRADE AND OTHER PAYABLES	4,620	4,298
CONTRACT LIABILITY	-	222
PROVISIONS	17,286	16,991
LEASE LIABILITIES	89	-
TAX PAYABLE	57	60
	<u>22,052</u>	<u>21,571</u>
TOTAL LIABILITIES	<u>22,441</u>	<u>21,607</u>
TOTAL EQUITY AND LIABILITIES	<u>146,366</u>	<u>152,330</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY OWNERS OF THE PARENT (RM)		
(Based on 153,025,613 Ordinary Shares)	0.81	0.85

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2022.

FARLIM GROUP (MALAYSIA) BHD (82275 A)
(Incorporated In Malaysia)

UNAUDITED RESULTS OF THE GROUP FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT YEAR TODATE 31 DEC 2023 RM'000	PRECEDING YEAR TODATE 31 DEC 2022 RM'000
LOSS BEFORE TAXATION	(6,739)	(5,641)
Adjustments for :-		
Non-cash items	641	5,797
Non-operating items	(863)	(7,926)
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL	(6,961)	(7,770)
Changes in working capital :		
Net change in current assets	(14,464)	9,382
Net change in contract assets	730	312
Net change in current liabilities	231	(493)
Net change in contract liabilities	(222)	7
Interest received	110	68
Tax paid	(106)	(50)
Compensation/Liquidated and ascertained damages paid	(30)	(152)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(20,712)	1,304
Investing activities :		
Investment income received	667	416
Disposal of investment in a subsidiary, net of cash disposed	-	6,434
Proceeds from disposal of property, plant and equipment	101	3
Redemption/(Investment) in short term investment	18,139	(5,572)
Net change in amount owing to directors	2	-
Purchase of property, plant and equipment	(876)	(65)
Purchase of investment properties	-	(414)
NET CASH GENERATING FROM INVESTING ACTIVITIES	18,033	802
Financing activities :		
Drawdown of lease liability	477	-
Payment to finance lease liabilities	(36)	-
Interest paid	(8)	-
NET CASH GENERATING FROM IN FINANCING ACTIVITIES	433	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,246)	2,106
CASH AND CASH EQUIVALENTS - AT START OF PERIOD	7,563	5,478
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-	(21)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	5,317	7,563
ANALYSIS OF CASH AND CASH EQUIVALENTS :		
Cash and bank balances	5,317	7,563
CASH AND CASH EQUIVALENTS	5,317	7,563

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2022.

FARLIM GROUP (MALAYSIA) BHD (82275 A)
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UNAUDITED RESULTS OF THE GROUP FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<----- ATTRIBUTABLE TO ----->

OWNERS OF THE COMPANY

	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Reserve RM '000	Accumulated Profit/ (Losses) RM '000	Total RM '000	Non- Controlling Interests RM '000	Total Equity RM '000
As At 1 October 2022	169,042	(5,123)	-	(21,049)	142,870	261	143,131
Loss for the financial period	-	-	-	(12,406)	(12,406)	(2)	(12,408)
As At 31 December 2022	169,042	(5,123)	-	(33,455)	130,464	259	130,723
As At 1 October 2023	169,042	(5,123)	-	(38,009)	125,910	279	126,189
Loss for the financial period	-	-	-	(2,282)	(2,282)	18	(2,264)
As At 31 December 2023	169,042	(5,123)	-	(40,291)	123,628	297	123,925

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2022.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report for the fourth quarter ended 31 December 2023 is unaudited and has been prepared in accordance with the requirements of MFRS134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Part A of Appendix 9B of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

A2. Changes in Accounting Policies

The accounting policies and methods of the computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2022 except for the adoption of the following Malaysia Financial Reporting Standards (“MFRSs”), new MFRS and amendments to MFRSs effective for the financial periods beginning on or after 1 January 2023 :-

New MFRS

MFRS 17 Insurance Contracts

Amendments to MFRS

MFRS 101 Presentation of Financial Statements
MFRS 108 Accounting Policies, Changes in Accounting
Estimates and Errors
MFRS 112 Income Taxes

The Group has not adopted the following amendments/improvements to MFRSs that have been issued but not yet effective:-

		Effective for financial periods beginning on or after
<u>Amendments to MFRSs</u>		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

A3. Audit Report

The audit report of the Group for the preceding annual financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

A4. Seasonal Or Cyclical Factors

The Group is principally engaged in property development and the business operations are dependent on the Malaysian economy and general market confidence.

