

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.03.2022 RM'000	Previous year corresponding quarter 31.03.2021 RM'000	3 months ended 31.03.2022 RM'000	3 months ended 31.03.2021 RM'000
Revenue	4,570	7,537	4,570	7,537
Cost of sales	(4,107)	(6,822)	(4,107)	(6,822)
Gross profit	460	715	460	715
Other operating income	244	193	244	193
Operating expenses	(1,500)	(2,139)	(1,500)	(2,139)
Loss from operations	(796)	(1,231)	(796)	(1,231)
Finance costs	(4,398)	(4,519)	(4,398)	(4,519)
Share of results of associate	-	(26)	-	(26)
Loss before tax (Note 25)	(5,194)	(5,776)	(5,194)	(5,776)
Tax expenses (Note 19)	5	-	5	-
Loss for the period	(5,189)	(5,776)	(5,189)	(5,776)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the period	(5,189)	(5,776)	(5,189)	(5,776)
Loss and total comprehensive loss attributable to :				
Owners of the Parent	(5,189)	(5,776)	(5,189)	(5,776)
LOSS PER SHARE (Note 30)				
Basic (sen)	(0.64)	(0.69)	(0.64)	(0.69)
Diluted (sen)	(0.64)	(0.69)	(0.64)	(0.69)

The above condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 31 MARCH 2022

	As at 31.03.2022 RM'000	Audited as at 31.12.2021 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	1,227	1,322
Available-for-sale investment	90	90
Investment in associate	-	-
Investment properties	95	90
Inventory properties – Land held	122,355	122,355
Deferred tax assets	21,556	21,556
	<u>145,323</u>	<u>145,418</u>
CURRENT ASSETS		
Inventory properties - Development properties	1,172,097	1,162,603
Inventories	63,551	65,318
Trade and other receivables	127,507	126,944
Contract assets	14,478	21,918
Prepayments	905	898
Tax recoverable	6,221	5,620
Cash and bank balances	37,224	41,460
	<u>1,421,983</u>	<u>1,424,761</u>
TOTAL ASSETS	1,567,306	1,570,179
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	766,884	766,884
Reserves	4,960	10,149
Shareholders' equity	<u>771,844</u>	<u>777,033</u>
NON-CURRENT LIABILITIES		
Long term borrowings	-	18,058
Trade and other payables	263,828	251,712
Deferred tax liabilities	96,592	96,597
	<u>360,420</u>	<u>366,366</u>
CURRENT LIABILITIES		
Short term borrowings	161,224	151,293
Trade and other payables	237,291	239,658
Contract liabilities	25,386	19,440
Provisions	928	5,409
Tax payable	10,213	10,980
	<u>435,042</u>	<u>426,780</u>
TOTAL LIABILITIES	795,462	793,146
TOTAL EQUITY AND LIABILITIES	1,567,306	1,570,179
Net assets per share (RM)	0.84	0.84

The above condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022

	Share capital RM'000	Retained profits RM'000	Total equity RM'000
Opening balance at 1 January 2022	766,884	10,149	777,033
Total comprehensive loss for the period	-	(5,189)	(5,189)
Closing balance at 31 March 2022	766,883	4,960	771,844
Opening balance at 1 January 2021	726,946	38,078	765,024
Total comprehensive loss for the period	-	(5,776)	(5,776)
Closing balance at 31 March 2021	726,946	32,302	759,248

The above condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2022

	3 months ended 31.03.2022 RM'000	3 months ended 31.03.2021 RM'000
Operating activities		
Loss before tax	(5,194)	(5,776)
Adjustment for :		
Depreciation	95	526
Transaction cost on borrowings	-	99
Interest income	(134)	(67)
Share of results of associate	-	26
Interest expenses	4,398	4,519
Operating loss before changes in working capital	(835)	(673)
Change in trade and other receivables	(563)	15,148
Change in trade and other payables	1,507	9,067
Change in inventories	1,767	442
Change in development properties	(9,494)	(15,579)
Cash flows (used in)/from operating activities	(7,618)	8,405
Interest paid	(933)	(124)
Taxes paid	(40)	(726)
Net cash (used in)/from operating activities	(8,591)	7,555
Investing activities		
Purchase of property, plant and equipment	-	(4)
Interest received	134	67
Net cash from investing activities	134	63

