

**SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]**  
**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 30 JUNE 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND**  
**OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 30/06/2022 RM'000	UNAUDITED PRECEDING YEAR QUARTER 30/06/2021 RM'000	UNAUDITED CURRENT YEAR 30/06/2022 RM'000	UNAUDITED PRECEDING YEAR 30/06/2021 RM'000
Revenue	1,227	7,580	1,227	7,580
Cost of sales	(3,845)	(7,467)	(3,845)	(7,467)
Gross (loss)/profit	<u>(2,618)</u>	<u>113</u>	<u>(2,618)</u>	<u>113</u>
Other income	169	4	169	4
Distribution expenses	(68)	(6)	(68)	(6)
Administration and other expenses	(6,077)	(5,756)	(6,077)	(5,756)
Finance Income	460	32	460	32
Finance costs	<u>(6,661)</u>	<u>(6,404)</u>	<u>(6,661)</u>	<u>(6,404)</u>
Loss before tax	(14,795)	(12,017)	(14,795)	(12,017)
Taxation	<u>55</u>	<u>(126)</u>	<u>55</u>	<u>(126)</u>
Net loss/total comprehensive loss for the financial period	<u>(14,740)</u>	<u>(12,143)</u>	<u>(14,740)</u>	<u>(12,143)</u>
Net loss for the financial period attributable to:				
Owners of the Company	(14,318)	(11,575)	(14,318)	(11,575)
Non-controlling interests	(422)	(568)	(422)	(568)
	<u>(14,740)</u>	<u>(12,143)</u>	<u>(14,740)</u>	<u>(12,143)</u>
Total comprehensive loss attributable to:				
Owners of the Company	(14,318)	(11,575)	(14,318)	(11,575)
Non-controlling interests	(422)	(568)	(422)	(568)
	<u>(14,740)</u>	<u>(12,143)</u>	<u>(14,740)</u>	<u>(12,143)</u>
Loss per share attributable to owners of the Company:				
Basic (sen)	<u>(2.57)</u>	<u>(2.08)</u>	<u>(2.57)</u>	<u>(2.08)</u>
Diluted (sen)	<u>(2.57)</u>	<u>(2.08)</u>	<u>(2.57)</u>	<u>(2.08)</u>

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 2022 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 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 30/06/2022 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 31/03/2022 RM'000
<b>Non-Current Assets</b>		
Property, plant and equipment	450,487	451,934
Biological assets	429	461
Inventories	147,477	147,201
Investment properties	55,878	56,029
Deferred tax assets	21,825	21,825
<b>Total Non-Current Assets</b>	<b>676,096</b>	<b>677,450</b>
<b>Current Assets</b>		
Inventories	70,613	69,945
Contract assets and costs	19,034	24,154
Trade and other receivables	68,678	76,768
Tax recoverable	198	3,034
Cash and bank balances	6,720	7,336
<b>Total Current Assets</b>	<b>165,243</b>	<b>181,237</b>
Non-current asset held for sales	563	563
<b>Total Assets</b>	<b>841,902</b>	<b>859,250</b>
<b>Equity and Liabilities</b>		
Share capital	161,778	161,778
Treasury shares	(5,962)	(5,962)
Revaluation reserve	66,374	66,374
Warrant reserve	51,467	51,467
Retained earnings	(117,135)	(102,817)
	156,522	170,840
Non-controlling interests	(12,116)	(11,694)
<b>Total Equity</b>	<b>144,406</b>	<b>159,146</b>
<b>Non-Current Liabilities</b>		
Contract liabilities	278	278
Deferred tax liabilities	3,928	3,983
Trade and other payables	75,057	67,538
Borrowings (secured)	436,802	5,001
<b>Total Non-Current Liabilities</b>	<b>516,065</b>	<b>76,800</b>
<b>Current Liabilities</b>		
Trade and other payables	110,629	124,677
Contract liabilities	63,174	64,905
Borrowings (secured)	7,628	433,722
<b>Total Current Liabilities</b>	<b>181,431</b>	<b>623,304</b>
<b>Total Liabilities</b>	<b>697,496</b>	<b>700,104</b>
<b>Total Equity and Liabilities</b>	<b>841,902</b>	<b>859,250</b>
Net assets per share (RM)	0.28	0.31