A5. Unusual Items

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

A6. Changes In Estimates

There were no changes in estimates of amounts reported in the current interim period of the current financial year under review or changes in estimates of amounts reported in prior financial years that have material effect in the financial period under review.

A7. Debt And Equity Securities

There was no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial period under review.

A8 Dividend Paid

There was no dividend paid for the current financial period under review.

A9. Segmental Reporting

A) Property Segment

	Individual Quarter			Cumulative Period		
	Current Year Quarter 31-Dec 2023 RM'000	Preceding Year Corresponding Quarter 31-Dec 2022 RM'000	Increase / (Decrease) (%)	Current Year To date 31-Dec 2023 RM'000	Preceding Year Corresponding Period 31-Dec 2022 RM'000	Increase / (Decrease) (%)
Operating Revenue	4,073	4,643	(12.28%)	14,740	16,108	(8.49%)
Cost of sales	(2,956)	(3,596)	(17.80%)	(11,195)	(12,679)	(11.70%)
Results						
Segment Results	(2,699)	(12,664)	(78.69%)	(8,567)	(19,200)	(55.38%)
Other Income	133	126	5.56%	728	532	36.84%
Interest Income	28	27	3.70%	109	68	60.29%
Interest expense	(8)	-	100.00%	(8)	-	100.00%
Loss Before Tax	(2,546)	(12,511)	(79.65%)	(7,738)	(18,600)	(58.40%)

B) Trading Segment

	Individual Quarter			Cumulative Period		
	Current Year Quarter 31-Dec 2023 RM'000	Preceding Year Corresponding Quarter 31-Dec 2022 RM'000	Increase / (Decrease) (%)	Current Year To-date 31-Dec 2023 RM'000	Preceding Year Corresponding Period 31-Dec 2022 RM'000	Increase / (Decrease) (%)
Operating Revenue	130	81	60.49%	586	628	(6.69%)
Cost of sales	(125)	(77)	62.34%	(566)	(597)	(5.19%)
Results						
Segment Results	(7)	-	100.00%	(13)	5,096	(100.26%)
Other Income	10	-	100.00%	35	7,458	(99.54%)
Interest Income	-	-	0.00%	-	-	(0.00%)
Profit Before Tax	3	-	100.00%	22	12,554	(99.83%)

C) Investment Segment & Others

	Individual Quarter			Cumulative Period		
	Current Year Quarter 31-Dec 2023 RM'000	Preceding Year Corresponding Quarter 31-Dec 2022 RM'000	Increase / (Decrease) (%)	Current Year To-date 31-Dec 2023 RM'000	Preceding Year Corresponding Period 31-Dec 2022 RM'000	Increase / (Decrease) (%)
Operating Revenue	24	24	(0.00%)	50	53	(5.66%)
Cost of sales	-	-	0.00%	-	-	0.00%
Results						
Segment Results	(4)	(4)	0.00%	(7)	(6)	16.67%
Investing income	316	138	128.99%	984	411	139.42%
Profit Before Tax	312	134	132.84%	977	405	141.23%

A10. Revaluation Of Property, Plant And Equipment

The Group has maintained its accounting policies of measuring the property, plant and equipment using the cost model.

A11. Material Events Subsequent To Reporting Date

There were no material events as at 28 February 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except the following :-

- i) On 23 February 2024, the Company had announced that the Company entered into a Share Sale Agreement with Lim Gait Tong Holdings Sdn. Bhd. for the acquisition of 175,000 ordinary shares representing a 35% equity interest in Entity Consolidated Sdn. Bhd. for a total purchase consideration of RM5,600,000.00 representing RM32.00 per Sale Share (“Proposed Acquisition”).

A12. Changes In Group's Composition

There were no other changes in the Group’s composition during the current financial period and financial year under review except the following :-

- i) On 3 March 2023, the Company announced that a dormant subsidiary, Baka Suci Sdn Bhd had upon application submitted on 20 October 2022 been struck off from the Register of Suruhanjaya Syarikat Malaysia (SSM) following the publication in the Gazette by SSM on 10 February 2023 pursuant to Section 551(3) of the Companies Act 2016 which appeared in the website of SSM on 3 March 2023.
- ii) On 23 August 2023, the Company announced that a dormant subsidiary, Farlim Maju Sdn Bhd had upon application submitted on 17 April 2023 been struck off from the Register of Suruhanjaya Syarikat Malaysia (SSM) following the publication in the Gazette by SSM on 10 August 2023 pursuant to Section 551(3) of the Companies Act 2016 which appeared in the website of SSM on 23 August 2023.

