

PEGASUS HEIGHTS BERHAD

Company No.197401002677 (19727-P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022**

	Note	Individual quarter ended		Cumulative quarter ended	
		31.03.22 RM'000	31.03.21 RM'000	31.03.22 RM'000	31.03.21 RM'000
Revenue	A4	6,531	8,164	6,531	8,164
Cost of sales		(5,691)	(8,093)	(5,691)	(8,093)
Gross profit		840	71	840	71
Other income		122	77	122	77
Administrative and other expenses		(2,431)	(4,208)	(2,431)	(4,208)
Finance cost		(18)	(20)	(18)	(20)
(Loss) before taxation	A4	(1,487)	(4,080)	(1,487)	(4,080)
Taxation	B5	-	-	-	-
(Loss) for the financial period		(1,487)	(4,080)	(1,487)	(4,080)
Other comprehensive income		-	-	-	-
Total comprehensive (loss) for the financial period		(1,487)	(4,080)	(1,487)	(4,080)
(Loss) attributable to:					
Equity holders of the parent		(1,487)	(4,080)	(1,487)	(4,080)
Minority interests		-	-	-	-
		(1,487)	(4,080)	(1,487)	(4,080)
Total comprehensive (loss) attributable to:					
Equity holders of the parent		(1,487)	(4,080)	(1,487)	(4,080)
Minority interests		-	-	-	-
		(1,487)	(4,080)	(1,487)	(4,080)
Earnings per share attributable to equity holders of the parent:					
Basic, for (loss) for the period (sen)	B10	(0.01)	(0.04)	(0.01)	(0.04)
Diluted, for (loss) for the period (sen)	B10	(0.01)	(0.03)	(0.01)	(0.03)

PEGASUS HEIGHTS BERHAD

Company No.197401002677 (19727-P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	Unaudited As at 31.03.22 RM'000 (Unaudited)	Audited As at 31.12.21 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,687	1,849
Investment property		110,000	110,000
Deferred Expenses		83	208
Intangible Asset		156	173
Right of Use Asset		1,568	753
		<u>113,494</u>	<u>112,983</u>
Current Assets			
Trade receivables		8,760	7,971
Other receivables		3,074	2,880
Inventories		80	62
Tax recoverable		342	236
Fixed deposits with licensed institution		1,024	1,019
Cash and bank balances		17,032	20,119
		<u>30,312</u>	<u>32,287</u>
TOTAL ASSETS		<u>143,806</u>	<u>145,270</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		191,484	191,463
Share Option Reserves		5,771	5,771
Warrants Reserve		18,185	18,193
Accumulated losses		(81,906)	(80,419)
Equity attributable to owners of the Company		<u>133,534</u>	<u>135,008</u>
Total Equity		<u>133,534</u>	<u>135,008</u>
Non-Current Liabilities			
Lease Liability	B8	721	12
Deferred tax liabilities		3,502	3,502
		<u>4,223</u>	<u>3,514</u>
Current Liabilities			
Bank Overdraft	B8	9	2,903
Lease Liability	B8	456	340
Trade payables		77	18
Other payables		5,022	3,002
Income tax payable		485	485
		<u>6,049</u>	<u>6,748</u>
TOTAL LIABILITIES		<u>10,272</u>	<u>10,262</u>
TOTAL EQUITY AND LIABILITIES		<u>143,806</u>	<u>145,270</u>
Net assets per share (RM)		0.0124	0.0125

The unaudited condensed consolidated statement 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 the interim financial statements.

PEGASUS HEIGHTS BERHAD

Company No.197401002677 (19727-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022**

	Note	<----- Attributable to Equity Holders of the Parent ----->				Total RM'000	Minority Interest RM'000	Total Equity RM'000
		Share Capital RM'000	SIS Options Reserve RM'000	Warrants Reserve RM'000	Distributable Accumulated Losses RM'000			
Balance as at 01 January 2022		191,463	5,771	18,193	(80,419)	135,008	-	135,008
Total comprehensive (loss) for the financial period		-	-	-	(1,487)	(1,487)	-	(1,487)
<u>Transaction with owners:</u>								
Warrants Reserve		8	-	(8)	-	-	-	-
Proceed From Warrants Conversion		13	-	-	-	13	-	13
Total transaction with owners		21	-	(8)	-	13	-	13
Balance as at 31 March 2022		191,484	5,771	18,185	(81,906)	133,534	-	133,534
Balance as at 01 January 2021		188,762	6,865	18,392	(61,244)	152,775	-	152,775
Total comprehensive (loss) for the financial period		-	-	-	(4,080)	(4,080)	-	(4,080)
<u>Transaction with owners:</u>								
Proceed from Warrant Conversion		214	-	-	-	214	-	214
Warrant Reserve		124	-	(124)	-	-	-	-
Total transaction with owners		338	-	(124)	-	214	-	214
Balance as at 31 March 2021		189,100	6,865	18,268	(65,324)	148,909	-	148,909

The unaudited condensed consolidated statement 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 the interim financial statements.

