

**TO BE RELEASED TO BURSA**



**HUA YANG GROUP OF COMPANIES**

**INTERIM FINANCIAL RESULTS**

**SECOND QUARTER ENDED 30 SEPTEMBER 2021**

Interim Financial Statements for the financial period ended 30 September 2021  
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	% + / (-)
	30/09/2021 RM' 000	30/09/2020 RM' 000		30/09/2021 RM' 000	30/09/2020 RM' 000	
Revenue	16,096	32,446	(50.4)	49,207	49,056	0.3
Cost of Sales	(4,265)	(24,791)		(30,282)	(40,348)	
<b>Gross Profit</b>	<b>11,831</b>	<b>7,655</b>	<b>54.6</b>	<b>18,925</b>	<b>8,708</b>	<b>117.3</b>
Other Income	281	44		561	409	
Selling and Marketing Expenses	(1,258)	(2,004)		(4,362)	(3,031)	
Administrative and General Expenses	(4,491)	(4,569)		(8,672)	(10,540)	
Net (Loss) / Gain on Impairment of Financial Instruments	(9,751)	(2,381)		(3,202)	3,719	
<b>Operating (Loss) / Profit</b>	<b>(3,388)</b>	<b>(1,255)</b>	<b>(170.0)</b>	<b>3,250</b>	<b>(735)</b>	<b>542.2</b>
Finance Costs	(2,347)	(3,487)		(5,071)	(6,537)	
Share of Results of an Associate	(1,453)	(515)		(3,935)	(2,683)	
<b>Loss Before Tax</b>	<b>(7,188)</b>	<b>(5,257)</b>	<b>(36.7)</b>	<b>(5,756)</b>	<b>(9,955)</b>	<b>42.2</b>
Tax Expense	(1,480)	(520)		(2,030)	(692)	
<b>Loss For The Period</b>	<b>(8,668)</b>	<b>(5,777)</b>	<b>(50.0)</b>	<b>(7,786)</b>	<b>(10,647)</b>	<b>26.9</b>
Loss attributable to:						
Owners of the Company	(8,649)	(5,763)	(50.1)	(7,758)	(10,622)	27.0
Non-controlling Interests	(19)	(14)		(28)	(25)	
	<b>(8,668)</b>	<b>(5,777)</b>		<b>(7,786)</b>	<b>(10,647)</b>	
<b>Earnings Per Share Attributable to Owners of the Company (sen)</b>						
Basic, for loss for the period	(2.46)	(1.64)	(50.1)	(2.20)	(3.02)	27.0

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 September 2021

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	%
	30/09/2021 RM' 000	30/09/2020 RM' 000	+ / (-)	30/09/2021 RM' 000	30/09/2020 RM' 000	+ / (-)
Loss For The Period	(8,668)	(5,777)	(50.0)	(7,786)	(10,647)	26.9
Other Comprehensive Income For The Period, Net Of Tax	-	5,468	(100.0)	1,078	1,536	(29.8)
<b>Total Comprehensive Income For The Period, Net Of Tax</b>	<b>(8,668)</b>	<b>(309)</b>		<b>(6,708)</b>	<b>(9,111)</b>	
Total Comprehensive Income Attributable To :						
Owners of the Company	(8,649)	(295)	(2,831.9)	(6,680)	(9,086)	26.5
Non-controlling Interests	(19)	(14)		(28)	(25)	
	<b>(8,668)</b>	<b>(309)</b>		<b>(6,708)</b>	<b>(9,111)</b>	