Financing Activities

Advances received from related company	8,650	-
Withdrawal of pledged deposit	3,699	-
Repayment of borrowings	(8,107)	(7,165)
Repayment of obligations under finance leases	(24)	(36)

Net cash from/(used in) financing activities	4,218	(7,201)
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Net (decrease)/increase in cash and cash equivalents	(4,239)	417
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Cash and cash equivalents at beginning of period	12,785	(7,373)
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Cash and cash equivalents at the end of period	8,546	(6,956)
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Cash and cash equivalents comprise:

Cash and bank balances	2,677	3,877
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Deposits with licensed banks	34,547	38,176
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	37,224	42,053
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Less: Deposits with licensed banks pledged for banking facilities	(20,214)	(40,543)
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Less : Bank overdraft	(8,464)	(8,466)
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	8,546	(6,956)
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The above condensed consolidated statements of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

1. BASIS OF PREPARATION

The condensed consolidated interim financial statements (“Condensed Report”) are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and has also been prepared on a historical basis.

This condensed report should be read in conjunction with the audited financial statements for the year ended 31 December 2021. These explanatory notes attached to this condensed report 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 31 December 2021.

2. CHANGES IN ACCOUNTING POLICIES

2.1 Changes in accounting policies arising from adoption of Standards, Amendments and IC interpretations

The accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 except for the adoption of the following new amendments to MFRSs:

Annual Improvements to MFRS Standards 2018-2020

Amendments to References to the Conceptual Framework in MFRS 3 Business Combinations

Amendments to MFRS 16 : Covid-19 – Related Rent Concessions beyond 30 June 2021

Amendments to MFRS 116 : Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137 : Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the abovementioned new and amendments to MFRS do not have material impact on the financial statements of the Group upon their initial application.

2.2 Standards, amendments and interpretations issued but not yet effective

The following are new standards, amendments and interpretations that have been issued by MASB but have not been early adopted by the Group:

Amendments to MFRS 101 : Classification of Liabilities as Current or Non- Current and Disclosure of Accounting Policies

Amendments to MFRS 108 : Definition of Accounting Estimates

Amendments to MFRS 112 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

2.CHANGES IN ACCOUNTING POLICIES (cont'd)

2.2 Standards, amendments and interpretations issued but not yet effective (cont'd)

MFRS 17 Insurance Contracts

Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will adopt the above new standards, amendments and interpretations when they become effective in the respective financial periods. These new and amendments to MFRS and IC are not expected to have any material impact to the financial statements of the Group upon their initial application.

2.3 Significant accounting judgement and estimates

(a) Revenue recognition on sale of development properties

For the sale of residential development properties, the Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. In making assessment, the Group considered the terms of the contracts entered into with customers and the provisions of relevant laws and regulations applicable to the contracts. The Group recognises property development revenue and expenses in the statements of comprehensive income on the basis upon performance of services. The assessment of whether the Group has an enforceable right to payment for performance completed to date involves judgment in determining the enforceability of the right to payment under the legal environment of the jurisdictions where the contracts are subject to.

Significant judgment is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

2.3 Significant accounting judgement and estimates (cont'd)

(b) Revenue recognition on construction contract

The Group recognises revenue from construction activities in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date over the estimated total contract costs.

Significant judgment is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contract. In making the judgement, the Group evaluates based on past experience, internal budgeting and by relying on the work of specialists.

Where the outcome of a construction contract cannot be reliably measured, revenue is recognised to the extent of costs incurred that it is probable will be recovered.

(c) Provision for liquidated ascertained damages (“LAD”)

The Group has on-going construction projects and property development that have not been completed by the contractual deadline.

For the construction projects, the management has estimated LAD of RM7.7 million based on the revised project schedule and the terms of the contract projects. The Group has arrived at this estimation based on its prior experience with similar contracts.

For the property development projects, the management has estimated LAD of RM8.5 million based on the revised project schedule and has arrived at this estimation based on its prior experience with similar property development projects.

The management considers that these amounts will not be significantly affected by a reasonably possible change in the assumptions applied in deriving the estimated LAD.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2021

The auditors' report on the financial statements of the Company and of the Group for the financial year ended 31 December 2021 was not subject to any qualification.

4. SEASONAL OR CYCLICAL FACTORS

The Group's business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

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

6. CHANGES IN ESTIMATES

There were no changes in estimates that may have a material effect in the current quarter results.

