

**SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 30 JUNE 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 30/6/2020 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30/6/2019 RM'000	UNAUDITED CURRENT YEAR QUARTER 30/6/2020 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30/6/2019 RM'000
Revenue	12,011	-	12,011	-
Cost of sales	(12,325)	-	(12,325)	-
Gross loss	<u>(314)</u>	-	<u>(314)</u>	-
Other income	262	-	262	-
Distribution expenses	(33)	-	(33)	-
Administration and other expenses	(11,741)	-	(11,741)	-
Finance costs	<u>(3,701)</u>	-	<u>(3,701)</u>	-
Loss before tax	(15,527)	-	(15,527)	-
Taxation	<u>1,128</u>	-	<u>1,128</u>	-
Net loss for the financial period	<u>(14,399)</u>	-	<u>(14,399)</u>	-
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Impairment of land and buildings	<u>(3,903)</u>	-	<u>(3,903)</u>	-
Other comprehensive income for the financial period	<u>(3,903)</u>	-	<u>(3,903)</u>	-
Total comprehensive loss for the financial period	<u><u>(18,302)</u></u>	-	<u><u>(18,302)</u></u>	-
Net loss for the financial period attributable to:				
Owners of the Company	(14,399)	-	(14,399)	-
Non-controlling interests	-	-	-	-
	<u><u>(14,399)</u></u>	-	<u><u>(14,399)</u></u>	-
Total comprehensive loss attributable to:				
Owners of the Company	(18,302)	-	(18,302)	-
Non-controlling interests	-	-	-	-
	<u><u>(18,302)</u></u>	-	<u><u>(18,302)</u></u>	-
Loss per share attributable to owners of the Company:				
Basic (sen)	<u>(2.58)</u>	-	<u>(2.58)</u>	-
Diluted (sen)	<u>(2.58)</u>	-	<u>(2.58)</u>	-

As announced on 24 December 2019, the financial period end of the Group has been changed from 30 September 2019 to 31 March 2020. As such, there will be no comparative financial information available for the preceding year corresponding periods.

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial report.

**SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 30 JUNE 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 30/6/2020 RM'000</b>	<b>AUDITED AS AT PRECEDING YEAR ENDED 31/03/2020 RM'000</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	501,068	508,778
Biological assets	1,502	1,577
Inventories	156,536	156,714
Investment properties	62,961	63,822
Deferred tax assets	43,980	43,980
Goodwill on consolidation	3	3
Trade and other receivables	6,389	6,389
<b>Total Non-Current Assets</b>	<b>772,439</b>	<b>781,263</b>
<b>Current Assets</b>		
Inventories	178,847	183,149
Contract assets and costs	24,202	22,817
Trade and other receivables	114,745	114,305
Tax recoverable	5,484	5,588
Fixed deposits with licensed banks	4,136	4,136
Cash and bank balances	11,542	11,371
<b>Total Current Assets</b>	<b>338,956</b>	<b>341,366</b>
<b>Total Assets</b>	<b>1,111,395</b>	<b>1,122,629</b>
<b>Equity and Liabilities</b>		
Share capital	161,778	161,778
Treasury shares	(5,962)	(5,962)
Revaluation reserve	76,194	80,097
Warrant reserve	51,467	51,467
Retained earnings	144,412	158,811
	427,889	446,191
Non-controlling interests	(68)	(68)
<b>Total Equity</b>	<b>427,821</b>	<b>446,123</b>
<b>Non-Current Liabilities</b>		
Contract liabilities	695	695
Deferred tax liabilities	2,201	3,433
Borrowings (secured)	49,424	48,287
<b>Total Non-Current Liabilities</b>	<b>52,320</b>	<b>52,415</b>
<b>Current Liabilities</b>		
Trade and other payables	207,288	205,636
Contract liabilities	34,557	25,443
Tax payable	4	4
Borrowings (secured)	389,405	393,008
<b>Total Current Liabilities</b>	<b>631,254</b>	<b>624,091</b>
<b>Total Liabilities</b>	<b>683,574</b>	<b>676,506</b>
<b>Total Equity and Liabilities</b>	<b>1,111,395</b>	<b>1,122,629</b>
Net assets per share (RM)	0.77	0.80