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

Interest Income	9	63		80	202	
Other Income Including Investment Income	272	(19)		480	207	
Interest Expense	2,347	3,487		5,071	6,537	
Depreciation & Amortization	842	1,167		1,661	2,055	
Provision For/Write Off of Receivables	-	44		-	44	
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	(9,751)	(2,381)		(3,202)	3,719	
Gain/Loss on Foreign Exchange	-	5,468		1,078	1,536	
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 2021 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 September 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30/09/2021 RM' 000	(AUDITED) As at 31/03/2021 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,241	12,407
Right-of-use assets	1,073	1,211
Concession assets	8,362	6,656
Inventories - Land held for property development	586,122	587,450
Investment properties	1,584	1,611
Investment in associate	54,532	60,705
Other receivables	3,225	5,351
Fixed deposit with licenced bank	8,216	8,100
Intangible assets	9,596	9,596
Deferred tax assets	18,476	19,030
	<u>702,429</u>	<u>712,117</u>
<b>Current assets</b>		
Inventories - Completed properties	53,274	67,939
Inventories - Property development costs	55,834	49,280
Inventories - Others	72	21
Contract assets	23,621	37,549
Contract costs	12,028	9,292
Trade and other receivables	30,981	34,419
Other current assets	656	1,249
Cash and bank balances	22,629	60,871
	<u>199,095</u>	<u>260,620</u>
<b>TOTAL ASSETS</b>	<u>901,524</u>	<u>972,737</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	105,218	136,094
Contract liabilities	2,181	3,517
Short term borrowings	53,567	68,362
Lease liabilities	681	690
Taxation	2,163	6,799
	<u>163,810</u>	<u>215,462</u>
<b>Net current assets</b>	<u>35,283</u>	<u>45,158</u>
<b>Non-current liabilities</b>		
Trade and other payables	34,303	35,726
Deferred tax liabilities	35,017	34,850
Long term borrowings	208,388	223,897
Lease liabilities	238	381
	<u>277,946</u>	<u>294,854</u>
<b>TOTAL LIABILITIES</b>	<u>441,756</u>	<u>510,316</u>
<b>Net assets</b>	<u>459,768</u>	<u>462,421</u>
<b>Total equity attributable to owners of the Company</b>		
Share capital	352,000	352,000
Reserves	81,326	88,006
	<u>433,326</u>	<u>440,006</u>
Perpetual sukuk	4,055	-
Non-controlling interests	22,387	22,415
<b>TOTAL EQUITY</b>	<u>459,768</u>	<u>462,421</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>901,524</u>	<u>972,737</u>
<b>Net Assets Attributable to Owners of the Company</b>	433,326	440,006
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	1.23	1.25

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 September 2021  
The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<----- Attributable to Owners of the Company ----->							
	<----- Non-distributable ----->		<- Distributable ->			Perpetual Sukuk RM' 000	Non-controlling Interests RM' 000	Total Equity RM' 000
	Share Capital RM' 000	Foreign Currency Exchange Reserve RM' 000	Retained Earnings RM' 000	Sub-Total RM' 000				
<b><u>6 months ended 30 September 2020</u></b>								
At 1 April 2020	352,000	(7,956)	144,352	488,396	-	22,497	510,893	
Loss for the period	-	-	(10,622)	(10,622)	-	(25)	(10,647)	
Share of gain of equity-accounted associate	-	1,536	-	1,536	-	-	1,536	
Total comprehensive income for the period	-	1,536	(10,622)	(9,086)	-	(25)	(9,111)	
At 30 September 2020	352,000	(6,420)	133,730	479,310	-	22,472	501,782	
<b><u>6 months ended 30 September 2021</u></b>								
At 1 April 2021	352,000	(3,959)	91,965	440,006	-	22,415	462,421	
Loss for the period	-	-	(7,758)	(7,758)	-	(28)	(7,786)	
Issuance of perpetual sukuk (net)	-	-	-	-	4,055	-	4,055	
Share of gain of equity-accounted associate	-	1,078	-	1,078	-	-	1,078	
Total comprehensive income for the period	-	1,078	(7,758)	(6,680)	4,055	(28)	(2,653)	
At 30 September 2021	352,000	(2,881)	84,207	433,326	4,055	22,387	459,768	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021 and the explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 September 2021

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30/09/2021 RM' 000	6 months ended 30/09/2020 RM' 000
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(5,756)	(9,955)
Adjustments for :		
Non-cash items	6,902	1,018
Non-operating items	4,990	6,205
Operating profit / (loss) before changes in working capital	6,136	(2,732)
<i>Changes in working capital:</i>		
- Contract assets	13,928	(6,234)
- Contract cost	(2,736)	3,134
- Contract liabilities	(1,336)	-
- Inventories	12,283	12,925
- Trade and other receivables and other current assets	6,157	16,368
- Trade and other payables and other current liabilities	(32,295)	(8,580)
Cash generated from operations	2,137	14,881
Interest paid	(5,071)	(6,406)
Interest received	80	202
Net tax paid	(6,541)	(646)
Net cash (used in) / from operating activities	(9,395)	8,031
<b>INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment and intangible assets	(26)	(159)
Net cash used in investing activity	(26)	(159)
<b>FINANCING ACTIVITIES</b>		
Change in pledged deposits	(116)	(25)
Interest paid	(2,302)	(2,880)
Drawdown of loans and borrowings	776	6,860
Repayment of loans and borrowings	(27,389)	(20,573)
Proceeds from issuance of perpetual sukuk (net)	4,055	-
Payment of lease liabilities	(153)	(427)
Net cash used in financing activities	(25,129)	(17,045)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(34,550)</b>	<b>(9,173)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>38,153</b>	<b>7,227</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3,603</b>	<b>(1,946)</b>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	22,629	19,535
Bank overdrafts	(19,026)	(21,481)
	<b>3,603</b>	<b>(1,946)</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021 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 2021. 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 2021.

