

PEGASUS HEIGHTS BERHAD

Company No.197401002677 (19727-P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	Note	Individual quarter ended		Cumulative quarter ended	
		30.09.22 RM'000	30.09.21 RM'000	30.09.22 RM'000	30.09.21 RM'000
Revenue	A4	3,120	6,083	12,364	20,088
Cost of sales		(2,312)	(5,067)	(9,830)	(18,101)
Gross profit		<u>808</u>	<u>1,016</u>	<u>2,534</u>	<u>1,987</u>
Other income		24	88	297	3,195
Administrative and other expenses		(2,507)	(2,258)	(7,616)	(9,371)
Finance cost		(16)	(13)	(50)	(42)
(Loss) before taxation	A4	<u>(1,691)</u>	<u>(1,167)</u>	<u>(4,835)</u>	<u>(4,231)</u>
Taxation	B5	105	2	97	2
(Loss) for the financial period		<u>(1,586)</u>	<u>(1,165)</u>	<u>(4,738)</u>	<u>(4,229)</u>
Other comprehensive income		-	-	-	-
Total comprehensive (loss) for the financial period		<u>(1,586)</u>	<u>(1,165)</u>	<u>(4,738)</u>	<u>(4,229)</u>
(Loss) attributable to:					
Equity holders of the parent		(1,586)	(1,165)	(4,738)	(4,229)
Minority interests		-	-	-	-
		<u>(1,586)</u>	<u>(1,165)</u>	<u>(4,738)</u>	<u>(4,229)</u>
Total comprehensive (loss) attributable to:					
Equity holders of the parent		(1,586)	(1,165)	(4,738)	(4,229)
Minority interests		-	-	-	-
		<u>(1,586)</u>	<u>(1,165)</u>	<u>(4,738)</u>	<u>(4,229)</u>
Earnings per share attributable to equity holders of the parent:					
Basic, for (loss) for the period (sen)	B10	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.04)</u>	<u>(0.04)</u>
Diluted, for (loss) for the period (sen)	B10	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.04)</u>	<u>(0.02)</u>

PEGASUS HEIGHTS BERHAD

Company No.197401002677 (19727-P)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	Unaudited As at 30.09.22 RM'000 (Unaudited)	Audited As at 31.12.21 RM'000 (Audited)
ASSETS			
Non-Current Assets			
Property, plant and equipment		1,366	1,849
Investment property		110,000	110,000
Deferred Expenses		-	208
Intangible Asset		123	173
Right of Use Asset		1,264	753
		<u>112,753</u>	<u>112,983</u>
Current Assets			
Trade receivables		4,486	7,971
Other receivables		936	2,880
Inventories		75	62
Tax recoverable		435	236
Fixed deposits with licensed institution		1,034	1,019
Cash and bank balances		19,645	20,119
		<u>26,611</u>	<u>32,287</u>
TOTAL ASSETS		<u>139,364</u>	<u>145,270</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		210,176	191,463
Share Option Reserves		5,769	5,771
Warrants Reserve		-	18,193
Accumulated losses		(85,157)	(80,419)
Equity attributable to owners of the Company		<u>130,788</u>	<u>135,008</u>
Total Equity		<u>130,788</u>	<u>135,008</u>
Non-Current Liabilities			
Lease Liability	B8	734	12
Deferred tax liabilities		3,502	3,502
		<u>4,236</u>	<u>3,514</u>
Current Liabilities			
Bank Overdraft	B8	5	2,903
Lease Liability	B8	157	340
Trade payables		160	18
Other payables		4,018	3,002
Income tax payable		-	485
		<u>4,340</u>	<u>6,748</u>
TOTAL LIABILITIES		<u>8,576</u>	<u>10,262</u>
TOTAL EQUITY AND LIABILITIES		<u>139,364</u>	<u>145,270</u>
Net assets per share (sen)		1.21	1.25