PEGASUS HEIGHTS BERHAD

Company No.197401002677 (19727-P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2022**

	Year Ended 31.03.22 RM'000	Year Ended 31.03.21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(1,487)	(4,080)
Adjustments for:		
Depreciation	162	147
Impairment loss/ (reversal) on trade receivables	324	(3)
Amortisation of franchise license fee & deferred expenses	142	135
Interest expense	18	20
Interest income	(114)	(29)
Amortisation of right of use asset	152	112
Operating (loss) before working capital changes	<u>(803)</u>	<u>(3,698)</u>
(Increase) / Decrease in receivables	(1,262)	3,176
(Increase) / Decrease in inventories	(18)	22
(Decrease) / Increase in payables	2,079	47
Cash generated from / (used in) operations	<u>(4)</u>	<u>(453)</u>
Tax paid	(106)	(330)
Interest paid	(18)	(20)
Net cash (used in) operating activities	<u>(128)</u>	<u>(803)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	-	(23)
Interest received	69	29
Net cash generated from investing activities	<u>69</u>	<u>6</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease	(142)	(101)
(Deposit) of fixed deposit	(5)	(5)
Proceeds from warrant conversion	13	214
Net cash (used in) / generated from financing activities	<u>(134)</u>	<u>108</u>
Net (used) in cash and cash equivalents	(193)	(689)
Cash and cash equivalents as at 1 January	17,216	10,157
Cash and cash equivalents as at end of period	<u>17,023</u>	<u>9,468</u>
CASH AND CASH EQUIVALENTS COMPRISE: -		
Cash and bank balances	17,032	11,976
Bank overdraft	(9)	(2,508)
	<u>17,023</u>	<u>9,468</u>

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements as set out in Malaysian Financial Reporting Standard (“MFRS”) 134 “Interim Financial Reporting” and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes. The explanatory notes attached to the interim financial statements provides 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.

The accounting policies and methods of computation adopted by the Company and its subsidiaries (“Group”) in the interim financial statements are consistent with those adopted for the annual audited statements for the year ended 31 December 2021.

The adoption of the new/amended MFRS and its amendments does not give rise to any adjustment to the opening balances of retained profit of prior and current years or changes in comparatives.

A2. COMPARATIVES

There were no changes to the comparatives during the current financial period.

A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report on the preceding financial statements for the year ended 31 December 2021 was not qualified by the Auditors of the Company.

PEGASUS HEIGHTS BERHAD
Company No. 197401002677 (19727-P)
(Incorporated in Malaysia)

A4. SEGMENTAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 31.03.22	Preceding Year Corresponding Quarter 31.03.21	Current year to Date 31.03.22	Preceding Year Corresponding Period 31.03.21
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Property Management	1,737	539	1,737	539
Trading	1,778	7,077	1,778	7,077
Project Management Consultancy	2,606	406	2,606	406
Investment Holding and Others	479	164	479	164
Total revenue including inter-segment sales	6,600	8,186	6,600	8,186
Eliminations of inter-segment sales	(69)	(22)	(69)	(22)
Total Revenue	6,531	8,164	6,531	8,164

Segment results

Property Management	(331)	(2,624)	(331)	(2,624)
Trading	(78)	(218)	(78)	(218)
Project Management Consultancy	(326)	(380)	(326)	(380)
Investment Holding and Others	(729)	(838)	(729)	(838)
Eliminations	(5)	-	(5)	-
(Loss) before interest and tax	(1,469)	(4,060)	(1,469)	(4,060)
Finance Cost	(18)	(20)	(18)	(20)
Taxation	-	-	-	-
Loss After Tax	(1,487)	(4,080)	(1,487)	(4,080)

As at 31 March 2022	Property Management RM'000	Trading RM'000	Project Management Consultancy RM'000	Investment Holding and Others RM'000	Eliminations RM'000	Group RM'000
Total segment assets	113,513	1,849	5,042	67,030	(43,628)	143,806
Unallocated asset:						
- Deferred tax assets	-	-	-	-	-	-
Total assets	113,513	1,849	5,042	67,030	(43,628)	143,806
Total Segment liabilities	89,464	2,608	2,428	5,800	(94,601)	5,699
Unallocated liabilities:						
- Finance Lease Liability	72	-	195	1,692	(897)	1,062
- Bank overdraft	9	-	-	-	-	9
- Deferred tax liabilities	3,502	-	-	-	-	3,502
Total liabilities	93,047	2,608	2,623	7,492	(95,498)	10,272

A4. SEGMENTAL INFORMATION (Continued)

