

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 30 JUNE 2021
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 30/06/2021 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30/06/2020 RM'000	UNAUDITED CURRENT YEAR 30/06/2021 RM'000	UNAUDITED PRECEDING YEAR 30/06/2020 RM'000
Revenue	7,580	12,011	7,580	12,011
Cost of sales	(7,467)	(12,325)	(7,467)	(12,325)
Gross profit/(loss)	113	(314)	113	(314)
Other income	36	262	36	262
Distribution expenses	(6)	(33)	(6)	(33)
Administration and other expenses	(5,756)	(11,741)	(5,756)	(11,741)
Finance costs	(6,404)	(3,701)	(6,404)	(3,701)
Loss before tax	(12,017)	(15,527)	(12,017)	(15,527)
Taxation	(126)	1,128	(126)	1,128
Net loss for the financial period	(12,143)	(14,399)	(12,143)	(14,399)
Items that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	-	(3,903)	-	(3,903)
Other comprehensive income for the financial period	-	(3,903)	-	(3,903)
Total comprehensive loss for the financial period	(12,143)	(18,302)	(12,143)	(18,302)
Net loss for the financial period attributable to:				
Owners of the Company	(11,575)	(14,399)	(11,575)	(14,399)
Non-controlling interests	(568)	-	(568)	-
	(12,143)	(14,399)	(12,143)	(14,399)
Total comprehensive loss attributable to:				
Owners of the Company	(11,575)	(18,302)	(11,575)	(18,302)
Non-controlling interests	(568)	-	(568)	-
	(12,143)	(18,302)	(12,143)	(18,302)
Loss per share attributable to owners of the Company:				
Basic (sen)	(2.08)	(2.58)	(2.08)	(2.58)
Diluted (sen)	(2.08)	(2.58)	(2.08)	(2.58)

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 2021 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 2021
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 30/06/2021 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 31/03/2021 RM'000
Non-Current Assets		
Property, plant and equipment	491,213	492,912
Biological assets	877	929
Inventories	157,955	150,066
Investment properties	53,401	53,406
Deferred tax assets	21,791	20,837
Goodwill on consolidation	3	3
Total Non-Current Assets	725,240	718,153
Current Assets		
Inventories	110,715	115,516
Contract assets and costs	15,130	14,642
Trade and other receivables	113,936	120,778
Tax recoverable	7,051	7,051
Fixed deposits with licensed banks	4,265	4,246
Cash and bank balances	11,495	12,293
Total Current Assets	262,592	274,526
Non-current asset held for sales	1,000	1,000
Total Assets	988,832	993,679
Equity and Liabilities		
Share capital	161,778	161,778
Treasury shares	(5,962)	(5,962)
Revaluation reserve	75,738	75,738
Warrant reserve	51,467	51,467
Retained earnings	(14,402)	(2,827)
	268,619	280,194
Non-controlling interests	(10,177)	(9,609)
Total Equity	258,442	270,585
Non-Current Liabilities		
Contract liabilities	525	525
Deferred tax liabilities	4,525	3,446
Trade and other payables	1,789	1,789
Borrowings (secured)	6,258	6,312
Total Non-Current Liabilities	13,097	12,072
Current Liabilities		
Trade and other payables	193,489	193,002
Contract liabilities	62,100	61,657
Tax payable	4	4
Borrowings (secured)	461,700	456,359
Total Current Liabilities	717,293	711,022
Total Liabilities	730,390	723,094
Total Equity and Liabilities	988,832	993,679
Net assets per share (RM)	0.48	0.50

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 31 March 2021 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 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 year ended 31 March 2021								
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	-	-	(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
Unaudited								
Financial period ended 30 June 2021								
As at 1 April 2021	161,778	(5,962)	75,738	51,467	(2,827)	280,194	(9,609)	270,585
Revaluation of land and buildings	-	-	-	-	-	-	-	-
Other comprehensive income for the financial period	-	-	-	-	-	-	-	-
Net loss for the financial period	-	-	-	-	(11,575)	(11,575)	(568)	(12,143)
Total comprehensive income for the financial period	-	-	-	-	(11,575)	(11,575)	(568)	(12,143)
As at 31 March 2022	161,778	(5,962)	75,738	51,467	(14,402)	268,619	(10,177)	258,442