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 30 SEPTEMBER 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	-	-	-	(4,738)	(4,738)	-	(4,738)
<u>Transaction with owners:</u>							
SIS Lapsed	-	(2)	-	-	(2)	-	(2)
Warrants Reserve	302	-	(302)	-	-	-	-
Proceed From Warrants Conversion	520	-	-	-	520	-	520
Lapsed of warrant	17,891	-	(17,891)	-	-	-	-
Total transaction with owners	18,713	(2)	(18,193)	-	518	-	518
Balance as at 30 September 2022	210,176	5,769	-	(85,157)	130,788	-	130,788
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	-	-	-	(4,229)	(4,229)	-	(4,229)
<u>Transaction with owners:</u>							
SIS Reserve	1,088	(1,088)	-	-	-	-	-
Proceed from SIS Exercise	1,071	-	-	-	1,071	-	1,071
Proceed from Warrant Conversion	333	-	-	-	333	-	333
Warrant Reserve	193	-	(193)	-	-	-	-
Total transaction with owners	2,685	(1,088)	(193)	-	1,404	-	1,404
Balance as at 30 September 2021	191,447	5,777	18,199	(65,473)	149,950	-	149,950

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

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	Year Ended 30.09.22 RM'000	Year Ended 30.09.21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) before taxation	(4,835)	(4,231)
Adjustments for:		
Depreciation	483	444
Impairment loss on trade receivables	1,194	583
Amortisation of franchise license fee & deferred expenses	258	449
Share Options to employees lapsed	(2)	-
Interest expense	50	42
Interest income	(243)	(80)
Amortisation of right of use asset	456	321
Loss on disposal plant, property and equipment	-	5
Operating (loss) before working capital changes	<u>(2,639)</u>	<u>(2,467)</u>
(Increase) / Decrease in receivables	4,235	6,688
(Increase) / Decrease in inventories	(13)	1,035
(Decrease) / Increase in payables	1,158	(236)
Cash generated from operations	<u>2,741</u>	<u>5,020</u>
Tax paid	(587)	(564)
Interest paid	(50)	(42)
Net cash generated from operating activities	<u>2,104</u>	<u>4,414</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant, property and equipment	-	(23)
Interest received	243	80
Net cash generated from investing activities	<u>243</u>	<u>57</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of finance lease	(428)	(298)
(Deposit) of fixed deposit	(15)	(5)
Proceeds from exercise ESOS	-	1,071
Proceeds from warrant conversion	520	333
Net cash generated from financing activities	<u>77</u>	<u>1,101</u>
Net increased / (used) in cash and cash equivalents	2,424	5,572
Cash and cash equivalents as at 1 January	<u>17,216</u>	<u>10,157</u>
Cash and cash equivalents as at end of period	<u>19,640</u>	<u>15,729</u>
CASH AND CASH EQUIVALENTS COMPRISE: -		
Cash and bank balances	19,645	18,638
Bank overdraft	(5)	(2,909)
	<u>19,640</u>	<u>15,729</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
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A4. SEGMENTAL INFORMATION

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30.09.22	Preceding Year Corresponding Quarter 30.09.21	Current year to Date 30.09.22	Preceding Year Corresponding Period 30.09.21
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Property Management	2,066	2,321	5,867	4,366
Trading	606	2,747	2,384	12,577
Project Management Consultancy	30	702	2,826	2,465
Investment Holding and Others	495	374	1,517	840
Total revenue including inter-segment sales	3,197	6,144	12,594	20,248
Eliminations of inter-segment sales	(77)	(61)	(230)	(160)
Total Revenue	3,120	6,083	12,364	20,088
<u>Segment results</u>				
Property Management	(290)	(454)	(791)	(904)
Trading	(104)	(136)	(289)	(526)
Project Management Consultancy	(552)	143	(1,404)	(286)
Investment Holding and Others	(724)	(702)	(2,028)	(2,459)
Eliminations	(5)	(5)	(272)	(14)
(Loss) before interest and tax	(1,675)	(1,154)	(4,785)	(4,189)
Finance Cost	(16)	(13)	(50)	(42)
Taxation	105	2	97	2
(Loss) After Tax	(1,586)	(1,165)	(4,738)	(4,229)