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 2021 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 2021:

Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions

Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

Amendment to MFRS 16, Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

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 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 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 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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 2021 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	7,908	10,542
26 April 2016	21,250	21,250	-
28 September 2017	13,000	3,716	9,284
<b>Total</b>	<b>52,700</b>	<b>32,874</b>	<b>19,826</b>

On 20 August 2021, the Company completed the issuance of the first tranche of Perpetual Sukuk Musharakah of RM5.00 million in nominal value, under its Perpetual Sukuk Musharakah Programme - First Tranche, with non-cancellable period of 3 years and initial periodic distribution rate of 6.50% per annum.

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	
	30/09/2021 RM' 000	30/09/2020 RM' 000	30/09/2021 RM' 000	30/09/2020 RM' 000	30/09/2021 RM' 000	30/09/2020 RM' 000	30/09/2021 RM' 000	30/09/2020 RM' 000
<b>Revenue:</b>								
External customers	46,044	47,082	3,163	1,974	-	-	49,207	49,056
Inter-segment	2,942	-	-	32	(2,942)	(32)	-	-
	<b>48,986</b>	47,082	<b>3,163</b>	2,006	<b>(2,942)</b>	<b>(32)</b>	<b>49,207</b>	49,056
<b>Results:</b>								
Interest income	80	202	-	-	-	-	80	202
Depreciation and amortisation	(1,353)	(1,538)	(306)	(515)	(2)	(2)	(1,661)	(2,055)
Share of results of an Associate	(3,935)	(2,683)	-	-	-	-	(3,935)	(2,683)
Interest expenses	(5,037)	(6,741)	-	(3)	(34)	207	(5,071)	(6,537)
Segment (loss)/profit	<b>(5,831)</b>	(9,528)	<b>75</b>	(427)	-	-	<b>(5,756)</b>	(9,955)
<b>Assets:</b>								
Additions to non-current assets	9,647	4,816	-	132	-	-	9,648	4,948
Segment assets	<b>1,493,325</b>	1,582,666	<b>19,636</b>	18,324	<b>(611,437)</b>	(567,114)	<b>901,524</b>	1,033,876
<b>Segment liabilities</b>	<b>924,332</b>	1,174,520	<b>18,636</b>	18,710	<b>(501,212)</b>	(661,247)	<b>441,756</b>	531,983

**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 2021.

**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 20 October 2021, 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 2021.

**13 Capital Commitments**

There were no outstanding capital commitments for the Group as at 30 September 2021.

**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 30/09/2021 RM' 000	Preceding Year Corresponding Quarter 30/09/2020 RM' 000	Current Year to Date 30/09/2021 RM' 000	Preceding Year Corresponding Year to Date 30/09/2020 RM' 000
Malaysian income tax	(1,182)	(642)	(1,905)	(1,272)
Deferred tax	(298)	122	(125)	580
	<u>(1,480)</u>	<u>(520)</u>	<u>(2,030)</u>	<u>(692)</u>
(Under)/Over provision of Malaysian income tax in prior years	-	-	-	-
	<u>(1,480)</u>	<u>(520)</u>	<u>(2,030)</u>	<u>(692)</u>

The effective tax rate of the Group after adjusting the gain / (loss) on impairment of financial instruments and share of losses in an associate company 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.

**15 Corporate Proposals**

As of 20 October 2021, the Company has not announced any corporate proposal.

**16 Borrowings - Secured**

	As at 30/09/2021 RM' 000	As at 31/03/2021 RM' 000
Short Term Bank Borrowings	53,567	68,362
Long Term Bank Borrowings	208,388	223,897
	<u>261,955</u>	<u>292,259</u>

**17 Changes in Material Litigation**

On 6 April 2021, Hua Yang Berhad received a Writ of Summons and Statement of Claim (“Claim”) served by the solicitors for Apple Rainbow Sdn Bhd and three other parties (the “Plaintiffs”). The Plaintiffs are seeking for the following reliefs:

- (i) Special damages amounting to RM11,042,725.52;
- (ii) General damages to be quantified by the Court;
- (iii) Interest of 5% per year on the said sum of RM11,042,724.52 to be calculated from the date of filing of the Claim until the date of full settlement;
- (iv) Cost; and
- (v) Exemplary damages to be assessed by the Court.

