

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 31/12/2020 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31/12/2019 RM'000	UNAUDITED CURRENT YEAR QUARTER 31/12/2020 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31/12/2019 RM'000
Revenue	(9,714)	-	19,277	-
Cost of sales	(21,785)	-	(55,259)	-
Gross loss	(31,499)	-	(35,982)	-
Other income	10	-	327	-
Distribution expenses	48	-	(100)	-
Administration and other expenses	(14,479)	-	(70,289)	-
Finance costs	(3,009)	-	(10,956)	-
Loss before tax	(48,929)	-	(117,000)	-
Taxation	(253)	-	316	-
Net loss for the financial period	(49,182)	-	(116,684)	-
Items that will not be reclassified subsequently to profit or loss				
Impairment of land and buildings	-	-	(3,903)	-
Other comprehensive income for the financial period	-	-	(3,903)	-
Total comprehensive loss for the financial period	(49,182)	-	(120,587)	-
Net loss for the financial period attributable to:				
Owners of the Company	(49,182)	-	(116,684)	-
Non-controlling interests	-	-	-	-
	(49,182)	-	(116,684)	-
Total comprehensive loss attributable to:				
Owners of the Company	(49,182)	-	(120,587)	-
Non-controlling interests	-	-	-	-
	(49,182)	-	(120,587)	-
Loss per share attributable to owners of the Company:				
Basic (sen)	(8.82)	-	(20.92)	-
Diluted (sen)	(8.82)	-	(20.92)	-

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 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 31/12/2020 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 31/3/2020 RM'000
Non-Current Assets		
Property, plant and equipment	498,838	508,778
Biological assets	1,262	1,577
Inventories	118,810	156,714
Investment properties	56,341	63,822
Deferred tax assets	43,980	43,980
Goodwill on consolidation	3	3
Trade and other receivables	-	6,389
Total Non-Current Assets	719,234	781,263
Current Assets		
Inventories	189,450	183,149
Contract assests and costs	11,929	22,817
Trade and other receivables	110,889	114,305
Tax recoverable	5,482	5,588
Fixed deposits with licensed banks	4,136	4,136
Cash and bank balances	11,739	11,371
Total Current Assets	333,625	341,366
Total Assets	1,052,859	1,122,629
Equity and Liabilities		
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	42,127	158,811
	325,604	446,191
Non-controlling interests	(68)	(68)
Total Equity	325,536	446,123
Non-Current Liabilities		
Contract liabilities	-	695
Deferred tax liabilities	2,991	3,433
Borrowings (secured)	47,956	48,287
Total Non-Current Liabilities	50,947	52,415
Current Liabilities		
Trade and other payables	231,425	205,636
Contract liabilities	49,726	25,443
Tax payable	4	4
Borrowings (secured)	395,221	393,008
Total Current Liabilities	676,376	624,091
Total Liabilities	727,323	676,506
Total Equity and Liabilities	1,052,859	1,122,629
Net assets per share (RM)	0.58	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 31 DECEMBER 2020
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to owners of the Company →				Retained Earnings RM'000	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				
Unaudited								
Financial period ended 31 March 2020								
As at 1 October 2018	161,771	(5,883)	70,614	51,467	245,676	523,645	951	524,596
Impairment 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 profit 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)
Transactions with owners								
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
Unaudited								
Financial period ended 31 December 2020								
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	-	-	-	-	(116,684)	(116,684)	-	(116,684)
Total comprehensive income for the financial period	-	-	(3,903)	-	(116,684)	(120,587)	-	(120,587)
As at 31 December 2020	161,778	(5,962)	76,194	51,467	42,127	325,604	(68)	325,536

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 31 DECEMBER 2020
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR 31/12/2020 RM'000	AUDITED PRECEDING YEAR YEAR 31/12/2019 RM'000
Operating Activities		
Loss before tax	(117,000)	-
Adjustments for :		
Amortisation and depreciation	7,343	-
Impairment loss on inventories	26,720	-
Impairment loss on properties, plant and equipment	2,597	-
Impairment of receivables	11,878	-
Interest and commission expenses	10,956	-
Interest income	(37)	-
Operating loss before changes in working capital	(57,543)	-
Inventories	4,883	-
Contract assets and costs / liabilities	34,476	-
Receivables	(2,073)	-
Payables	18,726	-
Cash used in operations	(1,531)	-
Interest and commission expenses paid	-	-
Interest income received	37	-
Tax paid	(20)	-
Tax refund	-	-
Net cash from operating activities	(1,514)	-
Financing Activities		
Repayment of finance lease liabilities	(6)	-
Net repayment of borrowings	(1,535)	-
Net cash used in financing activities	(1,541)	-
Net decrease in cash and cash equivalents	(3,055)	-
Cash and cash equivalents at beginning of financial year	(45,510)	-
Cash and cash equivalents at end of financial period	(48,565)	-
Cash and cash equivalents at the end of the financial period comprise the following:		
Cash and bank balances*	9,957	-
Bank overdrafts	(58,522)	-
	(48,565)	-
	-	-

* 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 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

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 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

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 31 DECEMBER 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.