A13. Changes In Contingent Liabilities

There were no contingent liabilities as at 28 February 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

B1. Review Of Performance Of The Company And Its Principal Subsidiaries

(a) Overall Review of Group's Financial Performance

	Individual Quarter			Cumulative Period		
	Current Year Quarter 31-Dec 2023 RM'000	Preceding Year Corresponding Quarter 31-Dec 2022 RM'000	Increase / (Decrease) (%)	Current Year To date 31-Dec 2023 RM'000	Preceding Year Corresponding Period 31-Dec 2022 RM'000	Increase / (Decrease) (%)
Revenue	4,227	4,748	(10.97%)	15,376	16,789	(8.42%)
Operating (Loss)/Profit	(2,567)	(12,542)	(79.53%)	(7,824)	(6,120)	27.84%
Loss Before Interest and Tax	(2,251)	(12,404)	(81.85%)	(6,840)	(5,709)	19.81%
Loss Before Tax	(2,231)	(12,377)	(81.97%)	(6,739)	(5,641)	19.46%
Loss After Tax	(2,264)	(12,408)	(81.75%)	(6,794)	(5,682)	19.57%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,282)	(12,406)	(81.61%)	(6,835)	(5,692)	20.08%

The Group's revenue of RM4.227 million for the current financial quarter (4Q2023) represented a decrease of 10.97% as compared to RM4.748 million for the preceding year corresponding quarter (4Q2022). Revenue for the financial period from 1 January 2023 to 31 December 2023 (FY2023) of RM15.376 million decreased by 8.42% as compared to a revenue of RM16.789 million for the preceding year corresponding period from 1 January 2022 to 31 December 2022 (FY2022). The revenue for 4Q2023 and FY2023 was mainly contributed by the property segment.

The Group's Loss Before Tax ("LossBT") for 4Q2023 of RM2.231 million represented a decrease of 81.97% as compared to the LossBT of RM12.377 million in 4Q2022. The higher LossBT of RM12.377 million in the 4Q2022 was mainly attributable to the provision of compensation of RM10.0 million to Ayer Itam Properties Sdn Bhd ("AIPSB") in respect of the judgement sum of approximately RM8.456 million together with interest in relation to the material litigation between the Company and AIPSB which the judge has ruled in favour of AIPSB. For the FY2023, the Group's LossBT of RM6.739 million had included an amount of RM0.435 million being additional provision of interest in relation to the material litigation between the Company and AIPSB up to 31 December 2023.

B1. Review Of Performance Of The Company And Its Principal Subsidiaries(Continued)

(b) Segment Analysis

(i) Property

The Group's property segment registered a revenue of RM4.073 million in 4Q2023 and RM14.740 million in FY2023. The revenue decreased by 12.28% in 4Q2023 as compared to RM4.643 million in 4Q2022 and revenue for FY2023 of RM14.740 million decreased by 8.49% from RM16.108 million in FY2022. The revenue for the FY2023 was contributed by the sales and progress billings of the Company's ongoing housing projects of 1-storey terrace houses in Phase 4A which was newly launched in 2023, vacant possession of 1-storey affordable terrace houses in Phase 3B and Phase 3C, sale of the balance completed units of 2-storey shophouses in Phase 5A at Taman Impiana Bidor, Perak and the vacant possession of a 2-storey semi-detached house at Bandar Baru Ayer Itam (BBAI), Penang.

LossBT for 4Q2023 of RM2.546 million and FY2023 of RM7.738 million decreased by 79.65% and 58.40% respectively as compared to LossBT of RM12.511 million in 4Q2022 and FY2022 of RM18.600 million mainly due to provision of compensation of RM10.0 million to AIPSB in respect of the judgement sum of approximately RM8.456 million together with interest in relation to the material litigation between the Company and AIPSB which the judge has ruled in favor of AIPSB in FY2022.

(ii) Trading

Trading revenue for 4Q2023 and FY2023 of RM0.130 million and RM0.586 million represented an increase of 60.49% and a decrease of 6.69% respectively as compared to the revenue of RM0.081 million in 4Q2022 and RM0.628 million in FY2022. Trading revenue was derived mainly from the supply of building materials to contractors.

The trading segment registered a Profit Before Tax ("ProfitBT") of RM0.003 million for the 4Q2023 and RM0.022 million for FY2023. ProfitBT of RM12.554 million for FY2022 was mainly due to the Group's gain on disposal of a subsidiary in People's Republic of China.