7. DEBT AND EQUITY SECURITIES

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period to-date under review.

8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT

The primary objective of the Group's capital management is to ensure that it maintains a good credit rating and healthy capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in line with changes in economic conditions. In order to maintain the optimal capital structure, the Group may, from time to time, adjust dividend payments to shareholders, return capital to shareholders, issue new shares, redeem debts or sell assets to reduce debts, where necessary.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

8. CAPITAL MANAGEMENT AND REPAYMENT OF DEBT (Cont'd)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises borrowings and trade and other payables, less cash and bank balances whereas total capital comprises the equity attributable to equity holders of the Group.

The gearing ratios as at 31 March 2022 and 31 December 2021, which are within the Group's objectives for capital management, are as follows:-

	31.03.2022	31.12.2021
	RM'000	RM'000
Borrowings	161,224	169,351
Trade and other payables	501,119	491,369
Less: Cash and bank balances	<u>(37,224)</u>	<u>(41,460)</u>
Net debt	<u>625,119</u>	<u>619,260</u>
Equity	<u>771,844</u>	<u>777,033</u>
Total capital	<u>771,844</u>	<u>777,033</u>
Capital and net debt	1,396,963	1,396,293
Gearing ratio	44.75%	44.35%

The increase in gearing ratio from 44.35% to 44.75 % is mainly due to increase in payables and reduction in cash and bank balances during the period.

The details of the drawdown and the repayment of bank borrowings in the current quarter and to-date are as follows:

	Current year quarter 31.03.2022 RM'000	3 months cumulative to date 31.03.2022 RM'000
a) Repayment of bank borrowings	(8,107)	(8,107)
b) Repayment of obligations under finance leases	(24)	(24)
c) Change in bank overdraft	4	4

NOTES TO THE 1st QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 MARCH 2022

9. DIVDENDS

No dividends were recommended, declared or paid during the financial period ended 31 March 2022.

10. VALUATION OF INVESTMENT PROPERTIES

An independent valuation for investment properties was carried out by Raine & Horne during the previous financial year ended 31 December 2021 and the net fair value arose from the valuation amounted to RM5,000 was recognised in the statements of profit or loss for previous financial year ended 31 December 2021.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There are no material events subsequent to the end of the current quarter that have not been reflected in the quarterly financial statements except for the Group had on 13 May 2022 entered into a Heads of Agreement (“HOA”) with Kunsford Berhad (“KB”) in regards to the proposed disposal of 2 parcels of vacant unconverted development land in Tanjung Danga, Johor Bahru by a wholly-owned subsidiary of IWCity, namely Success Straits Sdn. Bhd. for an indicative disposal consideration ranges from RM90 million to RM95 million, the final consideration shall be determined based on the valuation opined by the independent valuer.

12. GROUP COMPOSITION

There are no material changes in the composition of the Group during the financial quarter under review.

13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Except for as disclosed in Note 24(a) and as disclosed below, the Group has no other contingent liabilities :

	31.03.2022	31.12.2021
	RM'000	RM'000
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries		
- Current exposure	61,204	69,309
Performance bond issued by subsidiaries involved in construction activities	37,606	37,606

**NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022**

14. OPERATING SEGMENTS

The following tables provide an analysis of the Group's revenue, results, assets and liabilities by business segments:-

As at 31 March 2022 RM'000	Property Development	Construction	Elimination	Consolidated
Revenue				
Revenue	4,899	(329)	-	4,570
Other income	209	35	-	244
Unallocated other income	-	-	-	-
	5,108	(294)	-	4,814
RESULT				
Segment results	(346)	(172)	(19)	(537)
Unallocated corporate expenses				(259)
Share of result of associate				-
Finance costs				(4,398)
Loss before tax				(5,194)

As at 31 March 2021 RM'000	Property Development	Construction	Elimination	Consolidated
Revenue				
Revenue	6,330	1,207	-	7,537
Other income	192	1	-	193
Unallocated other income	-	-	-	-
	6,522	1,208	-	7,730
RESULT				
Segment Results	(489)	(365)	-	(854)
Unallocated corporate expenses				(377)
Share of result of associate				(26)
Finance costs				(4,519)
Loss before tax				(5,776)