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

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]  
 QUARTERLY REPORT ON CONSOLIDATED RESULTS  
 FINANCIAL QUARTER ENDED 30 JUNE 2020  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →				Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000	
	Share Capital RM'000	Distributable Treasury Shares RM'000	← Non-distributable → Revaluation Reserve RM'000	Warrant Reserve RM'000				Distributable Retained Earnings RM'000
<b>Audited</b>								
<b>Financial year ended 31 March 2020</b>								
As at 1 October 2018	161,771	(5,883)	70,614	51,467	245,676	523,645	951	524,596
Revaluation of land and buildings	-	-	10,225	-	-	10,225	-	10,225
Crystallisation of revaluation reserve	-	-	(742)	-	742	-	-	-
Other comprehensive income for the financial period	-	-	9,483	-	742	10,225	-	10,225
Net loss for the financial period	-	-	-	-	(87,607)	(87,607)	(1,019)	(88,626)
Total comprehensive income for the financial period	-	-	9,483	-	(86,865)	(77,382)	(1,019)	(78,401)
<b>Transactions with owners</b>								
Exercise of Warrants-A	7	-	-	-	-	7	-	7
Own shares bought	-	(79)	-	-	-	(79)	-	(79)
Total transactions with owners	7	(79)	-	-	-	(72)	-	(72)
As at 31 March 2020	161,778	(5,962)	80,097	51,467	158,811	446,191	(68)	446,123
<b>Unaudited</b>								
<b>Financial period ended 30 June 2020</b>								
As at 1 April 2020	161,778	(5,962)	80,097	51,467	158,811	446,191	(68)	446,123
Impairment of land and buildings	-	-	(3,903)	-	-	(3,903)	-	(3,903)
Crystallisation of revaluation reserve	-	-	-	-	-	-	-	-
Other comprehensive income for the financial period	-	-	(3,903)	-	-	(3,903)	-	(3,903)
Net profit for the financial period	-	-	-	-	(14,399)	(14,399)	-	(14,399)
Total comprehensive income for the financial period	-	-	(3,903)	-	(14,399)	(18,302)	-	(18,302)
As at 31 March 2020	161,778	(5,962)	76,194	51,467	144,412	427,889	(68)	427,821

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

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 30 JUNE 2020**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>UNAUDITED CURRENT YEAR 30/6/2020 RM'000</b>	<b>AUDITED PRECEDING YEAR YEAR 30/6/2019 RM'000</b>
<b>Operating Activities</b>		
Loss before tax	(15,527)	-
Adjustments for :		
Amortisation and depreciation	2,146	-
Impairment loss on properties, plant and equipment	2,597	-
Interest and commission expenses	3,701	-
Interest income	(5)	-
Operating loss before changes in working capital	(7,088)	-
Inventories	4,480	-
Contract assets and costs / liabilities	7,729	-
Receivables	(440)	-
Payables	(2,050)	-
Cash generated from operations	2,631	-
Interest income received	5	-
<b>Net cash from operating activities</b>	2,637	-
<b>Financing Activities</b>		
Repayment of finance lease liabilities	(6)	-
Net repayment of borrowings	(2,705)	-
<b>Net cash used in financing activities</b>	(2,711)	-
Net decrease in cash and cash equivalents	(74)	-
Cash and cash equivalents at beginning of financial year	(45,510)	-
Cash and cash equivalents at end of financial period	(45,584)	-
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances*	9,760	-
Bank overdrafts	(55,344)	-
	(45,584)	-

\* Cash and bank balances in this statement of cashflows excluding the Deposit Service Reserve Account for loans purposes of RM1,782,000.

As announced on 24 December 2019, the financial year end of the Group has been changed from 30 September 2019 to 31 March 2020. As such, there will be no comparative financial information available for the preceding year corresponding periods.

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER  
ENDED 30 JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS

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**A1 Explanation notes pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting**

The interim financial report is unaudited and is prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements. This report should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2020 and these explanatory notes.