(iii) Investment & Others

The ProfitBT of the investment segment and others for 4Q2023 of RM0.312 million increased by 132.84% as compared to ProfitBT of RM0.134 million for 4Q2022. ProfitBT for FY2023 of RM0.977 million represented an increase of 141.23% as compared to the ProfitBT of RM0.405 million for FY2022.

The ProfitBT for 4Q2023 and FY2023 was mainly contributed by the investment income mainly derived from the investment in cash management fund with investment management companies.

B2. Material Changes In The Quarterly Results Compared To The Results Of The Preceding Quarter

	Current Year Quarter 31-Dec 2023 RM'000	Immediate Preceding Quarter 30-Sep 2023 RM'000	Changes (%)
Revenue	4,227	2,983	41.70%
Operating Loss	(2,567)	(2,146)	19.62%
Loss Before Interest and Tax	(2,251)	(1,913)	17.67%
Loss Before Tax	(2,231)	(1,889)	18.10%
Loss After Tax	(2,264)	(1,896)	19.41%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,282)	(1,899)	20.17%

The Group's revenue of RM4.227 million for the current financial quarter (4Q2023) increased by 41.70% as compared to the revenue of RM2.983 million for the immediate preceding financial quarter (3Q2023). The revenue in 4Q2023 were attributable to the sales and progress billings of the Company's ongoing Phase 4A residential project in Bidor, Perak and vacant possession of a 2-storey semi-detached house at BBAI, Penang.

The LossBT of RM2.231 million for the current financial quarter (4Q2023) increased by 18.10% as compared to LossBT of RM1.889 million for the immediate preceding financial quarter (3Q2023) was mainly due to the additional provision of interest in relation to the material litigation between the Company and AIPSB up to 31 December 2023 of RM0.435 million.

B3. Prospect For Next Financial Year

The Board of Director is of the view that the recovery of the residential property market is expected to continue in 2024 albeit at a slower pace amid rising borrowing costs and growing inflationary pressures. Nonetheless the Group is optimistic that residential property development of the Company's Taman Impiana Bidor Perak township will still remain the core of the Group's business for the financial year 2024.

Moving forward, the Group will continue to adopt a cautious stance to stagger and roll out new launches of affordable pricing residential properties in its Taman Impiana Bidor, Perak township.

The Company had scheduled the launch of Phase 7A comprising 14 units of 1-storey semi-detached houses in its Taman Impiana Bidor Perak township in the 1st quarter 2024, to be followed by Phase 2B comprising 53 units of 1-storey terrace house upon the approval of the developer licence and advertising permit (DLAP) expected by 2nd quarter 2024. With various marketing activities the Company is undertaking, the Group is optimistic to lock-in sales for the new launches and for the remaining units of its on-going Phase 4A development including the balance unsold completed residential properties in Taman Impiana Bidor if the residential property market in Perak remains resilient.

B3. Prospect For Next Financial Year (Continued)

In order to sustain the Group's operations in the years ahead, the Group has been aggressively looking for compelling land bank opportunities in Selangor, Perak and Penang by way of outright acquisitions and/or joint-venture arrangements with state authorities and/or private landowners. Public announcements would be made once these acquisitions and/or joint-venture arrangements have been formalized.

B4. Variance Of Profit Forecast

The Group did not issue any profit forecast to the shareholders during the current financial period under review.

B5. Taxation

Taxation comprises : -

	Current Year Quarter 31/12/2023 RM'000	Preceding Year Corresponding Quarter 31/12/2022 RM'000	Current Year Cumulative 31/12/2023 RM'000	Preceding Year Cumulative 31/12/2022 RM'000
current taxation	(33)	(33)	(58)	(43)
in respect of prior years	-	2	3	2
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	(33)	(31)	(55)	(41)
	=====	=====	=====	=====

(i) Income Tax

Taxation for the current financial quarter and financial year to date was based on income tax rate of 24% on the estimated aggregate income of some of the subsidiaries in the Group.

(ii) Deferred Taxation

Deferred tax asset has not been recognised as it is not probable that future taxable profit of the Group will be available against which the Group can utilise the benefits.

B6. Status of Corporate Proposals

There were no corporate proposals announced nor any uncompleted proposal as at 28 February 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except the following:-

- i) On 3 May 2023, the Company had announced that Bandar Subang Sdn Bhd, a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement (“SPA”) with Amanbay Sdn. Bhd. (“ Vendor”) to purchase a piece of freehold land held under H.S.(D) 135050, PT70191, Bandar Kajang, Daerah Ulu Langat, Selangor Darul Ehsan, together with a double storey superlink house erected thereon, bearing postal address No 15, Jalan Impian Makmur 4/1, Saujana Impian, 43000 Kajang, Selangor Darul Ehsan for a total cash consideration of RM600,000.00 (hereinafter referred to as “the Proposed Acquisition”).