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 2021 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 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR 30/06/2021 RM'000	AUDITED PRECEDING YEAR YEAR 30/06/2020 RM'000
Operating Activities		
Loss before tax	(12,017)	(15,527)
Adjustments for :		
Amortisation and depreciation	2,340	2,146
Depreciation of biological assets	52	-
Impairment loss of property plant and equipment	-	2,597
Interest income	(32)	(5)
Interest expenses	6,404	3,701
Operating loss before changes in working capital	<u>(3,253)</u>	<u>(7,088)</u>
Changes in working capital		
Inventories	(3,088)	4,480
Contract assets/costs/(liabilities)	(45)	7,729
Receivable	6,842	(440)
Payables	(771)	1,652
Cash generated in operations	<u>(315)</u>	<u>6,333</u>
Interest and commission expenses paid	(270)	(3,701)
Interest income received	13	5
Net cash from operating activities	<u>(572)</u>	<u>2,637</u>
Financing Activities		
Repayment of finance lease liabilities	-	(6)
Repayment of borrowings	(1,307)	(2,705)
Net cash used in financing activities	<u>(1,307)</u>	<u>(2,711)</u>
Net decrease in cash and cash equivalents	(1,879)	(74)
Cash and cash equivalents at beginning of financial year	(49,818)	(45,510)
Cash and cash equivalents at end of financial year	<u>(51,697)</u>	<u>(45,584)</u>

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 30 JUNE 2021
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR 30/06/2021 RM'000	AUDITED PRECEDING YEAR YEAR 30/06/2020 RM'000
Cash and cash equivalents at the end of the financial period comprise the following:		
Bank overdraft	(61,410)	(55,344)
Cash and bank balances	9,713	9,760
	<hr/>	<hr/>
	(51,697)	(45,584)
	<hr/> <hr/>	<hr/> <hr/>
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** Cash and bank balances in this statement of cashflows excluding the Deposit Service Reserve Account for loans purposes of RM1,782,000.*

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 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 year ended 31 March 2021 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 year ended 31 March 2021.

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 year ended 31 March 2021, except with the adoption of the following Malaysian Financial Reporting Standards (“MFRS”), Clarification on MFRS, Issues Committee (“IC”) Interpretations and Amendments to MFRS:

Amendments to MFRSs - effective date deferred indefinitely:

Amendments to MFRS 10*# and 128*	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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Amendments to MFRS effective 1 April 2021:

Amendments to MFRS 16*#	COVID-19-Related Rent Concessions beyond 30 June 2021
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Amendments to MFRSs effective 1 January 2022:

Amendments to MFRS 3#	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds Before Intended Use
Amendments to MFRS 137#	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

MFRS and Amendments to MFRSs effective 1 January 2023:

MFRS 17 and Amendment to MFRS 17*#	Insurance Contracts
Amendments to MFRS 4*#	Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimate and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

* Not applicable to the Group’s operations

Not applicable to the Company’s operations

The adoption of these Standards and Amendments had no material financial impact on the interim financial report.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

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 year ended 31 March 2021.

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

"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 RM161,638,000 and RM62,388,000 respectively. As at 31 March 2021, the Group's and the Company's total current liabilities exceeded its total current assets by RM436,495,000 and RM63,156,000 respectively. This note indicate that these financial indicators were compounded by the outbreak of the Coronavirus ("COVID-19") pandemic since beginning of 2020, which affected operations of the Group in the Leisure and Property Development Divisions during the financial year.

In addition, the Group is still negotiating with existing financial institutions to restructure and reschedule payment for the remaining outstanding borrowings of approximately RM461,000,000 as at 31 March 2021 through Corporate Debts Restructuring Committee ("CDRC") as at to-date as details in Notes 2 and 40.2 to the financial statements.

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.

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 negotiation with the financial institutions and creditors on restructuring and rescheduling the payment for remaining outstanding debts and effectiveness on working capital management. If these are not forthcoming, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

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.

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	7,529	51	-	-	7,580
Inter-segment	-	-	-	-	-
	7,529	51	-	-	7,580
Results					
Segment loss	(2,669)	(2,208)	(768)	-	(5,645)
Finance income	32	-	-	-	32
Finance costs	(4,521)	(1,735)	(148)	-	(6,404)
Loss before taxation	(7,158)	(3,943)	(916)	-	(12,017)
Taxation	(117)	(9)	-	-	(126)
Net loss for the financial year	(7,275)	(3,952)	(916)	-	(12,143)

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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

NOTES TO THE 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.

A12 Capital commitments

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

<u>Property, plant and equipment</u>	RM'000
- Authorised and contracted for	<u>15,529</u>
- Authorised but not contracted for	<u>35,996</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>1</u>
<u>Transactions with companies/persons connected with a Director</u>	
Consulting fees paid/payable	358
Tax consulting fees paid/payable	<u>24</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 RM5.4 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 RM11.8 million.