As at 30 September 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	112,865	733	2,955	64,997	(42,186)	139,364
Unallocated asset:						
- Deferred tax assets	-	-	-	-	-	-
Total assets	112,865	733	2,955	64,997	(42,186)	139,364
Total Segment liabilities	89,219	1,703	1,555	4,666	(92,965)	4,178
Unallocated liabilities:						
- Finance Lease Liability	27	-	69	1,632	(837)	891
- Bank overdraft	5	-	-	-	-	5
- Deferred tax liabilities	3,502	-	-	-	-	3,502
Total liabilities	92,753	1,703	1,624	6,298	(93,802)	8,576

A4. SEGMENTAL INFORMATION (Continued)

As at 30 September 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	113,945	3,696	5,675	81,921	(45,896)	159,341
Unallocated asset:						
- Deferred tax assets	-	-	-	-	-	-
Total assets	113,945	3,696	5,675	81,921	(45,896)	159,341
Total Segment liabilities	86,572	4,246	3,099	4,117	(95,518)	2,516
Unallocated liabilities:						
- Finance Lease Liability	117	-	316	955	(955)	433
- Bank overdraft	2,909	-	-	-	-	2,909
- Deferred tax liabilities	3,502	-	20	-	-	3,522
- Current tax liabilities	-	11	-	-	-	11
Total liabilities	93,100	4,257	3,435	5,072	(96,473)	9,391

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 30 September 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 30 September 2022. (30 September 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

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 30.09.22	As at 30.09.21
	RM'000	RM'000
Rental of premises	193	127

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 (%)
	30.09.22 RM'000	30.09.21 RM'000		30.09.22 RM'000	30.09.21 RM'000	
Revenue	3,120	6,083	(48.7)	12,364	20,088	(38.5)
(Loss) before interest and tax (LBIT)	(1,675)	(1,154)	45.1	(4,785)	(4,189)	(14.2)
(Loss) before tax (LBT)	(1,691)	(1,167)	44.9	(4,835)	(4,231)	(14.3)
(Loss) after tax (LAT)	(1,586)	(1,165)	36.1	(4,738)	(4,229)	(12.0)
(Loss) attributable to ordinary equity holders of the parent	(1,586)	(1,165)	36.1	(4,738)	(4,229)	(12.0)

Review of results for the current quarter

For the third quarter ended 30 September 2022, the Group registered a revenue of RM3.12 million, LBIT of RM1.68 million and LBT of RM1.69 million as compared to a revenue of RM6.08 million, LBIT of RM1.15 million and LBT of RM1.17 million in the preceding year's corresponding quarter.

Commentary on revenue

The Group recorded lower revenue for the current quarter due to lower contribution across all segments except for the investment holding segment. Revenue from PMC decreased 95.7% as no new projects were secured during the quarter. Revenue from trading segment decreased 77.9% due to lower demand from customers.

Overall, Group revenue decreased by 48.7% to RM3.12 million compared to the preceding year's corresponding quarter.

Commentary on LBIT and LBT

The Group recorded a higher LBIT and LBT for the current quarter compared to the preceding year's corresponding quarter's LBIT and LBT due to the lower revenue.

Review of results for the financial period ended 30 September 2022

The Group recorded a revenue of RM12.36 million, LBIT of RM4.79 million and LBT of RM4.84 million for the financial period ended 30 September 2022 as compared to a revenue of RM20.09 million, LBIT of RM4.19 million and LBT of RM4.23 million in the financial period ended 30 September 2021.

Commentary on revenue

The Group recorded lower revenue for the current period largely due to the 81% drop in trading revenue.

However the decreased in trading segment was partially offset by the property management, PMC and others segment which increased by 34.4%, 14.6% and 80.6% respectively.

Overall, the Group's revenue decreased by 38.5% to RM12.36 million compared to the preceding financial period.

Commentary on LBIT/ LBT

Stripping out the insurance claims amounting to RM2.97 million received in the preceding year, the Group recorded a lower LBIT and LBT for 30 September 2022.