On 9 May2023, the Company announced that the purchase price of RM600,000.00 has been fully paid to the Vendor upon signing the SPA.

- ii) On 23 February 2024, the Company had announced that the Company entered into a Share Sale Agreement with Lim Gait Tong Holdings Sdn. Bhd. for the acquisition of 175,000 ordinary shares representing a 35% equity interest in Entity Consolidated Sdn. Bhd. for a total purchase consideration of RM5,600,000.00 representing RM32.00 per Sale Share (hereinafter referred to as “the Proposed Acquisition”).

B7. Group Borrowings and Debt Securities

Total borrowings of the Group as at 31 December 2023 were as follows :

Long Term Borrowings	RM'000
<u>Secured</u>	
Lease liability	353
Short Term Borrowings	
<u>Secured</u>	
Lease liability	89
Total	442
	=====

B8. Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risk as at 28 February 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

B9. Material Litigations

There were no other new/fresh material litigations as at 28 February 2024 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except the following :

- (i) Civil Suit No: PA-22NCVC-116-04/2019
Ayer Itam Properties Sdn Bhd ('AIPSB') (formerly known as 1MDB RE (Ayer Itam) Sdn Bhd) -v- Farlim Group (Malaysia) Berhad

On 29 April 2019, the Company received from its solicitors Messrs V.M. Mohan, Fareed & Co. a copy of Writ and Statement of Claim filed at the Penang High Court by Ayer Itam Properties Sdn Bhd ('AIPSB') (formerly known as 1MDB RE (Ayer Itam) Sdn Bhd) against the Company .

On 23 September 2013, the Company entered into a Sale and Purchase Agreement with AIPSB for a consideration of RM112,501,725.60 for the sale of the Company's undivided share in and to the following lands:

- a) ¼ undivided share in Lot 1584, Mukim 13, Daerah Timor Laut, Negeri Pulau Pinang held under No. Hakmilik GRN 53264 ("Lot 1584");
- b) 11/100 undivided share in Lot 1457, Mukim 13, Daerah Timor Laut, Negeri Pulau Pinang held under No.Hakmilik GRN 4661 ("Lot 1457"); and
- c) ¼ undivided share in Lot 1561, Seksyen 3, Bandar Baru Ayer Itam, Daerah Timor Laut , Negeri Pulau Pinang held under No. Hakmilik GRN 43187 save for the interests arising from certain lodged caveats ("Lot 1561")

In the Statement of Claim, AIPSB alleged that it had paid an excess of RM8,455,810.00 in relation to the lodged caveats on 76,871 square feet of land in Lot 1561.

After several adjournments, the trial hearing was held on 13 September 2022 and 14 September 2022 and the Court has directed both parties as follows :

- a) Written submission to be filed on 20 November 2022
- b) Submission in reply to be filed on 20 December 2022; and
- c) Oral submission fixed on 13 January 2023 was postponed by the Court to 30 January 2023.

On 7 March 2023, the Penang High Court ruled in favour of AIPSB. The Court has also awarded in favour of AIPSB interest at the rate of 5% p.a. on the judgement sum commencing from 24 April 2019 and cost of RM40,000.

The Company has on 8 March 2023 filed an appeal against the Penang High Court's decision at the Court Of Appeal and is pending a hearing date. The Company has made a provision amounting to RM10,000,000 for the judgement sum together with interest at the rate of 5% p.a..

On 21 March 2023, the Company filed an application with certificate of urgency to the Penang High Court for "a stay of execution" pending the Company's Appeal at the Court of Appeal. The Penang High Court fixed the hearing for the Company's application for "a stay of execution" on 2 May 2023.

B9. Material Litigations (Continued)

On 25 May 2023, the Penang High Court had allowed the Company's application for a stay of execution of the 7 March 2023 judgment until the final disposal of the Company's Appeal to the Court of Appeal and the Court had fixed case management for the appeal application on 6 June 2023 via e-review. The Court of Appeal had fixed 8 August 2023 for case management as the Penang High Court's grounds of judgment was still pending. On 8 August 2023, the Court had fixed the next case management on 3 October 2023 to update the status of Ground of Judgment.