Cumulative segment results for the current year to date were as follows:

	Property Development RM'000	Leisure & Hospitality RM'000	Others RM'000	Elimination/ Adjustments RM'000	Consolidated RM'000
Revenue					
External	15,764	3,513	-	-	19,277
Inter-segment	-	-	-	-	-
	15,764	3,513	-	-	19,277
Results					
Segment loss	(88,229)	(16,349)	(1,350)	(202)	(106,130)
Finance income	86	-	-	-	86
Finance costs	(6,984)	(3,379)	(593)	-	(10,956)
Loss before taxation	(95,127)	(19,728)	(1,943)	(202)	(117,000)
Taxation	321	(5)	-	-	316
Net loss for the financial period	(94,806)	(19,733)	(1,943)	(202)	(116,684)

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 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

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 companies in which certain Directors have interest:</u>	
Rental expenses paid/payable	<u>535</u>
<u>Transactions with companies/persons connected with a Director</u>	
Rental expenses paid/payable	700
Consulting fees paid/payable	682
Staff Secondment	117
Tax consulting fees paid/payable	<u>149</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 RM3.9 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 RM10.1 million.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

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 by the Malaysia Government. . Consequently, these restrictions are expected to have material adverse effects on the Malaysia's economy for 2020 and 2021. 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. 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;

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

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.

The Group has submitted to CDRC, a proposed debt restructuring scheme within 60 days from the date of CDRC's approval letter and is currently in negotiation with the financiers to agree to an acceptable scheme.

(c) Restraining Order under Section 368 of the Companies Act 2016

On 12 November 2020, the Company announced that Sentoria Bina Sdn. Bhd. ("SBSB"), a wholly owned subsidiary of the Company has applied to the High Court of Malaya at Kuala Lumpur ("the High Court") pursuant to Sections 366 and Section 368 of the Companies Act 2016 ("the Act") for, among others, the following orders:-

- (A) An Order pursuant to Section 366(1) of the Act to summon meeting(s) ("Creditors' Meeting(s)") of the creditors of SBSB or any class of them ("Creditors") for the purpose of considering and if thought fit and appropriate, approving with or without modification, a proposed scheme of compromise and arrangement between SBSB and its Creditors ("Scheme of Arrangement"); and
- (B) A Restraining Order ("RO") pursuant to Section 368(1) of the Act to forthwith restrain and stay all and/or further and/or future proceedings in any action or proceedings against SBSB and/or its assets and/or its guarantor(s) guaranteeing the performance of SBSB's obligations under any documents or security documents including without derogating from the generality of the foregoing:-
 - (a) Court, winding-up and arbitration proceedings as well as any intended or future proceedings;
 - (b) Execution or enforcement process, extra-judicial proceedings or other proceedings;

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

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

(c) Restraining Order under Section 368 of the Companies Act 2016 (cont'd)

- (c) Any proceedings in the Industrial Court and/or Labour Court;
- (d) Any proceedings under the Construction Industry Payment and Adjudication Act 2012;
- (e) Any proceedings in any tribunal under any statute;
- (f) Demands for payment, exercise or intended exercise/enforcement of any liens, securities, undertakings and guarantees under any documents or security documents;
- (g) Appointment of receiver(s) and/or manager(s) over SBSB's assets; and
- (h) The dealing with such assets in any way or entering upon any premises upon which such assets may be located except with the prior consent of SBSB or upon further order of the Court;

For a period of 3 months from the date of the order, except by leave of the Court and subject to any terms as the Court may impose.

The Order shall commence on 12 November 2020 and shall be in effect for a period of 3 months.

The Order was applied by SBSB in order to formulate and finalise a proposed Scheme of Arrangement between SBSB and its Creditors pursuant to Section 366 of the Act to settle the claims of Creditors while at the same time maintaining SBSB as a going concern and the Order allows SBSB to negotiate terms with its lenders and creditors without having the threat of any proceedings and actions being brought against SBSB.