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

	Current quarter 30.09.22 RM'000	Preceding quarter 30.06.22 RM'000	Changes (%)
Revenue	3,120	2,713	15.0
(Loss) before interest and tax (LBIT)	(1,675)	(1,673)	0.1
(Loss) before tax (LBT)	(1,691)	(1,657)	2.1
(Loss) after tax (LAT)	(1,586)	(1,665)	(4.7)
(Loss) attributable to ordinary equity holders of the parent	(1,586)	(1,665)	(4.7)

The Group recorded an increase in revenue to RM3.12 million for the current quarter compared to RM2.71 million in the immediate preceding quarter ended 30 June 2022. The increase in revenue was due to higher contribution from the trading segment .

Overall, the Group's revenue increased 15.0% as compared to the preceding quarter.

Overall, the Group recorded a slightly higher LBT of RM1.69 million for the current quarter as compared to LBT of RM1.66 million in the immediate preceding quarter ended 30 June 2022.

B3. COMMENTARY ON PROSPECTS

The mall's occupancy rate increased 3.84% to 86.85% as at 30 September 2022. We continue our efforts to look for new tenants to increase our occupancy rate and also enhance the tenant mix and hence rental yield.

F&B business continues to be challenging due to the shortage of manpower and also the higher price of raw materials. The increase in prices has affected consumer demand. Overall, we are cautious about this segment given the rising food prices.

Trading business continues to be lackluster as existing customers have slowed down new orders. The outlook for this segment remains clouded.

The PMC segment continues to be plagued by labour and high material cost. Pitching for new projects has become highly competitive as demand has been affected by rising prices and clouded economic outlook.

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.

B5. INCOME TAX EXPENSE

	Individual quarter ended		Cumulative quarter ended	
	30.09.22	30.09.21	30.09.22	30.09.21
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Provision for current year tax	-	-	-	-
(Over) provision for taxation	(105)	(2)	(97)	(2)
Total income tax expenses	<u>(105)</u>	<u>(2)</u>	<u>(97)</u>	<u>(2)</u>

B6. CORPORATE PROPOSALS

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

B8. BORROWINGS

	As at 30.09.2022 RM'000
Short-term borrowings: -	
-Secured	162
-Unsecured	-
	<u>162</u>
Long-term borrowings: -	
-Secured	734
-Unsecured	-
	<u>734</u>
Total Borrowings	<u><u>896</u></u>
	As at 30.09.2022 RM'000
Bank overdraft	5
Lease Liability	891
Total Borrowings	<u><u>896</u></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	
	30.09.22	30.09.21	30.09.22	30.09.21
(Loss) attributable to ordinary equity holders of the parent (RM'000)	(1,586)	(1,165)	(4,738)	(4,229)
Weighted average number of Ordinary Shares in issue ('000)	10,821,178	10,638,851	10,792,054	10,598,660
Basic (loss) per share (sen)	(0.01)	(0.01)	(0.04)	(0.04)

(b) Diluted EPS

	Individual quarter ended		Cumulative quarter ended	
	30.09.22	30.09.21	30.09.22	30.09.21
(Loss) attributable to ordinary equity holders of the parent (RM'000)	(1,586)	(1,165)	(4,738)	(4,229)
Weighted average number of Ordinary Shares in issue ('000)	10,845,048	18,729,848	10,952,634	19,768,414
Diluted (loss) per share (sen)	(0.01)	(0.01)	(0.04)	(0.02)

B11. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Disclosure of derivative financial instruments

As at 30 September 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	
	30.09.22	30.09.21
	RM'000	RM'000
Interest income	(243)	(80)
Interest expenses	50	42
Impairment loss on trade receivables	1,194	583
Loss on disposal of PPE	-	5
Depreciation	483	444
Amortization of franchise license fee & deferred expenses	258	449
Share Issuance Scheme Lapsed	(2)	-
Amortization of right of use asset	456	321

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.

By order of the Board
Dated this 23 November 2022