On 3 October 2023, the case management was deferred to 9 October 2023 and the Court of Appeal had fixed the hearing date on 1 August 2024 via Zoom and the next case management on 18 July 2024 to update the status of cause paper.

ii) Civil Suit No: AA-22NCVC-43-07/2020
Farlim Group (Malaysia) Berhad -v-
SBG Land Sdn Bhd, Man Hoe Holding Sdn Bhd, Meranti Tiga Sdn Bhd and
MSHK Engineering Sdn Bhd

On 13 August 2020, the Company announced that the Company had through its solicitors, served a Writ of Summons on 5 August 2020 on SBG Land Sdn Bhd. In addition, the Company, through its solicitors, is in the process of serving a Writ of Summons on Man Hoe Holdings Sdn Bhd, Meranti Tiga Sdn Bhd and MSHK Engineering Sdn Bhd (hereinafter, together with SBG Land Sdn Bhd, referred to as "the Defendants").

The Defendants had jointly sold and the Company had purchased, pursuant to a Share Sale Agreement dated 15 November 2016 (hereinafter referred to as "the Agreement") one million (1,000,000) ordinary shares (hereinafter referred to as "the shares") in a company known as MH Consortium Sdn Bhd (currently known as Farlim (Perak) Sdn Bhd) (hereinafter referred to as "FPSB") for a total purchase consideration of RM2,579,000.00 (hereafter referred to as "the Purchase Price").

In addition to the Purchase Price, the Company also agreed to discharge certain shareholders' advances, trade creditors and other creditors and accruals owed by FPSB totalling RM16,157,399.69.

FPSB's main assets are certain lands measuring approximately 96.8 acres situated in Kampar, Negeri Perak (hereinafter referred to as the Lands"). The Company's obligation to purchase the shares in FPSB was subject to, amongst other things, the removal and the relocation of all Tenaga Nasional Berhad (TNB) high tension cables situated on the Lands at the Defendants' expense.

Pursuant to the terms of the Agreement, the Defendants have also given certain undertakings to the Company relating to obtaining approval for and completion of the relocation of the TNB high tension cables (hereinafter referred to as "the Undertaking Letter").

In breach of the terms of the Agreement and the Undertaking Letter, the Defendants have failed and/or neglected to obtain TNB's approval on or before the agreed deadline and these breaches have resulted in losses to the Company.

B9. Material Litigations (Continued)

As such, the Company is claiming losses and damages from the Defendants on a joint and several basis for an aggregate amount of RM24,549,080.04.

The Company is of the view that no immediate financial and operational impact on the Company arises from the Writ of Summons.

Meanwhile, upon the request of the Defendant, the Company had on 12 November 2020 agreed to resolve the claim by way of mediation process to be handled by Malaysian Mediation Centre of the Malaysia Bar. A pre-mediation conference was held on 20 April 2021. On 11 February 2022, the Company's solicitor notified the mediator that the Company would like to abort the mediation process and the mediator had acknowledged to abort the said mediation process on 18 February 2022.

The first trial hearing was held on 9 August 2022 and the High Court had fixed additional trial dates on 14 to 15 November 2022 and 22 to 23 November 2022. The trial dates fixed on 14 to 15 November 2022 were vacated by the Court as the Company had submitted an application to the Court to introduce Farlim (Perak) Sdn Bhd as the second plaintiff, hence with an application also to amend the Statement of Claims which the defendant objected on 22 November 2022, the Court dismissed with cost of the Company's said application. Trial hearing continued on 22 to 23 November 2022 and 13 to 15 February 2023. The trial hearing on 13 February 2023 had concluded and the Judge fixed 13 March 2023 for Case management, 10 April 2023 and 26 April 2023 for filing of written submissions and reply submissions and 18 May 2023 for Court clarifications. On 18 May 2023, the Court had fixed decision date on 18 July 2023.

On 18 July 2023, the Ipoh High Court ruled that the Defendants had breached certain undertakings made to the Company by their collective failure to remove and/or relocate the TNB high tension cables that were situated on the Lands situated at Gopeng. The Ipoh High Court has awarded FGMB special damages of RM255,634.53 and legal costs of RM20,000.00.

The particulars of special damages awarded are as follows:-

Consultancy fees	RM 74,200.00
Removal of pylons	RM 37,194.53
Consent letter for compensation	RM140,000.00
Appointment of surveyor	RM 4,240.00
Total	RM255,634.53

However, the Ipoh High Court did not allow the following claims sought by FGMB:-

1. Management time cost, travel costs and allowance;
2. Loss of income/expenses due to change in housing policy; and
3. General damages.

B9. Material Litigations (Continued)

FGMB intended to file an appeal to the Court of Appeal in due course on the claims especially the general damages that was not allowed by the High Court. On 15 August 2023, FGMB had filed a Notice of Appeal and the Court of Appeal had fixed for e-review on 14 November 2023.