These explanatory notes 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 period from 1 October 2018 to 31 March 2020.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the Audited Financial Statements for the financial period from 1 October 2018 to 31 March 2020 , except with the adoption of the following Malaysian Financial Reporting Standards (“MFRS”), Clarification on MFRS, Issues Committee (“IC”) Interpretations and Amendments to MFRS:

MFRS, Amendments to MFRSs and IC Interpretation effective 1 January 2019

MFRS 16	Leases
Amendments to MFRS 9*	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128*	Long-term Interests in Associates and Joint Ventures
IC Interpretation 23*	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS Standards 2015 – 2017 Cycle*	

Amendments to MFRSs and Amendments to References to the Conceptual Framework in MFRSs effective 1 January 2020

Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to References to the Conceptual Framework in MFRS Standards (MFRSs 2, 3, 6, 14, 101, 108, 134, 138, 138 and IC Interpretation 12, 19, 20, 2, 132)	

MFRS, Amendments to MFRSs and IC Interpretation effective immediately

Amendments to MFRS 4	Extension of the Temporary Exemption from Applying MFRS 9
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The adoption of these Standards and Amendments had no material financial impact on the interim financial report.

**A2 Auditors’ report on preceding annual financial statements**

The auditors has included a paragraph on material uncertainty related to going concern (‘MUGC’) in the Auditors’ Report for the financial statements of the Company for the financial period from 1 October 2018 to 31 March 2020.

The details of the unmodified opinion as disclosed in the Independent Auditors’ Report is reproduced below:-

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

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**A2 Auditors' report on preceding annual financial statements (cont'd)**

*"Material Uncertainty Related to Going Concern*

*We draw attention to Note 2 to the financial statements, which indicates that the Group and the Company had incurred a net loss attributable to owners of the Company of RM87,607,000 and RM222,000 respectively. As at 31 March 2020, the Group's and the Company's total current liabilities exceeded its total current assets by RM282,725,000 and RM14,514,000 respectively. Further, the Company and certain subsidiaries have been engaging with its existing lenders since the beginning of 2020 to restructure and reschedule its financing facilities to strengthen the financial position as disclosed in Note 22 to the financial statements.*

*As stated in Note 2 to the financial statements, the ability of the Group and the Company to continue as going concern are highly dependent on successful implementation of restructuring measures which include operational recovery from the Covid-19 pandemic for leisure and property development division, favourable outcome of the ongoing discussions with the existing lenders and also trade payables on restructuring and rescheduling the payment for remaining outstanding debts, successful in restoring its financial position and achieving sustainable and viable operations and proper planning and monitoring of its working capital management. The above events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.*

*Our opinion is not modified in respect of this matter."*

None of the Key Audit Matters Disclosed in the Independent Auditors' Report relates to the MUGC paragraph above.

**A3 Seasonality or cyclical nature of operations**

The operations of the property development segment were not subjected to seasonal or cyclical factors. As for the leisure and hospitality segment, its operations normally peak during major festivities, and public and school holiday seasons.

**A4 Unusual items due to their nature, size or incidence**

Saved as disclosed, there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial quarter.

**A5 Changes in estimates**

Saved as disclosed, there were no changes in estimates of amounts reported in a prior financial quarter of the current financial year or a prior financial year, which have a material impact on the current financial period.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

**A6 Changes in debt and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the financial year to-date.

**A7 Dividends paid**

No dividends were paid by the Company during the current financial period.

**A8 Segmental information**

The Group has identified property development, leisure and hospitality and others as operating segments. These segments are monitored and strategic decisions are made on the basis of adjusted segment results.

Segment results for the current financial period were as follows:

	Property Development RM'000	Leisure & Hospitality RM'000	Others RM'000	Elimination/ Adjustments RM'000	Consolidated RM'000
<b>Revenue</b>					
External	12,011	-	-	-	12,011
Inter-segment	-	-	-	-	-
	12,011	-	-	-	12,011
<b>Results</b>					
Gross profit/(loss)	1,303	(1,617)	-	-	(314)
Segment loss	(3,042)	(7,330)	(1,276)	(183)	(11,831)
Finance income	5	-	-	-	5
Finance costs	(2,485)	(986)	(230)	-	(3,701)
Loss before taxation	(5,522)	(8,316)	(1,506)	(183)	(15,527)
Taxation	1,128	-	-	-	1,128
Net loss for the financial period	(4,394)	(8,316)	(1,506)	(183)	(14,399)

The Group's business is operated entirely within Malaysia and as such, no segment information based on geographical location is presented.

**A9 Material events subsequent to the end of the current financial quarter**

There were no material events subsequent to the end of the current financial quarter which have not been reflected in the interim financial statements.