As at 31 March 2021	Property Management RM'000	Trading RM'000	Project Management Consultancy RM'000	Investment Holding and Others RM'000	Eliminations RM'000	Group RM'000
Total segment assets	113,905	7,933	5,666	82,256	(51,380)	158,380
Unallocated asset:						
- Deferred tax assets	-	-	-	-	-	-
Total assets	113,905	7,933	5,666	82,256	(51,380)	158,380
Total Segment liabilities	88,592	8,174	3,060	3,913	(100,940)	2,799
Unallocated liabilities:						
- Finance Lease Liability	160	-	435	1,048	(1,013)	630
- Bank overdraft	2508	-	-	-	-	2,508
- Deferred tax liabilities	3,502	-	20	-	-	3,522
- Current tax liabilities	-	12	-	-	-	12
Total liabilities	94,762	8,186	3,515	4,961	(101,953)	9,471

A5. 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 financial year ended 31 March 2022.

A6. CHANGES IN ESTIMATES

There was no change in estimates that has a material effect on the current quarter results.

A7. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not affected by any seasonal or cyclical factors during the quarter under review.

A8. DIVIDENDS PAID

No interim dividend has been paid in the current financial year period 31 March 2022. (31 March 2021: Nil).

A9. CARRYING AMOUNT OF REVALUED ASSETS

There were no other changes in carrying amount of revalued asset during the current financial quarter.

A10. DEBT AND EQUITY SECURITIES

In the first quarter of 2022, the Company issued an additional 1,295,400 new ordinary shares of RM0.01 each pursuant to the conversion of warrants.

Save for the above, there were no other issuance, cancellations, or repayments of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares, repurchase and resale of treasury shares for the current financial quarter under review.

A11. CHANGES IN COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current financial quarter.

A12. DISCONTINUED OPERATION

There were no existing business segments that can be categorised as discontinued in the current financial year.

A13. CAPITAL COMMITMENTS

There were no material changes in capital commitments since the previous quarter.

A14. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no material changes in contingent liabilities or contingent assets since the previous quarter.

A15. SUBSEQUENT EVENTS

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

A16. RELATED PARTY TRANSACTIONS

Significant related party transactions of the Group are as follow:

Transactions with company in which a Director of the company has substantial financial interest

	As at 31.03.22 RM'000	As at 31.03.21 RM'000
Rental of premises	64	43

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. PERFORMANCE REVIEW

	Individual Quarter		Changes (%)	Cumulative Period		Changes (%)
	31.03.22 RM'000	31.03.21 RM'000		31.03.22 RM'000	31.03.21 RM'000	
Revenue	6,531	8,164	(20.0)	6,531	8,164	(20.0)
(Loss) before interest and tax (LBIT)	(1,469)	(4,060)	(63.8)	(1,469)	(4,060)	(63.8)
(Loss) before tax (LBT)	(1,487)	(4,080)	(63.6)	(1,487)	(4,080)	(63.6)
(Loss) after tax (LAT)	(1,487)	(4,080)	(63.6)	(1,487)	(4,080)	(63.6)
(Loss) attributable to ordinary equity holders of the parent	(1,487)	(4,080)	(63.6)	(1,487)	(4,080)	(63.6)

Review of results for the current quarter

For the first quarter ended 31 March 2022, the Group registered a revenue of RM6.53 million, LBIT of RM1.47 million and LBT of RM1.49 million as compared to a revenue of RM8.16 million, LBIT of RM4.06 million and LBT of RM4.08 million in the preceding year's corresponding quarter.

Commentary on revenue

The Group recorded lower revenue for the current quarter predominantly due to lower contribution from the trading segment. The revenue from trading decreased 74.9% due to the uncertainty caused by the pandemic which affected the production supply as well as customer demand. However, the decreased in trading segment was partially offset by property management and PMC segments which increased by 222.3% and 541.9% respectively.

Overall, the Group's revenue decreased by 20.0% to RM6.53 million compared to the preceding year's corresponding quarter.

Commentary on LBIT and LBT

The Group recorded a lower LBIT and LBT for the current quarter compared to the preceding year's corresponding quarter's LBIT and LBT due to the higher revenue contribution from the property management segment and project management segment which has a higher profit margin. In addition, a one-off repair and rectification work caused by the flood amounted to RM2.12 million was incurred in Q1 2021, further affected the preceding year's corresponding quarter.

B2. COMMENTS ON MATERIAL CHANGE IN LOSS BEFORE TAXATION FOR THE CURRENT QUARTER COMPARED TO THE PRECEDING QUARTER

	Current quarter 31.03.22 RM'000	Preceding quarter 31.12.21 RM'000	Changes (%)
Revenue	6,531	6,613	1.2
(Loss) / Profit before interest and tax (LBIT/PBIT)	(1,469)	(14,154)	(89.6)
(Loss) / Profit before tax (LBT/PBT)	(1,487)	(14,166)	(89.5)
(Loss) / Profit after tax (LAT/PAT)	(1,487)	(14,946)	(90.0)
(Loss) / Profit attributable to ordinary equity holders of the parent	(1,487)	(14,946)	(90.0)

The Group recorded a decrease in revenue to RM6.53 million for the current quarter compared to RM6.61 million in the immediate preceding quarter ended 31 December 2021. The decrease in revenue was due to the lower contribution from trading segment which decreased 12.9% from RM2.31 million to RM1.78 million.

