

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 MARCH 2021
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 31/03/2021 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31/03/2020 RM'000	UNAUDITED CURRENT YEAR QUARTER 31/03/2021 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31/03/2020 RM'000
Revenue	15,873	-	35,150	-
Cost of sales	(21,636)	-	(76,895)	-
Gross loss	(5,763)	-	(41,745)	-
Other income	2,821	-	3,148	-
Distribution expenses	(15)	-	(115)	-
Administration and other expenses	(15,082)	-	(85,371)	-
Finance costs	(12,972)	-	(23,928)	-
Loss before tax	(31,011)	-	(148,011)	-
Taxation	(23,484)	-	(23,168)	-
Net loss for the financial period	(54,495)	-	(171,179)	-
Items that will not be reclassified subsequently to profit or loss				
Derecognised of property, plant and equipment	(456)	-	(4,359)	-
Other comprehensive income for the financial period	(456)	-	(4,359)	-
Total comprehensive loss for the financial period	(54,951)	-	(175,538)	-
Net loss for the financial period attributable to:				
Owners of the Company	(44,954)	-	(161,638)	-
Non-controlling interests	(9,541)	-	(9,541)	-
Total comprehensive loss attributable to:				
Owners of the Company	(45,410)	-	(165,997)	-
Non-controlling interests	(9,541)	-	(9,541)	-
Loss per share attributable to owners of the Company:				
Basic (sen)	(8.06)	-	(28.98)	-
Diluted (sen)	(8.06)	-	(28.98)	-

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 MARCH 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 31/03/2021 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 31/3/2020 RM'000
Non-Current Assets		
Property, plant and equipment	492,912	508,778
Biological assets	929	1,577
Inventories	150,066	156,714
Investment properties	53,406	63,822
Deferred tax assets	20,837	43,980
Goodwill on consolidation	3	3
Trade and other receivables	-	6,389
Total Non-Current Assets	718,153	781,263
Current Assets		
Inventories	115,516	183,149
Contract assets and costs	14,642	22,817
Trade and other receivables	120,778	114,305
Tax recoverable	7,051	5,588
Fixed deposits with licensed banks	4,246	4,136
Cash and bank balances	12,293	11,371
Total Current Assets	274,526	341,366
Non-current asset held for sales	1,000	-
Total Assets	993,679	1,122,629
Equity and Liabilities		
Share capital	161,778	161,778
Treasury shares	(5,962)	(5,962)
Revaluation reserve	75,738	80,097
Warrant reserve	51,467	51,467
Retained earnings	(2,827)	158,811
	280,194	446,191
Non-controlling interests	(9,609)	(68)
Total Equity	270,585	446,123
Non-Current Liabilities		
Contract liabilities	525	695
Deferred tax liabilities	3,446	3,433
Trade and other payables	1,789	-
Borrowings (secured)	6,312	48,287
Total Non-Current Liabilities	12,072	52,415
Current Liabilities		
Trade and other payables	193,002	205,636
Contract liabilities	61,657	25,443
Tax payable	4	4
Borrowings (secured)	456,359	393,008
Total Current Liabilities	711,022	624,091
Total Liabilities	723,094	676,506
Total Equity and Liabilities	993,679	1,122,629
Net assets per share (RM)	0.50	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 MARCH 2021
 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
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 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)
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 March 2021								
As at 1 April 2020	161,778	(5,962)	80,097	51,467	158,811	446,191	(68)	446,123
Derecognised of property, plant and equipment	-	-	(4,359)	-	-	(4,359)	-	(4,359)
Other comprehensive income for the financial period	-	-	(4,359)	-	-	(4,359)	-	(4,359)
Net loss for the financial period	-	-	-	-	(161,638)	(161,638)	(9,541)	(171,179)
Total comprehensive income for the financial period	-	-	(4,359)	-	(161,638)	(165,997)	(9,541)	(175,538)
As at 31 March 2021	161,778	(5,962)	75,738	51,467	(2,827)	280,194	(9,609)	270,585

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 MARCH 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR 31/03/2021 RM'000	AUDITED PRECEDING YEAR YEAR 31/03/2020 RM'000
Operating Activities		
Loss before tax	(148,011)	-
Adjustments for :		
Depreciation of property, plant and equipment	9,589	-
Depreciation of biological assets	315	-
Depreciation of investment properties	26	-
Loss on disposal of properties, plant and equipment	747	-
Gain on disposal of investment properties	(114)	-
Gain on disposal of biological assets	(165)	-
Impairment loss of property plant and equipment	2,597	-
Fair value loss on revaluation of investment properties	8,770	-
Interest income	(220)	-
Interest expenses	23,928	-
Biological asset written off	132	-
Loss on remeasurement of inventories	26,720	-
Receivables written off	101	-
Impairment of receivables	11,961	-
Operating loss before changes in working capital	<hr style="border-top: 1px solid black;"/> (63,624)	-
Changes in working capital		-
Inventories	38,934	-
Contract assets/costs/(liabilities)	45,584	-
Receivable	(12,146)	-
Payables	(2,624)	-
Cash generated in operations	<hr style="border-top: 1px solid black;"/> 6,124	-
Interest and commission expenses paid	(1,220)	-
Interest income received	220	-
Tax paid	(1,474)	-
Tax refund	-	-
Net cash from operating activities	<hr style="border-top: 1px solid black;"/> 3,650	-
Purchase of property, plant and equipment	(2,978)	-
Purchases of biological assets	(35)	-
Placement of fixed deposits with licensed banks	(110)	-
Proceeds from disposal of property, plant and equipment	1,527	-
Proceeds from disposal of investment properties	734	-
Proceeds from disposal of biological assets	401	-
Net cash used in investing activities	<hr style="border-top: 1px solid black;"/> (461)	-