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the Company →					Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Distributable Treasury Shares RM'000	Non-distributable Revaluation Reserve RM'000	Warrant Reserve RM'000	Distributable Retained Earnings RM'000			
<b>Audited</b>								
<b>Financial year ended 31 March 2022</b>								
As at 1 April 2021	161,778	(5,962)	75,738	51,467	(8,230)	274,791	(9,609)	265,182
Revaluation of land and buildings	-	-	(8,919)	-	-	(8,919)	-	(8,919)
Derecognised of property, plant and equipment	-	-	(445)	-	-	(445)	-	(445)
Other comprehensive loss for the financial year	-	-	(9,364)	-	445	(8,919)	-	(8,919)
Net loss for the financial year	-	-	-	-	(95,032)	(95,032)	(2,085)	(97,117)
Total comprehensive loss for the financial year	-	-	(9,364)	-	(94,587)	(103,951)	(2,085)	(106,036)
As at 31 March 2022	161,778	(5,962)	66,374	51,467	(102,817)	170,840	(11,694)	159,146
<b>Unaudited</b>								
<b>Financial period quarter ended 30 June 2022</b>								
As at 1 April 2022	161,778	(5,962)	66,374	51,467	(102,817)	170,840	(11,694)	159,146
Net loss for the financial period	-	-	-	-	(14,318)	(14,318)	(422)	(14,740)
Total comprehensive loss for the financial period	-	-	-	-	(14,318)	(14,318)	(422)	(14,740)
As at 30 June 2022	161,778	(5,962)	66,374	51,467	(117,135)	156,522	(12,116)	144,406

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FINANCIAL QUARTER ENDED 30 JUNE 2022**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>UNAUDITED CURRENT YEAR 30/06/2022 RM'000</b>	<b>UNAUDITED PRECEDING YEAR 30/06/2021 RM'000</b>
<b>Operating Activities</b>		
Loss before tax	(14,795)	(12,017)
Adjustments for :		
Amortisation and depreciation	2,223	2,392
Gain on disposal of investment properties	(32)	-
Gain on disposal of biological assets	(120)	-
Finance income	(460)	(32)
Finance costs	6,661	6,404
Operating loss before changes in working capital	<hr style="border-top: 1px solid black;"/> (6,523)	<hr style="border-top: 1px solid black;"/> (3,253)
Changes in working capital		
Inventories	(944)	(3,088)
Contract assets/costs/(liabilities)	3,389	(45)
Receivable	8,090	6,842
Payables	(6,529)	(771)
Cash generated in operations	<hr style="border-top: 1px solid black;"/> (2,517)	<hr style="border-top: 1px solid black;"/> (315)
Finance costs paid	(165)	(270)
Finance income received	87	13
Tax refund	2,836	-
<b>Net cash from/(used in) operating activities</b>	<hr style="border-top: 1px solid black;"/> 241	<hr style="border-top: 1px solid black;"/> (572)
Purchase of property, plant and equipment	(832)	-
Proceeds from disposal of property, plant and equipment	120	-
Proceeds from disposal of investment properties	60	-
<b>Net cash used in investing activities</b>	<hr style="border-top: 1px solid black;"/> (652)	<hr style="border-top: 1px solid black;"/> -

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>UNAUDITED CURRENT YEAR 30/06/2022 RM'000</b>	<b>UNAUDITED PRECEDING YEAR 30/06/2021 RM'000</b>
<b>Financing Activities</b>		
Repayment of borrowings	801	(1,307)
<b>Net cash from/(used in) financing activities</b>	<b>801</b>	<b>(1,307)</b>
Net increase/(decrease) in cash and cash equivalents	390	(1,879)
Cash and cash equivalents at beginning of financial period	(61,843)	(49,818)
Cash and cash equivalents at end of financial period	(61,453)	(51,697)
Cash and cash equivalents at the end of the financial period comprise the following:		
Bank overdraft	(68,173)	(61,410)
Cash and bank balances	6,720	9,713
	(61,453)	(51,697)

*\* 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 year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL  
QUARTER ENDED 30 JUNE 2022

NOTES TO THE FINANCIAL STATEMENTS

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

The interim financial report is unaudited and is prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad’s Main Market Listing Requirements. This report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2022 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 2022.

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 2022, 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* <sup>1</sup> and 128*	Sale or Contribution of Assets between an Investors and its Associate or Joint Venture
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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:

Amendments to MFRS 4*	Insurance Contracts – Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17 and Amendments to MFRS 17*	Insurance Contracts
Amentments to MFRS 17*	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
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 Estimates 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 existing 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 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

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**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 2022.