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

14. OPERATING SEGMENTS (cont'd)

ASSETS AND LIABILITIES

As at 31 March 2022 RM'000	Property Development	Construction	Elimination	Consolidated
<u>ASSETS</u>				
Segment assets	1,478,305	305,101	(561,832)	1,221,574
Investment in associate Investment properties				- 95
Available-for-sale investments				90
Unallocated corporate assets				345,547
Consolidated total assets				1,567,306
<u>LIABILITIES</u>				
Segment liabilities	(648,747)	(605,602)	562,294	(692,055)
Unallocated corporate liabilities				(103,407)
Consolidated total liabilities				(795,462)

As at 31 March 2021 RM'000	Property Development	Construction	Elimination	Consolidated
<u>ASSETS</u>				
Segment assets	1,474,477	306,819	(528,924)	1,252,372
Investment in associates Investment properties				2,369 90
Available-for-sale investments				90
Unallocated corporate assets				306,832
Consolidated total assets				1,561,753
<u>LIABILITIES</u>				
Segment liabilities	(616,595)	(591,076)	508,487	(699,184)
Unallocated corporate liabilities				(103,321)
Consolidated total liabilities				(802,505)

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

15. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

	3 months ended		3 months ended	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Construction related services to a company of which certain directors of the Company have interest	2,643	16,338	2,643	16,338
Rental and maintenance related services from a company of which certain directors of the Company have interest	1,423	396	1,423	396

The directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

16. REVIEW OF PERFORMANCE

(i) Financial review for current quarter and financial period to-date

	3 months quarter ended		Changes	
	31.03.2022 (RM'000)	31.03.2021 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	4,899	6,330	(1,431)	(22.61)
Constructions	(329)	1,207	(1,536)	(127.26)
	4,570	7,537	(2,967)	(39.37)
Loss before tax				
Property development	(1,120)	(1,528)	408	26.70
Constructions	(3,780)	(3,848)	68	1.77
Others	(294)	(400)	106	26.50
	(5,194)	(5,776)	582	10.08

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

16. REVIEW OF PERFORMANCE (cont'd)

- a) Performance review for current quarter against the same quarter in the preceding year (Q1 2022 vs Q1 2021)

For the current quarter under review, the Group recorded revenue of RM4.57 million which was RM2.97 million or 39.37% lower as compared to the quarter ended 31 March 2021 of RM7.54 million. The Group recorded a loss before tax of RM5.19 million for the quarter ended 31 March 2022 as compared to a loss before tax of RM5.78 million for the quarter ended 31 March 2021. The lower revenue recorded in current quarter was due to lower level of work and billings achieved and lower loss before tax was mainly due to lower operating costs incurred in this quarter.

The contribution from each business segment is set out below:

Property Development

Revenue for the current quarter of RM4.90 million has decreased by RM1.4 million as compared to the quarter ended 31 March 2021 of RM6.33 million. The lower revenue for the current quarter was due to lower level of work and billings achieved. The Group has also recorded a lower loss before tax of RM1.12 million for the current quarter as compared to the same quarter in the preceding year of RM1.53 million was due to lower operating costs incurred for this quarter.

Construction

Construction sector registered an negative revenue of RM329,000 and loss before tax of RM3.78 million in the current quarter compared to revenue of RM1.21 million and loss before tax of RM2.96 million in the preceding quarter ended 31 March 2021. The negative revenue was due to the lower level of work achieved upon certification by consultant and resulted the reversal of revenue in this quarter. Lower loss before tax recognised in the current quarter was due to lower operating costs incurred for this sector.

- (ii) Financial review for current quarter compared with immediate preceding quarter

	Current quarter	Immediate preceding quarter	Changes	
	31.03.2022 (RM'000)	31.12.2021 (RM'000)	Amount (RM'000)	%
Revenue				
Property development	4,899	2,754	2,145	77.89
Constructions	(329)	(3,433)	3,104	90.42
	4,570	(679)	5,249	773
Loss before tax				
Property development	(1,120)	(4,551)	3,331	73.19
Constructions	(3,780)	(5,194)	1,414	27.22
Others	(294)	(260)	(34)	(13.07)
	(5,194)	(10,005)	4,811	48.08

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

16. REVIEW OF PERFORMANCE (cont'd)

Revenue for the current quarter under review was RM4.57 million as compared to a negative revenue of RM679,000 in the preceding quarter. Revenue for the current quarter was mainly due to the recognition of new bookings converted into actual sales whereas the negative revenue in the preceding quarter was mainly due to the recognition of LAD which was offset against the revenue in the preceding quarter.

