

**TO BE RELEASED TO BURSA**



**HUA YANG GROUP OF COMPANIES**

**INTERIM FINANCIAL RESULTS**

**FIRST QUARTER ENDED 30 JUNE 2020**

Interim Financial Statements for the financial period ended 30 June 2020

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	%	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	%
	30/06/2020 RM' 000	30/06/2019 RM' 000	+ / (-)	30/06/2020 RM' 000	30/06/2019 RM' 000	+ / (-)
Revenue	16,610	82,177	(79.8)	16,610	82,177	(79.8)
Cost of Sales	(15,557)	(61,151)		(15,557)	(61,151)	
<b>Gross Profit</b>	<b>1,053</b>	<b>21,026</b>	<b>(95.0)</b>	<b>1,053</b>	<b>21,026</b>	<b>(95.0)</b>
Other Income	365	213		365	213	
Selling and Marketing Expenses	(1,027)	(2,629)		(1,027)	(2,629)	
Administrative and General Expenses	(5,971)	(6,855)		(5,971)	(6,855)	
Net Gain on Impairment of Financial Instruments	6,100	-		6,100	-	
<b>Operating Profit</b>	<b>520</b>	<b>11,755</b>	<b>(95.6)</b>	<b>520</b>	<b>11,755</b>	<b>(95.6)</b>
Finance Costs	(3,050)	(3,777)		(3,050)	(3,777)	
Share of Results of an Associate	(2,168)	(985)		(2,168)	(985)	
<b>(Loss)/Profit Before Tax</b>	<b>(4,698)</b>	<b>6,993</b>	<b>(167.2)</b>	<b>(4,698)</b>	<b>6,993</b>	<b>(167.2)</b>
Tax Expense	(172)	(3,319)		(172)	(3,319)	
<b>(Loss)/Profit For The Period</b>	<b>(4,870)</b>	<b>3,674</b>	<b>(232.5)</b>	<b>(4,870)</b>	<b>3,674</b>	<b>(232.5)</b>
(Loss)/Profit attributable to:						
Owners of the Company	(4,859)	3,699	(231.4)	(4,859)	3,699	(231.4)
Non-controlling Interests	(11)	(25)		(11)	(25)	
	<b>(4,870)</b>	<b>3,674</b>		<b>(4,870)</b>	<b>3,674</b>	
<b>Earnings Per Share Attributable to Owners of the Company (sen)</b>						
Basic, for (loss)/profit for the period	(1.38)	1.05	(231.4)	(1.38)	1.05	(231.4)

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2020

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	%	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	%
	30/06/2020 RM' 000	30/06/2019 RM' 000	+ / (-)	30/06/2020 RM' 000	30/06/2019 RM' 000	+ / (-)
(Loss)/Profit For The Period	(4,870)	3,674	(232.5)	(4,870)	3,674	(232.5)
Other Comprehensive Income For The Period, Net Of Tax	(3,932)	(574)	(585.0)	(3,932)	(574)	(585.0)
<b>Total Comprehensive Income For The Period, Net Of Tax</b>	<b>(8,802)</b>	<b>3,100</b>		<b>(8,802)</b>	<b>3,100</b>	
Total Comprehensive Income Attributable To :						
Owners of the Company	(8,791)	3,125	(381.3)	(8,791)	3,125	(381.3)
Non-controlling Interests	(11)	(25)		(11)	(25)	
	<b>(8,802)</b>	<b>3,100</b>		<b>(8,802)</b>	<b>3,100</b>	

Note: Included in the Total Comprehensive Income for the period are the followings:

Interest Income	139	79		139	79	
Other Income Including Investment Income	226	134		226	134	
Interest Expense	3,050	3,777		3,050	3,777	
Depreciation & Amortization	888	687		888	687	
Provision For/Write Off of Receivables	0	(13)		0	(13)	
Provision For/Write Off of Inventories	N/A	N/A		N/A	N/A	
Gain/Loss on Disposal of Quoted and Unquoted Investment or Properties	N/A	N/A		N/A	N/A	
Gain/Loss on Impairment of Assets	6,100	-		6,100	-	
Gain/Loss on Foreign Exchange	(3,932)	(574)		(3,932)	(574)	
Gain/Loss on Derivatives	N/A	N/A		N/A	N/A	