On 9 February 2021, The High Court has granted SBSB an extension of RO pursuant pursuant to Section 368 (1) of the Act for a period of 3 months from 12 February 2021.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

B1 Review of performance

	Individual Period		Changes +/-) %
	Current Year Quarter	Preceding Year Quarter	
	31.12.2020	31.12.2019	
	RM'000	RM'000	
Revenue			
Property Development Division ("PDD")	(9,971)	6,396	-255.9
Leisure & Hospitality Division ("LHD")	257	15,154	-98.3
	(9,714)	21,550	-145.1
(Loss)/Profit before taxation	(48,929)	(8,550)	-472.3
Net (loss)/profit for the financial period	(49,182)	(9,296)	-429.1
(Loss)/Profit attributable to owners of the Company	(49,182)	(9,226)	-433.1

The negative contribution from Property Development Division ("PDD") was mainly due to reduction in transaction price arising from project delays, resulting in a Group's net negative revenue of RM9.7 million for current year quarter. In addition, the Leisure & Hospitality Division's ("LHD") had also reported a weaker performance which was 98.3% lower than RM15.1 million recorded in the preceding year's corresponding quarter due to adverse impact of COVID-19 pandemic globally on tourism sector.

The Group recorded loss before taxation of RM48.9 million for the period ended 31 December 2020 compared to loss before taxation of RM8.5 million in the previous year's corresponding period mainly due to the significant lower revenue by PDD as mentioned earlier and reduction in Group's margins as a result of the increase in construction costs and delay in projects and LHD due to impact of COVID-19 pandemic. The net loss for the financial period for current year quarter of RM49.1 million were mainly attributable to loss before tax of RM48.9 million as mentioned above offset by tax income of RM0.2 million.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

B2 Comparison with immediate preceding quarter's results

	Current Year Quarter	Immediate Preceding Quarter	Changes + / (-)
	31.12.2020	30.09.2020	
	RM'000	RM'000	%
Revenue			
Property Development Division ("PDD")	(9,971)	13,724	-172.7%
Leisure & Hospitality Division ("LHD")	257	3,256	-92.1%
	(9,714)	16,980	-157.2%
Loss before tax	(48,929)	(52,543)	9.9%
Net loss for the financial period	(253)	(559)	-54.7%
Loss attributable to owners of the Company	(49,182)	(53,102)	7.4%

The Group recorded a negative revenue of RM9.7 million for the current financial quarter ("CFQ") as compared to RM16.9 million in the preceding financial quarter mainly due to the significant lower revenue by PDD as mentioned earlier and reduction in developer margins as a result of the increase in construction costs and delay in projects and LHD due to impact of COVID-19 pandemic.

The Group recorded loss before taxation of RM48.9 million for the period ended 31 December 2020 compared to loss before taxation of RM52.5 million in the previous year's corresponding period mainly due to the significant lower revenue by PDD as mentioned earlier and reduction in Group's margins as a result of the increase in construction costs and delay in projects and LHD due to impact of COVID-19 pandemic.

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 Bukit Gambang Resort City commenced operations in July 2020; however, it is affected by subsequent CMCO and MCO and 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 approximately RM311 million as of 31 December 2020 from its ongoing projects in Kuantan, Morib and Kuching. These on-going projects together with the planned launches are anticipated to continue to contribute positively to the Group in the coming financial year.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS

During this challenging time, the Group will focus on liquidity and capital adequacy. We are currently in discussion with our bankers, creditors and various stakeholders to restructure and reschedule the Group's financial obligations to restore itself to a stronger financial footing.

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. 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

	Current Year Quarter	Current Year To- Date
	RM'000	RM'000
Current income tax - Malaysian income tax	54	(107)
Deferred taxation income	(307)	423
Tax income/(expenses)	(253)	316
Effective income tax rate	0.005%	0.003%

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.

B6 Status of corporate proposals announced

There were no corporate proposals announced but not completed as of 19 March 2021.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

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:

	Short term RM'000	Long term RM'000	Total RM'000
Bankers' acceptances	26,941	-	26,941
Bridging loan	19,519	6,097	25,616
Bank overdrafts	58,522	-	58,522
Revolving credit	57,538	-	57,538
Finance lease liabilities	1,636	734	2,370
Term loans	231,065	41,125	272,190
	<u>395,221</u>	<u>47,956</u>	<u>443,177</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 19 March 2021.

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 31 DECEMBER 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*
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Loss attributable to owners of the Company (RM'000)	(49,182)	-	(116,684)	-
Weighted average number of ordinary shares in issue ('000)	557,681	-	557,681	-
Basic loss per share (sen)	(8.82)	-	(20.92)	-

- 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
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Loss attributable to owners of the Company (RM'000)	(49,182)	-	(116,684)	-
Weighted average number of ordinary shares in issue ('000)	557,681	-	557,681	-
Diluted loss per share (sen)	(8.82)	-	(20.92)	-

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 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

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:

	Current Year Quarter RM'000	Current Year To-Date RM'000
Interest income	10	37
Interest and commission expenses	(3,009)	(10,956)
Inventories written down	-	(26,720)
Amortisation and depreciation	(3,341)	(7,343)
Impairment loss of property, plant and equipment	-	(2,597)
Impairment of receivables	-	(11,878)

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

19 March 2021