The Group has also registered a lower loss of RM5.19 million for the current quarter as compared to the preceding quarter of RM10.0 million. The higher loss recorded in the preceding quarter was largely due to the share of loss arose from the investment in associate.

17. PROSPECTS

The current financial year 2022 is expected to remain challenging with the lingering effects of the Covid-19 global pandemic, the uncertainties resulting from the Russia-Ukraine war and increasing material and petrol prices. The decision on the re-opening of the borders by the Government is warmly welcome and is expected to aid the gradual recover of business activities. The Group has already commenced marketing campaigns with encouraging bookings. The Board will continue to adopt a cautious approach for the Group's property development projects; and will evaluate all options available to the Group at the material point in time before launching any particular projects.

While the Group will remain focus on its core business, the Group will continue to unlock the value of its land bank and explore to any business opportunities that would contribute positively towards the Group's financial performance, and will remain cautious when looking out for business opportunities in the face of new challenges. The Group remains hopeful of its prospects from the gradual recovery of the economy and as the property segment gains momentum.

18. PROFIT FORECAST

The Group has not provided any profit forecast in a public document.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
FOR THE QUARTER ENDED 31 MARCH 2022

19. TAXATION

	Quarter ended		3 months cumulative to date	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM'000	RM'000	RM'000	RM'000
Income tax	-	-	-	-
Deferred tax	(5)	-	(5)	-
	<u>(5)</u>	<u>-</u>	<u>(5)</u>	<u>-</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable loss for the period.

	Current	3 months
	quarter	cumulative to date
	31.03.2022	31.03.2022
	RM'000	RM'000
Major components of tax expenses:		
Loss before tax	(5,194)	(5,194)
Taxation at the Malaysian statutory tax rate of 24%	(1,246)	(1,246)
Adjustments:		
- Income not subject to tax	(3)	(3)
- Non - deductible expenses	1,244	1,244
	<u>(5)</u>	<u>(5)</u>
Effective tax rate	0.096%	0.096%

20. UNQUOTED INVESTMENTS AND PROPERTIES

There were no purchases or sales of unquoted investments and properties for the current quarter and financial period-to-date.

21. QUOTED INVESTMENTS

There were no purchases or sales of quoted securities for the current quarter and financial period-to-date.

There were no investments in quoted securities as at the end of the current quarter.

22. STATUS OF CORPORATE PROPOSALS

There are no other corporate proposals announced but not completed as of the reporting date except for the Group entered into a HOA with KB on the proposed disposal as disclosed in Note 11.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 MARCH 2022

23. BORROWINGS AND DEBT EQUITIES

Details of the Group's borrowings (all denominated in Malaysian currency) as at 31 March 2022 are as follows:

	Current	Non current	Total
Secured	RM'000	RM'000	RM'000
Bridging loans – Note 1	52,742	-	52,742
Revolving credit – Note 2	100,000	-	100,000
Obligations under finance lease	18	-	18
Bank overdraft	8,464	-	8,464
Total	161,224	-	161,224

Note 1 : Bridging loan are for the development properties. The loans were repaid through redemption and cash.

Note 2 : Revolving credit facility is for working capital.

24. MATERIAL LITIGATION

(A) Johor Bahru High Court Summons No. JA-22NCVC-149-11/2020

On 17 November 2020, the Company and its subsidiary, Tebrau Bay Constructions Sdn Bhd ("Defendants") received a Writ of Summons and Statement of Claim filed by Tenaga Nasional Berhad ("TNB" or "the Plaintiff") claiming RM76.56 million, various injunctions, economic loss, other damages, interests and costs to be assessed by the High Court for the alleged damages on the Johor Bahru – Singapore TNB cable link. In the claim, TNB alleged that reclamation works undertaken by the Group had trespassed on the right of way ("ROW") of the TNB's submarine cables. Another subsidiary, Tebaru Bay Sdn Bhd ("TBSB") was included in the suit as 3rd Defendant on 5 December 2021.

The Group has appointed a counsel to defend the claim and made an application to strike out the plaintiff's suit. The Group's defence, amongst others, is that at all material times, the reclamation works were carried out by independent contractors outside of the Plaintiff's ROW, in accordance with plans approved by the Johor Bahru City Council. Further, the Plaintiffs have not provided any evidence of the nature, cause and specifics of the alleged damage to the submarine cables.