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 2022.

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, the Group's businesses have been financially affected during the current financial period mainly arose from its diminished sources of income as most of its business operations were affected whilst the fixed overhead costs that include salary, security personnel expenses, and rental expense continued to be incurred. 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 Corporate Debt Restructuring Committee (“CDRC”)

The Group has sought the assistance of the Corporate Debt Restructuring Committee (“CDRC”) under the purview of Bank Negara Malaysia to mediate with the financial institutions to restructure or renegotiate for the settlement of the respective financing facilities held by the Group and certain of its subsidiaries of approximately RM463,000,000 as at 30 June 2021.

The CDRC has vide its letter dated 27 August 2020 approved the Group's application for assistance to mediate between the Group and certain of its subsidiaries with their respective lenders (“CDRC Mediation”).

To-date, the CDRC Mediation process is still in progress. The successful CDRC Mediation would enable the Group to strengthen its financial position and to ensure that the post restructuring debts are at a sustainable level to safeguard the Group.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

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

(c) Sentoria Bina Sdn Bhd - Scheme of Arrangement with its creditors pursuant to Section 366 of the Companies Act 2016 and Restraining Order under Section 368 of the Companies Act 2016

On 12 November 2020, a subsidiary company, Sentoria Bina Sdn. Bhd. (“SBSB”) had applied to the High Court of Malaysia at Kuala Lumpur for the following orders:

(i) An Order to summon creditors’ meetings of the creditors of SBSB or any class of 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; and

(ii) A Restraining Order to forthwith restrain and stay all and further and future proceedings in any action or proceedings against SBSB, its assets, its guarantor guaranteeing the performance of SBSB’s obligations under any documents and security documents.

The orders commenced on 12 November 2020 for a period of 3 months and extended to another 3 months until 12 May 2021.

On 29 January 2021, SBSB has convened the Creditors’ Meeting pursuant to the Orders of the High Court of Malaya at Kuala Lumpur (“the High Court”) Orders dated 12 November 2020 and 22 January 2021 pursuant to Section 366 of the Companies Act 2016 (the “Act”) 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 and the Scheme shall be binding on SBSB and its scheme creditors.

(d) Sentoria Themeparks and Resorts Sdn. Bhd. – Proposed Scheme of Arrangement with its creditors pursuant to Section 366 of the Companies Act 2016 and Restraining Order under Section 368 of the Companies Act 2016

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 the following orders:-

(i) An Order pursuant to Section 366(1) of the Act to summon meetings 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 (“Proposed Scheme”); and

NOTES TO THE FINANCIAL STATEMENTS

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

(d) Sentoria Themeparks and Resorts Sdn. Bhd. – Proposed Scheme of Arrangement with its creditors pursuant to Section 366 of the Companies Act 2016 and Restraining Order under Section 368 of the Companies Act 2016 (cont'd)

(ii) 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, its assets, its guarantor guaranteeing the performance of STAR’s obligations under any documents and security documents.

The Orders commenced on 5 April 2021 and shall be in effect for a period of 3 months and it was further extended to another 6 months until 4 January 2022.

The Orders were 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

B1 Review of performance

	Individual Period		Changes +/-
	Current Year Quarter	Preceding Year Quarter	
	30.06.2021	30.06.2020	
	RM'000	RM'000	
Revenue			
Property Development Division (“PDD”)	7,529	12,011	-37.3
Leisure & Hospitality Division (“LHD”)	51	-	100
	7,580	12,011	-36.9
Loss before taxation	(12,017)	(15,527)	-22.6
Net loss for the financial period	(12,143)	(14,399)	-15.7
Loss attributable to owners of the Company	(11,575)	(14,399)	-19.6

For the current financial quarter (“CFQ”), the decrease in revenue was mainly due to the Group’s businesses have been financially affected by the COVID-19 pandemic during the current financial period.

For disruption in the property development operations due to COVID-19 and various movement control orders implemented by the Government throughout the period have led to delay in completing the property development and construction projects. This has resulted in lower revenue from Property Development Division (“PDD”) of RM7.6 million in CFQ as compared to preceding year’s corresponding financial quarter (“PFQ”) of RM12.0 million.

For Leisure & Hospitality Division’s (“LHD”), the Group has temporary ceased its theme parks, nature park and waterparks operations at Bukit Gambang, Langkawi and Kuching respectively during the current financial period and preceding year quarter. The low revenue for LHD in CFQ of RM0.05 million and in PFQ of RM Nil, mainly due to the adverse impact of COVID-19 pandemic globally on tourism sector.