On 14 November 2023 e-review, the Court of Appeal had fixed the following:

- i) Submission to be filed on 22 July 2024
- ii) Submission in reply to be filed on 6 August 2024
- iii) Case management fixed on 7 August 2024
- iv) Appeal hearing fixed on 21 August 2024 via zoom.

iii) Shah Alam High Court Suit No: BA-22NCVC-99-03/2020
City One Management Corporation -v- LJ Harta Sdn Bhd

City One Management Corporation (Plaintiff), a management corporation of Menara City One and Plaza City One Kuala Lumpur, established on 30 September 2017 had filed a legal suit at the Shah Alam High Court on 10 March 2020 against LJ Harta Sdn Bhd (Defendant), a wholly owned subsidiary of the Company and a previous beneficial owner of the basement car park of Plaza City One for a sum of RM3,999,365.70 in respect of the outstanding car park maintenance charges and electricity charges for the period from 1 November 1997 to 31 December 2014 including court and legal fees.

The Plaintiff had obtained judgement in default of appearance against the Defendant for this matter on 1 June 2020.

The Defendant through its solicitors Messrs VM Mohan, Fareed & Co had filed an application to set aside the judgement in default on the grounds that the service of the judgement was irregular and the Defendant has defence on merits. The High Court had allowed the Defendant's application on 29 September 2020.

The Defendant's position is that the Plaintiff had failed to carry out the maintenance works at the basement car park which were actually carried out by a contractor appointed by the Defendant and that at all material times, the Plaintiff had full and clear knowledge of this matter.

The Defendant's solicitors are of the view that the claim by the Plaintiff in this matter may be too remote to be a subject matter of this claim and the Defendant has good defence on merits and solid documentation evidence to corroborate the defence in this matter.

The matter proceeded to trial for two days at the Shah Alam High Court on 8 January 2024 and 31 January 2024. Subsequent to the trial, the High Court has ordered for written submissions and replies to be made in April 2024 with a hearing date on 30 April 2024 for any clarifications.

B9. Material Litigations (Continued)

- iv) Shah Alam High Court Suit No:BA-22NCC-52-08/2018
Rayuan B-02(NCC)(W)-1083-06/2022 & B-02(IM)(NCC)-2042-10/2022
Bandar Subang Sdn Bhd -v- Norazila Kushairi &
Kamaruddin Mohamed Bakhari

On 15 August 2022, Bandar Subang Sdn Bhd (“BSSB”), a wholly-owned subsidiary of the Company received a notice pursuant to Section 465 and/or 466 of the Companies Act 2016 (“the Notice”) from Messrs Zulpadli & Edham, the solicitors acting for the purchaser of a double storey terrace house at Taman Subang Impian, Shah Alam, Selangor (“the Plaintiff”).

The Plaintiff is demanding for a sum of RM 572,096.30 being the aggregate sum of the deposit paid by the Plaintiff of RM19,883.40, the outstanding loan owing by the Plaintiff to his end-financier of RM442,496.29, interest of RM99,316.61, costs of RM10,000.00 and allocator fee of RM400.00.

On 25 November 2002, BSSB and the Plaintiff entered into a Sale and Purchase Agreement (“SPA”) for the sale of a unit of double storey terrace house at Taman Subang Impian, Shah Alam, Selangor for a sale consideration of RM198,834.00. Pursuant to the letter from Majlis Bandaraya Shah Alam dated 28 February 2011, all the 18 units of double storey terrace houses under construction including the unit purchased by the Plaintiff were subsequently demolished and converted to open space. The Plaintiff then filed a claim against BSSB on 29 April 2017 for specific performance and other damages pursuant to the SPA.

On 17 May 2022, the High Court had decided that :-

- a. The deposit paid by the Plaintiff of RM19,883.40 is to be refunded.
- b. Payment of outstanding loan owing by the Plaintiff to his end-financier amounting to RM442,496.29.
- c. Interest at 5% per annum is to be paid on the sum of RM462,379.69 comprising of the deposit paid by the Plaintiff of RM19,883.40 and the payment of outstanding loan owing by the Plaintiff to his end-financier of RM442,496.29 (“Judgement Sum”) from the filing date of the summons to full settlement.
- d. Cost of RM10,000.00 to be paid to the Plaintiff (subject to allocatur)

On 16 June 2022, our solicitors, Messrs Fareed & Co had filed an appeal against the judgement of the High Court. The case management which was scheduled on 4 August 2022 had been rescheduled to 14 September 2022. During the case management held on 14 September, 2022 for our appeal against the judgement dated 17 May 2022, the court fixed the next case management on 15 March 2023 and hearing on 30 March, 2023.