The Company wishes to inform that following the Case Management on 16 May 2022, the Judge has fixed a total of 14 days in June, July and August 2023 for trial and has also fixed a case management on 14 July 2022 to deal with interlocutory applications (except for the Defendants' applications for leave to file rejoinder).

In respect of the Defendants' application for leave to file rejoinder, a Case Management is fixed on 24 May 2022 and the Defendants are required to file the affidavits in support by this date. Further, the Defendants' application to commence third party proceedings and TBSB's striking out application will be filed by 14 July 2022.

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FOR THE QUARTER ENDED 31 MARCH 2022

24. MATERIAL LITIGATION (cont'd)

(A) Johor Bahru High Court Summons No. JA-22NCVC-149-11/2020 (cont'd)

The Company will make further announcement(s) on the material development of the case in due course and has accordingly disclosed the details of the Claim as a contingent liability.

(B) Johor Bahru High Court Summons No. JA-21NCvC-13-03/2022

On 29 March 2022, TBSB was served with a Writ of Summon and Statement of Claim from Inland Revenue Board of Malaysia (“IRB”), in respect of unpaid income taxes to RM10.83 million plus 5% per annum on the alleged claims, costs and other reliefs as the Honourable Court deems fit and proper to grant.

TBSB is in process of seeking legal advice in respect of the claim. The suit is not expected to have any signification operational or financial impact to the Group as the said amount has already been fully provided in the financial statements for the financial year ended 31 December 2021 except for any additional costs or interests granted (if any).

The Court has fixed the Case Management on 22 June 2022 and the Company will make further announcement(s) on the material development of the case in due course.

25. LOSS BEFORE TAX

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

	Quarter ended		3 months cumulative to date	
	31.03.2022 RM'000	31.03.2021 RM'000	31.03.2022 RM'000	31.03.2021 RM'000
Depreciation	95	98	95	98
Interest income	(134)	(126)	(134)	(126)
Interest expenses	4,398	4,519	4,398	4,519
Share of results of associate	-	26	-	26
Other income	(111)	(67)	(111)	(67)

Other than as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Malaysia Listing Requirement are not applicable.

NOTES TO THE 1st QUARTER FINANCIAL REPORT
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26. CAPITAL COMMITMENTS

There are no material capital commitments as at the date of this report.

27. EVENTS AFTER REPORTING PERIOD

There are no material events subsequent to the end of the current quarter except for the Group entered into a HOA with KB on the proposed disposal as disclosed in Note 11.

28. DERIVATIVES

- a. There are no outstanding derivatives (including financial instruments designated as hedging instruments) for the quarter ended 31 March 2022; and
- b. The Group has not entered into any type of derivatives in the previous financial period under review.

29. DIVIDEND PAYABLE

No dividend has been declared for the financial period ended 31 March 2022 (31 December 2021 : RM Nil).

30. LOSS PER SHARE

The basic and diluted loss per share has been calculated by dividing the Group's loss for the period attributable to owners of the Company by weighted average number of shares in issue. The weighted number of shares in issue is calculated as follows:

	Quarter ended		3 months	
	31.03.2022	31.03.2022	cumulative to date	31.03.2021
Loss for the period attributable to owners of the Company (RM'000)	(5,194)	(5,776)	(5,194)	(5,776)
Weighted average number of ordinary shares for earnings per share ('000 units)	921,128	837,389	921,128	837,389
Basic loss per share (sen)	<u>(0.64)</u>	<u>(0.69)</u>	<u>(0.64)</u>	<u>(0.69)</u>
Diluted loss per share (sen)	<u>(0.64)</u>	<u>(0.69)</u>	<u>(0.64)</u>	<u>(0.69)</u>

NOTES TO THE 1st QUARTER FINANCIAL REPORT
 FOR THE QUARTER ENDED 31 MARCH 2022

31. STATUS OF JOINT VENTURE PROJECT

Following is the status of the existing joint venture projects as at 31 March 2022 :

	Paradise Realty Sdn. Bhd.	Greenland Tebrau Sdn. Bhd. (Lot 1A)
<u>Development Status</u>		
Total land area	20.324 acres	11.013 acres
% land under development	100%	100%
% of development completed	49.96%	-
% of development not yet completed	50.04%	100%

32. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 May 2022.