The Group recorded lower loss before taxation of RM12.0 million for the CFQ as compared to loss before taxation of RM15.5 million in the PFQ. This is due mainly due to the lower administration and other expenses incurred during the CFQ.

The net loss for the CFQ of RM12.1 million were mainly attributable to loss before tax of RM12.0 million as mentioned above.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

B2 Comparison with immediate preceding quarter's results

	Current Year	Immediate	Changes + / (-)
	Quarter	Preceding	
	30.06.2021	Quarter 31.03.2021	
	RM'000	RM'000	%
Revenue			
Property Development Division (“PDD”)	7,529	13,574	-44.5
Leisure & Hospitality Division (“LHD”)	51	2,299	-97.8
	7,580	15,873	-52.2
Loss before tax	(12,017)	(31,011)	61.2
Net loss for the financial period	(12,143)	(54,495)	77.7
Loss attributable to owners of the Company	(11,575)	(44,954)	74.3

For the current financial quarter (“CFQ”), the decrease in revenue was mainly due to the Group’s businesses have been financially affected by the COVID-19 pandemic during the current financial period.

The revenue for PDD for CFQ decrease to RM7.6 million from a RM15.9 million recorded in the immediate preceding financial quarter (“PFQ”). This was mainly due to lower revenue contribution from construction and development projects in Kuantan and Morib.

For Leisure & hospitality Division’s (“LHD”), the Group has temporary ceased its themeparks, nature park and waterparks operations at Bukit Gambang, Langkawi and Kuching respectively during the current financial period, this has resulted the low revenue for LHD in CFQ of RM0.05 million as compared to the revenue of RM 2.3 million in PFQ.

The Group recorded loss before taxation of RM12.0 million for the period ended 30 June 2021 compared to loss before taxation of RM31.0 million in the preceding financial quarter mainly due to the higher operation costs and overhead, fair value loss on revaluation of investment properties and reduction in developer margins as a result of the increase in construction and development cost and delay in projects by PDD in PFQ.

The net loss for the CFQ of RM12.1 million were mainly attributable to loss before tax of RM12.0 million as mentioned above. The higher net loss for the PFQ of RM54.5 million was mainly due to the impairment of deferred tax assets in relation to LHD of RM23.1 million in PFQ.

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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 30 JUNE 2021

NOTES TO THE FINANCIAL STATEMENTS

B3 Commentary on prospects (cont'd)

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 RM300 million as of 30 June 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	-	-
Deferred taxation expenses	(126)	(126)
Tax expenses	(126)	(126)
Effective income tax rate	1.0%	1.0%

The Group's effective income tax rate for the current financial quarter and 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.

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B6 Status of corporate proposals announced

There were no corporate proposals announced but not completed as of the date of this report.

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	28,062	-	28,062
Bridging loan	11,929	6,097	18,026
Bank overdrafts	61,410	-	61,410
Revolving credit	60,793	-	60,793
Finance lease liabilities	1,837	161	1,998
Term loans	297,669	-	297,669
	<u>461,700</u>	<u>6,258</u>	<u>467,958</u>

1. Proposed Debt Restructuring Scheme

On 27 August 2020, the Corporate Debt Restructuring Committee ("CDRC") under the purview of Bank Negara Malaysia had accepted the Company's application for assistance to mediate with the lenders to restructure or renegotiate the respective financial facilities held by the Company and certain of its subsidiary companies.

In term of this advisory, existing lenders are required to observe an informal standstill with immediate effect and withhold litigation proceedings against the Group. The Group are still negotiating with existing lenders to reschedule payment for the remaining outstanding borrowings.

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 the date of this report.

B9 Dividends

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

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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
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Loss attributable to owners of the Company (RM'000)	(11,575)	(14,399)	(11,575)	(14,399)
Weighted average number of ordinary shares in issue ('000)	557,681	557,681	557,681	557,681
Basic loss per share (sen)	(2.08)	(2.58)	(2.08)	(2.58)

(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
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Loss attributable to owners of the Company (RM'000)	(11,575)	(14,399)	(11,575)	(14,399)
Weighted average number of ordinary shares in issue ('000)	557,681	557,681	557,681	557,681
Diluted loss per share (sen)	(2.08)	(2.58)	(2.08)	(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.

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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	32	32
Interest and commission expenses	(6,404)	(6,404)
Amortisation and depreciation	(2,392)	(2,392)
Receivables written off	(3)	(3)

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

27 August 2021