N/A: Not Applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30/06/2020 RM' 000	(UNAUDITED) As at 31/03/2020 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,974	14,569
Right-of-use assets	351	462
Concession assets	7,021	7,186
Inventories - Land held for property development	450,484	448,180
Investment properties	1,640	1,653
Investment in associate	74,595	74,595
Other receivables	7,082	7,039
Fixed deposit with licenced bank	3,652	3,642
Intangible assets	9,596	9,596
Deferred tax assets	19,931	19,749
	<u>588,326</u>	<u>586,671</u>
<b>Current assets</b>		
Inventories - Completed properties	58,253	63,052
Inventories - Property development costs	259,051	262,762
Inventories - Others	19	25
Contract assets	59,302	60,030
Contract cost	9,002	9,447
Trade and other receivables	36,599	53,240
Other current assets	339	532
Cash and bank balances	26,792	33,274
	<u>449,357</u>	<u>482,362</u>
<b>TOTAL ASSETS</b>	<u>1,037,683</u>	<u>1,069,033</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	19,042	21,772
Trade and other payables	135,807	139,787
Short term borrowings	136,287	153,328
Taxation	7,047	7,192
	<u>298,183</u>	<u>322,079</u>
<b>Net current assets</b>	<u>151,174</u>	<u>160,283</u>
<b>Non-current liabilities</b>		
Trade and other payables	37,359	34,096
Deferred tax liabilities	35,070	35,265
Long term borrowings	164,980	166,698
	<u>237,409</u>	<u>236,059</u>
<b>TOTAL LIABILITIES</b>	<u>535,592</u>	<u>558,138</u>
<b>Net assets</b>	<u>502,091</u>	<u>510,894</u>
<b>Total equity attributable to owners of the Company</b>		
Share capital	352,000	352,000
Reserves	127,605	136,397
	<u>479,605</u>	<u>488,397</u>
Non-controlling interests	22,486	22,497
<b>TOTAL EQUITY</b>	<u>502,091</u>	<u>510,894</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,037,683</u>	<u>1,069,033</u>
<b>Net Assets Attributable to Owners of the Company</b>	479,605	488,397
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	1.36	1.39

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Financial Statements for the financial period ended 30 June 2020**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<----- Attributable to Owners of the Company ----->					
	<----- Non-distributable ----->		<- Distributable ->			
	Share Capital	Foreign Currency Exchange Reserve	Retained Earnings	Sub-Total	Non-controlling Interests	Total Equity
	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000	RM' 000
<b><u>3 months ended 30 June 2019</u></b>						
At 1 April 2019	352,000	(6,933)	218,863	563,930	20,760	584,690
Profit for the period	-	-	3,699	3,699	(25)	3,674
Share of losses of equity-accounted associate	-	(574)	-	(574)	-	(574)
Total comprehensive income for the period	-	(574)	3,699	3,125	(25)	3,100
At 30 June 2019	<b>352,000</b>	<b>(7,507)</b>	<b>222,562</b>	<b>567,055</b>	<b>20,735</b>	<b>587,790</b>
<b><u>3 months ended 30 June 2020</u></b>						
At 1 April 2020	<b>352,000</b>	<b>(7,956)</b>	<b>144,352</b>	<b>488,396</b>	<b>22,497</b>	<b>510,893</b>
Loss for the period	-	-	(4,859)	(4,859)	(11)	(4,870)
Share of losses of equity-accounted associate	-	(3,932)	-	(3,932)	-	(3,932)
Total comprehensive income for the period	-	(3,932)	(4,859)	(8,791)	(11)	(8,802)
At 30 June 2020	<b>352,000</b>	<b>(11,888)</b>	<b>139,493</b>	<b>479,605</b>	<b>22,486</b>	<b>502,091</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2020 and the explanatory notes attached to the interim financial statements.

