

REVIEW OF OPERATIONS

GROUP FINANCIAL PERFORMANCE

The Group is principally engaged in the following activities:

- Property development ("**Property**");
- Manufacturing, distribution and trading of office equipment and security equipment ("**Furniture**"); and
- Investment holding, secretarial and share registration services, leasing of equipment and trading of building materials ("**Others**").

	(RM Million)	Revenue		Segment results	
		2023	2022	2023	2022
Property		11.0	31.8	1.0	(3.3)
Furniture		11.0	13.6	(3.5)	(3.9)
Others		2.5	2.8	3.4	(1.7)
		24.5	48.2	0.9	(8.9)

("Segment results" refers to operating profit/(loss) before interests, impairment losses, share in results of associates and tax expense)

For the current financial year under review, the Group reported a lower revenue of RM24.5 million but an operating profit of RM0.9 million was recorded.

Following the completion of the capital reduction involving the cancellation of all existing ordinary shares and preference shares of Megasteel Sdn Bhd, a subsidiary of the Company during the financial year, the Group recorded a gain of RM110.4 million arising from the reversal of accrued cost on preference shares.

After accounting for finance costs of RM90.6 million and share of lower loss in associates, the Group registered a profit before tax of RM22.4 million.

REVIEW OF OPERATIONS

Property Division

The Group's sole property project is involved in the development of a major township known as "Bandar Mahkota Cheras". This project is strategically located off 9th mile Jalan Cheras in Kuala Lumpur, adjoining the Sungai Long Golf Club. The freehold self-contained township offers quality country living complete with a range of supporting amenities. The on-going project, Resilion Residence is involved in the development of townhouses and condominiums, and is located in a low-density neighbourhood between Cheras and Kajang. This project is strategically nestled in a well-established township at Cheras South, with numerous amenities that are easily accessible.

For the current financial year under review, the Division recorded a lower revenue of RM11.0 million as compared to RM31.8 million in the preceding year. This was mainly due to the absence of new project launches, with revenue mainly derived from the remaining units of the Resilion Residence project.

The operating profit of RM1.0 million recorded this year was due to the reversal of cost overprovided previously.

Furniture Division

The year 2023 was another challenging year for our Furniture Division. It faced intense competition and struggled to mitigate the impact of pricing pressures from the influx of cheap and low-quality products from overseas.

Amid the challenges for the current financial year under review, the Division recorded a lower revenue of RM11.0 million (2022: RM13.6 million). However, through continuous measures in cost reduction, a lower loss of RM3.5 million (2022: RM3.9 million) was registered.

Others Division

Revenue from Others Division recorded RM2.5 million for the current financial year which was derived mainly from the leasing of equipment; and an operating profit of RM3.4 million (2022: operating loss of RM1.7 million) was reported mainly due to the reversal of cost overprovided in the previous years.