**A10 Changes in the composition of the Group**

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

**A11 Contingent assets and contingent liabilities**

There were no material changes to the contingent assets and contingent liabilities of the Group since the end of the prior financial year.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER  
ENDED 30 JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS

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**A12 Capital commitments**

The Group's capital commitments at the end of the current financial quarter were as follows:

	RM'000
Authorised and contracted for	<u>16,053</u>
Authorised but not contracted for	<u>-</u>

**A13 Related party transactions**

(a) The Group's significant related party transactions during the current financial period were as follows:

	RM'000
<u>Transactions with persons connected with a Director</u>	
Consulting fees paid/payable	<u>166</u>

(b) During the current financial period:

- (i) the holding company's shares in the Company were pledged as security for the construction and completion of a joint venture development project of the Group. The market value of these shares as at the end of the current financial quarter was approximately RM3.0 million.
- (ii) certain Directors jointly and severally guaranteed banking facilities granted to subsidiary companies. The amount of these facilities outstanding as at the end of the current financial quarter was approximately RM11.0 million.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

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**A14. Significant Events During And After The Reporting Period**

**(a) COVID-19 Pandemic**

The recent outbreak of COVID-19 since the end of 2019 has seen significant cases increased worldwide which prompted the World Health Organisation to declare it as a pandemic on 11 March 2020. A series of precautionary and control measures have been and continued to be implemented across the world. The Malaysia Government imposed the MCO from 18 March 2020 to 3 May 2020 and CMCO from 4 May to 9 June 2020 and RMCO from 10 June 2020 to 31 August 2020. Consequently, these restrictions are expected to have material adverse effects on the Malaysia's economy for 2020. The deterioration of world economy has also prompted additional uncertainties to the business of the Group for the financial year ending 31 March 2021.

As at the date of this report, the management of the Group has assessed the overall impact of the situation on the Group's operations and financial position. Based on the assessment, there is a financial impact for current financial period, particularly on the leisure and hospitality businesses under leisure and hospitality segment of the Group. Some businesses of the Group have resumed operations under property development segment with the approvals obtained from the relevant authorities during the CMCO. Nevertheless, the Group is focusing on its efforts in the best possible way to mitigate its impact while protecting the business potential and branding from the medium to long term perspective.

However, the management is unable to reliably estimate the financial impact of COVID-19 on the Group's financial results for the financial year ending 31 March 2021 as the pandemic has yet to run its full course hence the current situation is still fluid. The Directors shall continuously assess the impact of COVID-19 on its operations as well as the financial position for the financial year ending 31 March 2021.

**(b) Proposed Debt Restructuring Scheme – Approval by CDRC**

On 28 August 2020, the Company announced that the Corporate Debt Restructuring Committee ("CDRC") has, via its letter dated 27 August 2020, approved the Company's application for assistance to mediate between the Company and certain of its subsidiaries (the "Group") with their respective financiers.

This admission to CDRC is consistent with the Group's strategy to strengthen its financial position and to ensure that the post restructuring debts are at a sustainable level to safeguard the Group.

The approval by CDRC is subject to the following conditions:

- i) SGB is required to submit a proposed debt restructuring scheme within 60 days from the date of CDRC's approval letter;

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**NOTES TO THE FINANCIAL STATEMENTS**

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**A14. Significant Events During And After The Reporting Period (cont'd)**

**(b) Proposed Debt Restructuring Scheme (cont'd)**

- ii) The proposed debt restructuring scheme must comply with CDRC's restructuring principles for SGB to continue to remain under the informal standstill agreement with its financiers;
- iii) The informal standstill agreement with the financiers will be for a period of 6 months for both, SGB and the financiers to agree to an acceptable scheme. The standstill may be extended for another 6 months for lenders to obtain their internal approvals and for completion of legal documentation and operationalisation of the agreed scheme.

The standstill letter was issued by CDRC to the financiers on 27 August 2020.

CDRC, which is under the purview of Bank Negara Malaysia, will mediate between the Group and its respective financiers to renegotiate their respective financing facilities. Successful mediation would enable the Company to be better positioned to raise new financing and capital in the future and ensure its viability going forward.