Overall, the Group's revenue decreased by 1.2% as compared to the preceding quarter.

The Group recorded a LBT of RM1.49 million for the current quarter as compared to LBT of RM14.17 million in the immediate preceding quarter ended 31 December 2021. After stripping out the one off RM16.00 million impairment of goodwill and recognition of profit guarantee in the preceding quarter, the Group recorded a LBT of RM0.08 million.

B3. COMMENTARY ON PROSPECTS

Our mall's occupancy rate increased 3.71% to 83.01% as at 31 March 2022. Currently, we are still negotiating with potential tenants. This is expected to further improve the mall's occupancy rate and also the tenant mix and rental yield.

The pandemic has impacted and changed the consumer lifestyle which negatively affected the F&B businesses compared to pre-pandemic. However, followed by the loosening of covid guidelines by the government, the F&B segment is showing recovery.

The trading business deteriorated due to lower orders from existing customer coupled with production supply issues. We remain cautious on this segment.

The Group had secured a new residential project. However, the project margin are being affected by the increase in material and labour costs. The main focus is to tighten cost control and secure more contracts.

B4. PROFIT FORECAST OR PROFIT GUARANTEE

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interests and forecast profit after tax and minority interests and for the shortfall in profit guarantee are not applicable.

PEGASUS HEIGHTS BERHAD

Company No. 197401002677 (19727-P)

(Incorporated in Malaysia)

B5. INCOME TAX EXPENSE

	Individual quarter ended		Cumulative quarter ended	
	31.03.22	31.03.21	31.03.22	31.03.21
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Provision for current year tax	-	-	-	-
Under provision for taxation	-	-	-	-
Total income tax expenses	-	-	-	-

B6. CORPORATE PROPOSALS

There was no corporate proposal announced but not completed as at the date of this report.

B8. BORROWINGS

	As at 31.03.2022 RM'000
Short-term borrowings: -	
-Secured	465
-Unsecured	-
	<u>465</u>
Long-term borrowings: -	
-Secured	721
-Unsecured	-
	<u>721</u>
Total Borrowings	<u>1,186</u>
	As at 31.03.2022 RM'000
Bank overdraft	9
Lease Liability	1,177
Total Borrowings	<u>1,186</u>

B9. CHANGES IN MATERIAL LITIGATION

There was no material litigation for the current financial period under review.

B10. EARNINGS PER SHARE

(a) Basic EPS

	Individual quarter ended		Cumulative quarter ended	
	31.03.22	31.03.21	31.03.22	31.03.21
(Loss) attributable to ordinary equity holders of the parent (RM'000)	(1,487)	(4,080)	(1,487)	(4,080)
Weighted average number of Ordinary Shares in issue ('000)	10,770,219	10,566,428	10,770,219	10,566,428
Basic (loss) per share (sen)	(0.01)	(0.04)	(0.01)	(0.04)

(b) Diluted EPS

	Individual quarter ended		Cumulative quarter ended	
	31.03.22	31.03.21	31.03.22	31.03.21
(Loss) attributable to ordinary equity holders of the parent (RM'000)	(1,487)	(4,080)	(1,487)	(4,080)
Weighted average number of Ordinary Shares in issue ('000)	11,897,611	13,216,630	11,897,611	13,216,630
Diluted (loss) per share (sen)	(0.01)	(0.03)	(0.01)	(0.03)

B11. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivative financial instruments

As at 31 March 2022, the Group does not hold any derivative financial instruments.

(b) Disclosure of gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities reported by the Group during the financial period under review.

B12. DISCLOSURE OF ADDITIONAL INFORMATION

Total comprehensive income for the period was derived after charging / (crediting) the following items:

	Cumulative quarter ended	
	31.03.22 RM'000	31.03.21 RM'000
Interest income	(114)	(29)
Interest expenses	18	20
Impairment loss/ (reversal) on trade receivables	324	(3)
Depreciation	162	147
Amortization of franchise license fee & deferred expenses	142	135
Amortization of right of use asset	152	112

Saved as disclosed above and in the unaudited Condensed Consolidated Statements of Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Listing Requirement of Bursa Malaysia Securities Berhad for the Main Market are not applicable.

PEGASUS HEIGHTS BERHAD
Company No. 197401002677 (19727-P)
(Incorporated in Malaysia)

By order of the Board
Dated this 26 May 2022