Further to the Notice dated 12 August 2022 received on 15 August 2022 as mentioned above, our solicitors had replied to the plaintiff’s solicitors on 19 August 2022 stating that BSSB is disputing the amount claimed in totality as BSSB had filed an appeal against the judgement dated 17 May 2022 and our solicitors requested the plaintiff’s solicitors to withdraw the Notice.

B9. Material Litigations (Continued)

On 23 August 2022, our solicitors filed a stay of application to withhold the winding-up notice. On 29 September, 2022, the court allowed our application for a stay of execution against the judgement dated 17 May 2022 including winding-up proceedings pending disposal of the above appeal. On 25 October 2022, we received a letter from the plaintiff's solicitors appealing against the decision to allow the stay of execution. Our solicitors advised that the stay order against any execution proceedings including winding-up proceedings was still enforceable until disposal of the main appeal scheduled on 30 March 2023.

Hearing on the appeal against the judgement of the High Court dated 17 May 2022 was held on 30 March 2023. The Court of Appeal had allowed an amount of RM3,704.64 to be paid to the Plaintiff as Liquidated Ascertain Damages (LAD) calculated from 25 November 2004 until 1 February 2005 and an interest payment of 5% per annum on the amount of RM3,704.64 from the filing date i.e. 25 April 2018 until full settlement by BSSB. Meanwhile, The plaintiff's solicitor had agreed to withdraw the Winding-up Notice dated 12 August 2022.

On 4 October 2023, BSSB had paid an amount of RM30,088.04 to the plaintiff's solicitor being settlement of the following after deducted the cost awarded to BSSB of RM3,500 being the plaintiff appeal against the stay of winding up proceedings and the cost of application for amendment by the plaintiff :

1. LAD calculated from 25-11-2004 until 1-2-2005 with 10% per annum on purchase price amounting to RM3,704.64
2. Deposit refund for the sum of RM19,883.40
3. Cost of the High Court's suit under Suit No: BA-22NCC-52-08/2018 for the sum of RM10,000.00

On 7 October 2023, plaintiff's solicitor wrote to BSSB solicitor demanding payment for the sum of RM596,628-56 instead of the amount paid by BSSB to the plaintiff. The difference between the amount demanded by the plaintiff's solicitor and the amount paid by BSSB is mainly on the outstanding housing loan that supposed to be settled to the financier; ie Public Islamic Bank Berhad. On 30 October 2023, BSSB solicitor wrote to plaintiff's solicitor to deny their demand and BSSB will proceed to request the redemption statement from the financier as per the Court of Appeal Order under Appeal No: B-02(NCC)(W)-1083-06/2022 to redeem the property.

Meanwhile, the said demand will not have any material financial impact on BSSB and the Group as it had been provided in the financial statement of the Group. BSSB will proceed the payment (if any) upon receive the redemption statement from the financier.

**B10. Loss Per Ordinary Share
Attributable to Equity Owners Of The Parent**

a) Basic Loss Per Share

	<u>Individual Quarter</u>		<u>Cumulative Period</u>	
	<u>Current Year Quarter</u> 31/12/2023	<u>Preceding Year Corresponding Quarter</u> 31/12/2022	<u>Current Year To-date</u> 31/12/2023	<u>Preceding Year Corresponding Period</u> 31/12/2022
(a) Net loss for the period attributable to owners of the Company (RM'000)	(2,282)	(12,406)	(6,835)	(5692)
(b) Weighted average number of ordinary shares ('000)	153,026	153,026	153,026	153,026
(c) Basic loss per share (sen)	(1.49)	(8.11)	(4.47)	(3.72)

b) Diluted Loss Per Share

Diluted loss per share is the same as basic loss per share as there were no dilutive potential ordinary shares during the financial period.

B11. Loss Before Tax Is Stated After Charging/(Crediting) :

	Current Quarter Ended 31/12/2023 RM'000	Current Year To Date 31/12/2023 RM'000
Interest income	(28)	(109)
Other income including investing income	(459)	(1,747)
Interest expense	8	8
Depreciation and amortisation	145	508
Impairment loss on investments	N/A	N/A
Provision for compensation	435	435
Realised foreign exchange loss	N/A	N/A
Gain or loss on derivatives	N/A	N/A

N/A denotes Not Applicable

B12. Dividend

No dividend is recommended for the financial period under review.