**Interim Financial Statements for the financial period ended 30 June 2020**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>3 months ended 30/06/2020 RM' 000</b>	<b>3 months ended 30/06/2019 RM' 000</b>
<b>OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(4,698)	6,993
Adjustments for :		
Non-cash items	(3,045)	1,678
Non-operating items	2,947	3,698
Operating profit before changes in working capital	(4,796)	12,369
<i>Net change in current assets</i>		
Receivables	16,792	(18,125)
Contract assets	(2,002)	(11,689)
Contract cost	445	2,906
Inventories - completed properties	4,806	17,937
Inventories - property development costs	3,790	(1,188)
<i>Net change in current liabilities</i>		
Payables	(716)	8,446
Cash generated from operations	18,319	10,656
Tax paid	(776)	(764)
Interest paid	(3,086)	-
Interest received	139	79
Net cash from operating activities	14,596	9,971
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(2)	(184)
Proceeds from disposal of property, plant and equipment	-	40
Additions to inventories - land held for future development	(455)	(1,390)
Net cash used in investing activities	(457)	(1,534)
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	12,761
Repayment of borrowings	(10,053)	(26,926)
Repayment of finance lease liabilities	(147)	-
Change in pledged deposits	(10)	(13)
Interest paid	(1,849)	(3,777)
Net cash used in financing activities	(12,059)	(17,955)
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,080</b>	<b>(9,518)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>7,227</b>	<b>607</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>9,307</b>	<b>(8,911)</b>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	26,792	14,253
Bank overdrafts	(17,485)	(23,164)
	9,307	(8,911)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2020 and the accompanying notes attached to the interim financial statements.

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1 Basis of Preparation**

The interim financial report is unaudited and have been prepared in accordance with 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 for the year ended 31 March 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2020.

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2020 save for the adoption of the following new and amended MFRSs and interpretations that are mandatory for the Group for the financial year commencing 1 April 2020:

Amendments to MFRS 3, Business Combinations - Definition of a Business

Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures - Interest Rate Benchmark Reform

Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material

The Group has yet to adopt the following new and amended MFRSs and interpretations that have been issued but not yet effective:

	Effective for financial periods beginning on or after
Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions	1 June 2020
MFRS 17, Insurance Contracts	1 January 2021
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be confirmed

These new and amended standards are not expected to have any material impact on the financial statements of the Group upon their initial application.

**2 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 March 2020 was not qualified.

**3 Seasonal or Cyclical Factors**

The business operations of the Group were not affected by any seasonal or cyclical factors.

**4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**5 Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

**6 Debt and Equity Securities**

Status of Sukuk Murabahah Programme announced and completed:

On 29 April 2014, Public Investment Bank Berhad had, on behalf of the Board announced that the Company has obtained approval from the Securities Commission Malaysia on 28 April 2014 with regards to the proposed Sukuk Murabahah Programme of up to RM250.0 million in nominal value.

Proceed raised from the Sukuk Murabahah Programme issuance shall be utilised to part finance the acquisition cost of the Shariah compliant development land(s) and/or such other Shariah compliant property(ies).

The cumulative drawdown of the facility at the end of the reporting period are as follows:

Date of drawdown	Amount drawdown (RM' 000)	Repayment (RM' 000)	Amount outstanding (RM' 000)
31 March 2016	18,450	5,272	13,178
26 April 2016	21,250	21,250	-
28 September 2017	13,000	-	13,000
<b>Total</b>	<b>52,700</b>	<b>26,522</b>	<b>26,178</b>

Save for the above, there were no other issuance and repayment of debts and equity, repurchases, share cancellation or new issuance during the quarter under review and financial year-to-date.

**7 Dividends Paid**

No dividend has been paid during the quarter under review.