NOTES TO THE FINANCIAL STATEMENTS

**B1 Review of performance**

	Individual Period		Changes +/-) %
	Current Year Quarter	Preceding Year Quarter	
	30.6.2020	30.6.2019	
	RM'000	RM'000	
Revenue			
Property Development Division ("PDD")	12,011	60,759	-80
Leisure & Hospitality Division ("LHD")	-	7,816	-100
	12,011	68,575	-82
(Loss)/Profit before taxation	(15,527)	5,685	-373
Net (loss)/profit for the financial period	(14,399)	4,365	-430
(Loss)/Profit attributable to owners of the Company	(14,399)	4,386	-429

The decrease in revenue by 80% for Property Development Division ("**PDD**") during current financial quarter to RM12 million was mainly due to the Group suspending its construction and development activities since 18 March 2020 in compliance with the Movement Control Order ("**MCO**") imposed by the Government of Malaysia in an effort to contain the outbreak of COVID-19 pandemic. Construction work only re-commenced from June 2020 for projects in Kuantan and Morib.

The Leisure & Hospitality Division's ("**LHD**") reported Nil revenue for current financial quarter due to closure of theme parks and hotels and adverse impact of COVID-19 pandemic globally on tourism sector since 18 March 2020.

The Group recorded loss before taxation of RM15.5 million for the period ended 30 June 2020 compared to profit before taxation of RM5.7 million in the previous year's corresponding period mainly due to lower revenue as a result of the suspension of business activities and impairment for property, plant and equipment of RM2.6 million. The net loss for the financial period for current year quarter of RM14.4 million were mainly attributable to loss before tax of RM15.5 million as mentioned above offset by tax income of RM1.1 million.

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NOTES TO THE FINANCIAL STATEMENTS

**B2 Comparison with immediate preceding quarter's results**

	Current Year Quarter	Immediate Preceding Quarter	Changes + / (-)
	30.6.2020	31.3.2020	
	RM'000	RM'000	%
Revenue			
Property Development Division ("PDD")	12,011	(39,431)	170
Leisure & Hospitality Division ("LHD")	-	3,337	-100
	12,011	(36,094)	188
Loss before tax	(15,527)	(41,230)	62
Net loss for the financial period	(14,399)	(37,305)	61
Loss attributable to owners of the Company	(14,399)	(36,647)	61

The revenue of RM12.0 million during current financial quarter ("CFQ") as compared to immediate preceding quarter of negative RM39.4 million which was a result of the adjustment in transaction price arising from project delays in Kuching and Morib and sales cancellation for PDD. This is in accordance with "MFRS 15: Revenue from Contract with Customers".

The Group posted a loss before tax of RM15.5 million as compared to RM41.2 million from the immediate preceding financial quarter.

The lower losses recorded during CFQ were mainly due to higher revenue and lower administrative and other expenses during CFQ and impairment of financial assets and leisure assets in the immediate preceding quarter.

**B3 Commentary on prospects**

The global and domestic economy remains challenging with the current COVID-19 pandemic which is impacting all industries.

The Group's leisure and hospitality business is expected to continue to remain challenging in the near term. The water theme park at Bukit Gambang commenced operations in July 2020; however, it is envisaged that it would require more time before the operation normalises.

In mitigating the impact of the COVID-19 disruption to LHD's operation, the Group is undertaking a review to streamline its financial obligation in response to the adverse operating environment to better position the Group moving forward.

The PDD will continue to be the Group's main focus, which is currently backed with a total outstanding order book and unbilled sales of RM330.0 million as of 30 June 2020 from its ongoing projects in Kuantan, Morib and Kuching. These ongoing projects together with the planned launches are anticipated to continue to contribute positively to the Group in the coming financial year.

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During this challenging time, the Group will focus on liquidity and capital adequacy. We are currently in discussion with our bankers, investors and various stakeholders to restructure and reschedule the Group's financial obligations to restore itself to a stronger financial footing. As part of the Group's restructuring efforts, the Group is continuously and consciously managing its operational and financial resources to optimise cost efficiencies.

The Group is determined to overcome its present performance set-back with the mutual cooperation and kind understanding of its various bankers and stakeholders.

The Group's development of affordable homes is in line with the Malaysian Government's thrust to encourage ownership of affordable houses by the B40 and M40 households. Budget 2019 measures to provide concessionary financing, mortgage guarantees, stamp-duty waivers and extended financing terms for civil servants together with other measures such as Sales and Services Tax exemptions for construction services and certain building materials for housing units below RM300,000 should benefit the housing industry in general and the Group's affordable housing sector in particular. Although these are all positives to the Group's property development business, it is nevertheless actively managing margin compression with the rising costs of construction.