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 MARCH 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR 31/03/2021 RM'000	AUDITED PRECEDING YEAR YEAR 31/03/2020 RM'000
Financing Activities		
Repayment of finance lease liabilities	(467)	-
Repayment of borrowings	(7,030)	-
Net cash used in financing activities	(7,497)	-
Net decrease in cash and cash equivalents	(4,308)	-
Cash and cash equivalents at beginning of financial year	(45,510)	-
Cash and cash equivalents at end of financial year	(49,818)	-
Cash and cash equivalents at the end of the financial period comprise the following:		
Bank overdraft	(60,329)	-
Cash and bank balances	10,511	-
	(49,818)	-
	-	-

* 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 MARCH 2021

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
----------------------	---

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 MARCH 2021

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 cyclicity 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 MARCH 2021

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	29,338	5,812	-	-	35,150
Inter-segment	-	-	-	-	-
	29,338	5,812	-	-	35,150
Results					
Segment loss	(95,448)	(17,416)	(62,965)	51,526	(124,303)
Finance income	220	-	-	-	220
Finance costs	(15,640)	(7,546)	(742)	-	(23,928)
Loss before taxation	(110,868)	(24,962)	(63,707)	51,526	(148,011)
Taxation	(613)	(23,146)	591	-	(23,168)
Net loss for the financial year	(111,481)	(48,108)	(63,116)	51,526	(171,179)

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 MARCH 2021

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>35,598</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
Commission paid/payable	25
Consulting fees paid/payable	958
Staff Secondment	171
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 RM10.7 million.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

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 ended 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 2022 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 2022.

(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 MARCH 2021

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 ("RO") under Section 368 of the Companies Act 2016

(I) RO Obtained by Sentoria Bina Sdn. Bhd.

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;

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

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)

- (b) Execution or enforcement process, extra-judicial proceedings or other proceedings;
- (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 to Section 368 (1) of the Act for a period of 3 months from 12 February 2021.

SBSB had on 29 January 2021 convened the Creditors' Meeting pursuant to the Court Orders dated 12 November 2020 and 22 January 2021 and the Proposed Scheme of Arrangement ("the Scheme") was agreed by the requisite majority of the creditors present and voting at the Creditors' Meeting in accordance with Section 366 of the Act. Pursuant to Section 366 of the Act, the requisite majority required is 75% and SBSB managed to obtain the agreement of approximately 93% in value of the creditors who voted at the Creditors' Meeting. SBSB had filed an application to the High Court under Section 366 of the Act on 5 February 2021 to seek the High Court's approval of the Scheme.

On 3 May 2021, the High Court granted an order for the approval of the Scheme ("the Approval Order") and the Scheme shall be binding on SBSB and its scheme creditors.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER
ENDED 31 MARCH 2021

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)

(II) RO obtained by Sentoria Themeparks and Resorts Sdn. Bhd.

On 8 April 2021, the Company announced that Sentoria Themeparks and Resorts Sdn. Bhd. ("STAR"), 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 STAR 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 STAR 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 STAR and/or its assets 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;
 - (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) Issuance of statutory notice under Section 465 and 466 of the Act; and
 - (h) Appointment of receiver(s) and/or manager(s) over STAR's assets; and
 - (i) 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 STAR 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 5 April 2021 and shall be in effect for a period of 3 months.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER
ENDED 31 MARCH 2021**

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)

(II) RO obtained by Sentoria Themeparks and Resorts Sdn. Bhd. (cont'd)

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

On 30 June 2021, The High Court has granted STAR an extension of RO pursuant to Section 368 (1) of the Act for a period of 6 months from 4 July 2021.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

B1 Review of performance

	Individual Period		Changes + / (-) %
	Current Year Quarter	Preceding Year Quarter	
	31.03.2021	31.03.2020	
	RM'000	RM'000	
Revenue			
Property Development Division ("PDD")	13,574	(16,919)	180.2
Leisure & Hospitality Division ("LHD")	2,299	3,337	-31.1
	15,873	(13,582)	216.9
Loss before taxation	(31,011)	(36,551)	15.2
Net loss for the financial period	(54,495)	(32,926)	-65.5
Loss attributable to owners of the Company	(44,954)	(32,336)	-39.0

For the current financial quarter ("CFQ"), the increase in revenue was mainly contributed by the Property Development Division ("PDD") of RM13.6 million in CFQ as compared to preceding year's corresponding financial quarter ("PFQ") of negative RM16.9 million. The increase in revenue was mainly contributed by the development projects in Kuantan and Morib. The negative contribution from PDD in PFQ was mainly due to the reduction in transaction price arising from project delays and sales cancellation.