**8 Segment Information**

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/06/2020 RM' 000	30/06/2019 RM' 000	30/06/2020 RM' 000	30/06/2019 RM' 000	30/06/2020 RM' 000	30/06/2019 RM' 000	30/06/2020 RM' 000	30/06/2019 RM' 000
<b>Revenue:</b>								
External customers	16,179	81,861	431	316	-	-	16,610	82,177
Inter-segment	-	1,639	24	-	(24)	(1,639)	-	-
	<b>16,179</b>	<b>83,500</b>	<b>455</b>	<b>316</b>	<b>(24)</b>	<b>(1,639)</b>	<b>16,610</b>	<b>82,177</b>
<b>Results:</b>								
Interest income	139	79	-	-	-	-	139	79
Depreciation and amortisation	(699)	(513)	(188)	(173)	(1)	(1)	(888)	(687)
Other non-cash income/ (expenses)	-	(16)	(0)	13	-	-	(0)	(3)
Share of results of an Associate	(2,168)	(985)	-	-	-	-	(2,168)	(985)
Interest expenses	(3,050)	(4,114)	-	-	-	337	(3,050)	(3,777)
Segment (loss)/profit	<b>(4,545)</b>	<b>7,201</b>	<b>(153)</b>	<b>(208)</b>	<b>-</b>	<b>-</b>	<b>(4,698)</b>	<b>6,993</b>
<b>Assets:</b>								
Additions to non-current assets	2,297	4,679	-	39	-	-	2,297	4,718
Segment assets	<b>1,667,260</b>	<b>1,680,533</b>	<b>17,687</b>	<b>10,262</b>	<b>(647,264)</b>	<b>(621,762)</b>	<b>1,037,683</b>	<b>1,069,033</b>
<b>Segment liabilities</b>	<b>1,163,250</b>	<b>1,115,149</b>	<b>17,761</b>	<b>14,761</b>	<b>(645,419)</b>	<b>(571,772)</b>	<b>535,592</b>	<b>558,138</b>

**9 Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment have been brought forward, without any amendments from the previous annual audited financial statements for the year ended 31 March 2020.

**10 Material Events Subsequent to the End of the Reporting Period**

There were no material events subsequent to the statement of financial position date up to 18 August 2020, being the latest practicable date from the date of issuance of this Interim Financial Report.



**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

**11 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the quarter under review.

**12 Changes in Contingent Liabilities and Contingent Assets**

There were no changes in contingent liabilities or contingent assets since the last annual statement of financial position as at 31 March 2020.

**13 Capital Commitments**

There were no outstanding capital commitments for the Group as at 30 June 2020.

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

**14 Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2020 RM' 000	Preceding Year Corresponding Quarter 30/06/2019 RM' 000	Current Year to Date 30/06/2020 RM' 000	Preceding Year Corresponding Year to Date 30/06/2019 RM' 000
Malaysian income tax	(630)	(3,021)	(630)	(3,021)
Deferred tax	458	(298)	458	(298)
	<u>(172)</u>	<u>(3,319)</u>	<u>(172)</u>	<u>(3,319)</u>
Over/(Under) provision of Malaysian income tax in prior years	-	-	-	-
	<u>(172)</u>	<u>(3,319)</u>	<u>(172)</u>	<u>(3,319)</u>

The effective tax rate of the Group was higher than the statutory tax rate mainly due to losses in certain subsidiaries which are not available for set off against taxable profit in other subsidiaries within the Group and share of losses in an associate company.

**15 Corporate Proposals**

As of 18 August 2020, the Company has not announced any corporate proposal.

**16 Borrowings - Secured**

	As at 30/06/2020 RM' 000	As at 31/03/2020 RM' 000
Short Term Bank Borrowings	136,287	153,328
Long Term Bank Borrowings	164,980	166,698
	<u>301,267</u>	<u>320,026</u>

**17 Changes in Material Litigation**

There were no material litigation since the date of the last annual statement of financial position to the date of this report.

**18 Dividends Payable**

No dividend has been declared for the quarter under review.

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

**19 Earnings Per Share**

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the company by the weighted average number of ordinary shares in issue during the period.

		<b>3 months ended 30/06/2020</b>	<b>3 months ended 30/06/2019</b>
<b>(a) Basic earnings per share</b>			
(Loss)/Profit for the period	(RM' 000)	<u>(4,859)</u>	<u>3,699</u>
Weighted average number of ordinary shares	('000)	<u>352,000</u>	<u>352,000</u>
Basic earnings per share	(sen)	<b>(1.38)</b>	1.05
<b>(b) Diluted earnings per share</b>			
	(sen)	N/A	N/A

**20 Review of Group Performance**

For the quarter under review, the Group achieved revenue of RM16.61 million, representing a decrease of RM65.57 million (-80%) as compared to the preceding year's corresponding quarter.