The Group will continue to focus on residential products priced below RM300,000 and at the same time, collaborate with strategic partners to enhance and expand its design and build projects.

**B4 Profit forecast or profit guarantee**

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

**B5 Taxation**

	<b>Current Year Quarter</b>	<b>Current Year To- Date</b>
	RM'000	RM'000
Current income tax - Malaysian income tax	(104)	(104)
Deferred taxation income	1,232	1,232
Tax income/(expenses)	<u>1,128</u>	<u>1,128</u>
Effective income tax rate	<u>7.3%</u>	<u>7.3%</u>

The Group's effective income tax rate for the current financial period to-date is lower than the applicable income rate of 24% mainly due to deferred tax assets not recognised.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL  
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**B6 Status of corporate proposals announced**

There were no corporate proposals announced but not completed as of 20 August 2020.

**B7 Borrowings and debt securities**

The Group's borrowings, all of which were secured and denominated in RM as at the end of the CFQ were as follows:

	<b>Short term</b>	<b>Long term</b>	<b>Total</b>
	RM'000	RM'000	RM'000
Bankers' acceptances	26,141	-	26,141
Bridging loan	17,109	6,096	23,205
Bank overdrafts	55,344	-	55,344
Revolving credit	59,636	-	59,636
Finance lease liabilities	1,463	1,028	2,491
Term loans	229,712	42,300	272,012
	<u>389,405</u>	<u>49,424</u>	<u>438,829</u>

1. Proposed Debt Restructuring Scheme

On 28 August 2020, the Group announced that the Corporate Debt Restructuring Committee ("CDRC") has, via its letter dated 27 August 2020, approved the Company's application for assistance to mediate between the Company and certain of its subsidiaries with their respective financiers.

This admission to CDRC is consistent with the Group's strategy to strengthen its financial position and to ensure that the post restructuring debts are at a sustainable level to safeguard the Group.

**B8 Changes in material litigation**

The Group has no material litigation as of 20 August 2020.

**B9 Dividends**

No dividends have been declared or recommended for the current financial period to-date.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020**

**NOTES TO THE FINANCIAL STATEMENTS**

**B10 Loss per share**

(i) Basic loss per share

The basic loss per ordinary share for a financial period is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period concerned.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter*	Current Year	Preceding Year*
	30.6.2020	30.6.2019	30.6.2020	30.6.2019
(Loss)/Profit attributable to owners of the Company (RM'000)	(14,399)	-	(14,399)	-
Weighted average number of ordinary shares in issue ('000)	557,681	-	557,681	-
Basic loss per share (sen)	(2.58)	-	(2.58)	-

- As announced on 24 December 2019, the financial year end of the Group has been changed from 30 September to 31 March. As such, there will be no comparative financial information available for the preceding year corresponding periods.

(ii) Diluted loss per share

The diluted loss per ordinary share for a financial period is calculated by dividing the loss attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding and the assumed conversion of warrants outstanding during and as of the end of the financial period concerned respectively.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year	Preceding Year
	30.6.2020	30.6.2019	30.6.2020	30.6.2019
Loss attributable to owners of the Company (RM'000)	(14,399)	-	(14,399)	-
Weighted average number of ordinary shares in issue ('000)	557,681	-	557,681	-
Diluted loss per share (sen)	(2.58)	-	(2.58)	-

The Warrants-B which could potentially dilute the earnings per ordinary share were not included in the calculation of diluted earnings per ordinary share as it would have an anti-dilution effect thereon.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL  
QUARTER ENDED 30 JUNE 2020

NOTES TO THE FINANCIAL STATEMENTS

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**B11 Loss before taxation**

Loss before taxation for the current financial period to-date was arrived at after taking into account the following income/(expenses) items:

	<b>Current Year Quarter RM'000</b>	<b>Current Year To-Date RM'000</b>
Interest income	5	5
Interest and commission expenses	(3,701)	(3,701)
Amortisation and depreciation	(2,146)	(2,146)
Impairment loss of property, plant and equipment	(2,597)	(2,597)

The following items which were not disclosed were not applicable:

- (a) Foreign exchange gain or loss;
- (b) Gain or loss on derivatives; and
- (c) Exceptional items (with details).

By order of the Board

Datuk Tan Leh Kiah  
Company Secretary

28 August 2020