The decrease in revenue for Leisure & hospitality Division's ("LHD") during the current financial quarter by 31.3% to RM2.3 million mainly due to the adverse impact of COVID-19 pandemic globally on tourism sector.

The Group recorded loss before taxation of RM31.0 million for the CFQ as compared to loss before taxation of RM36.6 million in the PFQ mainly due to the lower contribution from PDD as a result of negative revenue arising from project delays in the previous year's corresponding period.

The net loss for the CFQ of RM54.5 million were mainly attributable to loss before tax of RM31.0 million as mentioned above and impairment in deferred tax assets in relation to LHD of RM23.1 million.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

B2 Comparison with immediate preceding quarter's results

	Current Year Quarter	Immediate Preceding Quarter	Changes + / (-)
	31.03.2021	31.12.2020	
	RM'000	RM'000	%
Revenue			
Property Development Division ("PDD")	13,574	(9,971)	-236.1
Leisure & Hospitality Division ("LHD")	2,299	257	794.6
	15,873	(9,714)	263.4
Loss before tax	(31,011)	(48,929)	36.6
Net loss for the financial period	(54,495)	(49,182)	-10.8
Loss attributable to owners of the Company	(44,954)	(49,182)	8.6

For the current financial quarter ("CFQ"), the Group's revenue increase to RM15.9 million from a negative RM9.7 million recorded in the preceding financial quarter ("PFQ"). This increase in revenue was mainly contributed by the increase in the revenue of Property Development Division ("PDD") from RM13.6 million in CFQ as compared to negative RM9.9 million in PFQ. This was mainly contributed by the revenue contribution from construction and development projects in Kuantan and Morib as mentioned earlier. The negative contribution from PDD in PFQ was mainly due to the reduction in transaction price arising from project delay.

The Group recorded loss before taxation of RM31.0 million for the period ended 31 March 2021 compared to loss before taxation of RM48.9 million in the preceding financial quarter mainly due to the lower loss by PDD in CFQ.

The net loss for the CFQ of RM54.4 million were mainly attributable to loss before tax of RM31.0 million as mentioned above and impairment in deferred tax assets in relation to LHD of RM23.1 million.

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 LHD is greatly affected by MCO imposed to curb the COVID-19 pandemic 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 MARCH 2021

NOTES TO THE FINANCIAL STATEMENTS

B3 Commentary on prospects (cont'd)

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 RM297 million as of 31 March 2021 from its on-going 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 foreseeable future.

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	-	(12)
Deferred taxation expenses	(23,484)	(23,156)
Tax expenses	<u>(23,484)</u>	<u>(23,168)</u>
Effective income tax rate	<u>75.7%</u>	<u>15.7%</u>

The Group's effective income tax rate for the current financial quarter is higher than the applicable income rate of 24% mainly due to impairment of deferred tax assets.

The Group's effective income tax rate for the current financial year 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 30 June 2021.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 MARCH 2021

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	27,497	-	27,497
Bridging loan	11,610	6,098	17,708
Bank overdrafts	60,329	-	60,329
Revolving credit	60,447	-	60,447
Finance lease liabilities	1,813	215	2,028
Term loans	294,663	-	294,663
	<u>456,359</u>	<u>6,313</u>	<u>462,672</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 30 June 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 MARCH 2021

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*
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Loss attributable to owners of the Company (RM'000)	(44,954)	-	(161,638)	-
Weighted average number of ordinary shares in issue ('000)	557,681	-	557,681	-
Basic loss per share (sen)	(8.06)	-	(28.98)	-

- 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
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Loss attributable to owners of the Company (RM'000)	(44,954)	-	(161,638)	-
Weighted average number of ordinary shares in issue ('000)	557,681	-	557,681	-
Diluted loss per share (sen)	(8.06)	-	(28.98)	-

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 MARCH 2021

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	183	220
Gain on disposal of investment property	114	114
Gain on disposal of biological assets	165	165
Interest and commission expenses	(12,974)	(23,928)
Amortisation and depreciation	(2,587)	(9,930)
Loss on disposal of property, plant and equipment	(747)	(747)
Loss on remeasurement of inventories	-	(26,720)
Receivables written off	(101)	(101)
Biological Assets written off	(132)	(132)
Impairment on property, plant and equipment	-	(2,597)
Impairment loss on other receivables	-	(11,961)
Fair value loss on revaluation of Investment properties	(8,770)	(8,770)

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

30 June 2021