The Company has submitted its Defence on 4 May 2021 and the next case management has been fixed on 8 November 2021.

Other than the above, 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>6 months ended 30/09/2021</b>	<b>6 months ended 30/09/2020</b>
<b>(a) Basic earnings per share</b>			
Loss for the period	(RM' 000)	<u>(7,758)</u>	<u>(10,622)</u>
Weighted average number of ordinary shares	('000)	<u>352,000</u>	<u>352,000</u>
Basic earnings per share	(sen)	<b>(2.20)</b>	(3.02)
<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 RM16.10 million, representing a decrease of RM16.35 million (-50%) as compared to the preceding year's corresponding quarter.

The Group recorded loss before tax of RM7.19 million for the quarter under review as compared to loss before tax of RM5.26 million for the preceding year's corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM145.54 million.

The Group has undeveloped landbank of 424 acres across key regions with an estimated GDV of RM5.3 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 30/09/2021 RM' 000</b>	<b>Preceding Year Corresponding Quarter 30/09/2020 RM' 000</b>	<b>% + / (-)</b>	<b>Current Year to Date 30/09/2021 RM' 000</b>	<b>Preceding Year Corresponding Year to Date 30/09/2020 RM' 000</b>	<b>% + / (-)</b>
<b>Revenue</b>						
Property Development	14,407	30,895	(53.4)	46,044	47,050	(2.1)
Other Operations	<u>1,689</u>	<u>1,551</u>	8.9	<u>3,163</u>	<u>2,006</u>	57.7
	<b><u>16,096</u></b>	<b><u>32,446</u></b>	<b>(50.4)</b>	<b><u>49,207</u></b>	<b><u>49,056</u></b>	<b>0.3</b>
<b>Loss before tax</b>						
Property Development	(6,878)	(4,983)	(38.0)	(5,831)	(9,528)	38.8
Other Operations	<u>(310)</u>	<u>(274)</u>	(13.0)	<u>75</u>	<u>(427)</u>	117.7
	<b><u>(7,188)</u></b>	<b><u>(5,257)</u></b>	<b>(36.7)</b>	<b><u>(5,756)</u></b>	<b><u>(9,955)</u></b>	<b>42.2</b>

**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 decreased by 53% and loss before tax widened by 38% as compared to the previous financial year corresponding quarter.

The decreased was resulted from slower sales and construction progress due to restriction during National Recovery Plan ("NRP") period.

**(b) Other operations:**

Revenue and profit from other operations consist mainly 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 RM7.19 million as compared to profit of RM1.43 million in the immediate preceding quarter ended 30 June 2021. The decrease was due to loss on impairment of financial instruments.

	Quarter Ended		%
	30/09/2021	30/06/2021	
	RM' 000	RM' 000	+ / (-)
Revenue	16,096	33,111	(51.4)
Cost of Sales	(4,265)	(26,017)	
Gross Profit	11,831	7,094	66.8
Other Income	281	280	
Selling and Marketing Expenses	(1,258)	(3,105)	
Administrative and General Expenses	(4,491)	(4,182)	
Net (Loss) / Gain on Impairment of Financial Instruments	(9,751)	6,549	
Operating (Loss) / Profit	(3,388)	6,636	(151.1)
Finance Costs	(2,347)	(2,724)	
Share of Results of Associate	(1,453)	(2,482)	
<b>(Loss) / Profit Before Tax</b>	<b>(7,188)</b>	<b>1,430</b>	<b>(602.7)</b>
Income Tax Expense	(1,480)	(550)	
<b>(Loss) / Profit After Tax</b>	<b>(8,668)</b>	<b>880</b>	<b>(1,085.0)</b>

**22 Current Year Prospects**

As Malaysian vaccination rate improved and Covid-19 cases under control, Malaysian government has opened up the economy phase by phase under the National Recovery Plan. This has gradually improved the property market sentiment.

With the progressive resumption of business activities, the Group remains committed to strict compliance of the Government's SOPs for all its construction sites, sales gallery and premises its business operations.

The Board and Management remain vigilant and prudent in managing its business operations and continues to focus on driving sales for our projects through existing and digital platforms.

**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 20 October 2021.