The Group recorded loss before tax of RM4.70 million for the quarter under review as compared to profit before tax of RM6.99 for the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM15.00 million. The Group has undeveloped landbank of 451 acres across key regions with an estimated GDV of RM5.2 billion.

The performance of the respective operating business segments is analysed as follows:

	<b>Individual Quarter</b>			<b>Cumulative Quarter</b>		
	<b>Current Year Quarter 30/06/2020 RM' 000</b>	<b>Preceding Year Corresponding Quarter 30/06/2019 RM' 000</b>	<b>% + / (-)</b>	<b>Current Year to Date 30/06/2020 RM' 000</b>	<b>Preceding Year Corresponding Year to Date 30/06/2019 RM' 000</b>	<b>% + / (-)</b>
<b>Revenue</b>						
Property Development	16,155	81,861	(80.3)	16,155	81,861	(80.3)
Other Operations	455	316	43.9	455	316	43.9
	<u>16,610</u>	<u>82,177</u>	(79.8)	<u>16,610</u>	<u>82,177</u>	(79.8)
<b>(Loss)/Profit before tax</b>						
Property Development	(4,545)	7,201	(163.1)	(4,545)	7,201	(163.1)
Other Operations	(153)	(208)	26.5	(153)	(208)	26.5
	<u>(4,698)</u>	<u>6,993</u>	(167.2)	<u>(4,698)</u>	<u>6,993</u>	(167.2)

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

**20 Review of Group Performance (contd.)**

**(a) Property development:**

For the quarter under review, revenue and profit before tax decreased by 80% and 163% respectively as compared to the previous financial year corresponding quarter.

The decrease in revenue and profit before tax was attributed to lower sales achieved and slower construction progress due to the Movement Control Order ("MCO") imposed by the Government.

**(b) Other operations:**

Revenue and profit from other operations mainly consist of rental income derived from the operation of commercial properties under the "build, operate and transfer" concession with local authorities, operation of franchised food and beverage and laundry outlet and trading of building materials.

**21 Material Changes in the Quarterly Results compared to the Results of the Immediate Preceding Quarter**

For the quarter under review, the Group achieved loss before tax of RM4.70 million as compared to loss of RM76.42 million in the immediate preceding quarter ended 31 March 2020. The decrease was mainly due to impairment loss on investment in associate recognised in the preceding quarter.

	Quarter Ended		%
	30/06/2020	31/03/2020	
	RM' 000	RM' 000	+ / (-)
Revenue	16,610	58,023	(71.4)
Cost of Sales	(15,557)	(44,103)	
Gross Profit	<u>1,053</u>	<u>13,920</u>	(92.4)
Other Income	365	900	
Selling and Marketing Expenses	(1,027)	(2,663)	
Administrative and General Expenses	(5,971)	(6,610)	
Net Gain/(Loss) on Impairment of Financial Instruments	6,100	(74,707)	
Operating Profit	<u>520</u>	<u>(69,160)</u>	(100.8)
Finance Costs	(3,050)	(3,593)	
Share of Results of Associate	(2,168)	(3,667)	
<b>Loss Before Tax</b>	<u>(4,698)</u>	<u>(76,420)</u>	93.9
Income Tax Expense	(172)	(2,303)	
Loss After Tax	<u>(4,870)</u>	<u>(78,723)</u>	93.8

**22 Current Year Prospects**

The COVID-19 pandemic and the various phases of MCO implemented by the Government have significantly affected the economy and disrupted the business and operations of property developers. The property sector is expected to be sluggish for some time to come. Despite the various measures taken by the Government to contain and defeat the pandemic, consumer sentiments remain weak and fragile as the pandemic is still evolving with all the attendant uncertainties.

In the light of this, the Board and Management will remain vigilant by taking a cautious approach in launching new projects. In the meantime, the Group will continue to focus on driving sales for on-going projects and clearing inventory units.

**23 Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee**

Not applicable.

**24 Authorisation For Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 18 August 2020.