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 RM95,032,000 and RM68,241,000 respectively during the financial year. As at 31 March 2022, the Group's and the Company's total current liabilities also exceeded its total current assets by RM442,067,000 and RM102,073,000 respectively. This note further indicates that these financial indicators were compounded by the outbreak of the COVID-19 pandemic since beginning of 2020, which affected the operations of the Group in Property Development Division, and Leisure and Hospitality Division during the financial year.*

*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 Property Development Division, and Leisure and Hospitality Division and effectiveness on working capital management. If these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their 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.

**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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

**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
<b>Revenue</b>					
External	1,208	19	-	-	1,227
Inter-segment	-	-	-	-	-
	1,208	19	-	-	1,227
<b>Results</b>					
Segment loss	(4,944)	(3,243)	(407)	-	(8,594)
Finance income	87	373	-	-	460
Finance costs	(4,404)	(2,243)	(14)	-	(6,661)
Loss before taxation	(9,261)	(5,113)	(421)	-	(14,795)
Taxation	55	-	-	-	55
Net loss for the financial year	(9,206)	(5,113)	(421)	-	(14,740)

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.



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NOTES TO THE FINANCIAL STATEMENTS

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**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 period except the following:

Receipt Of Notification letter from Affin Bank Berhad for Refund Of RM28,900,000 from Lembaga Pembangunan Langkawi (“LPL”), allegedly being the refund of the partial lease payment pursuant to the purported termination of Lease Agreements by LPL in relation to the Lease Agreements Between Sentoria Langkawi Sdn. Bhd. and LPL.

Subsequent to 30 June 2022, Sentoria Langkawi Sdn Bhd (“SLSB”), a 75% owned subsidiary of the Company has on 11 August 2022, through email, received a copy of the notification letter dated 10 August 2022 from Affin Bank Berhad (“Affin”) informing SLSB that Affin had received RM28,900,000 from Lembaga Pembangunan Langkawi (“LPL”), allegedly being the refund of the partial lease premium pursuant to the purported termination of lease agreements by LPL as set out below:

- A) Lease Agreement with LPL to lease approximately 70 Acres of Malay Reservation Land located at Bandar Padang Mat Sirat, Kampung Kok Langkawi District of Langkawi, Kedah (hereinafter the “1<sup>st</sup> Land”) for a lease premium consideration of RM30,492,000.00 with 90 years lease period from 1 September 2014 to 31 August 2104; and
- B) Lease Agreement between SLSB and LADA to lease approximately 50 acres of Malay Reservation Land located at Tempat Bukit Tekoh, Tempat Bukit Carok Nyak Mud, Tempat Charok Nyak Mud and Tempat Caruk Nyak Mud, Mukim Ulu Melaka, District of Langkawi, Kedah (hereinafter the “2<sup>nd</sup> Land”) for a lease premium consideration of RM10,890,000.00 with 90 years lease period from 1 September 2014 to 31 August 2104.

The 1st Land and the 2nd Land are hereinafter collectively referred to as the “Lands”.

LPL is the registered owner of the Lands.

The total lease premium consideration for the Lands is RM41,382,000. SLSB has paid RM41,382,000 to LPL with a loan from Affin of RM28,900,000 (69.84% of RM41,382,000) and the remaining RM12,482,000 (30.16% of RM41,382,000) from internally generated funds.

SLSB leased the Lands from LPL in 2014 with the intention of developing the 1st Land into a project provisionally known as “Langkawi Geopark Resort City” and the 2nd Land into a project provisionally known as “Langkawi Medical Village”.

Since 2014, SLSB has incurred property development cost and the carrying amount for the above two properties (including land lease premium and property development costs) as at todate is RM60.2 million.

Notwithstanding the receipt of the notices of refund from Affin, the Board of Directors are taking advice on the purported termination of the agreements by LPL.

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**A11 Contingent assets and contingent liabilities (cont'd)**

In the event, our solicitors agree that the purported termination is wrong and invalid, SLSB will initiate the necessary actions to recover the costs incurred to-date together with the substantial losses we have suffered by reason of us not being able to develop the Lands as was intended. LPL as the Lessor is fully aware of our intended development.

The directors note that in the event of an unfavorable outcome or judgement, the Group would not be able to recoup the cost or loss, an estimated impairment of up to RM31.3 million for the inventories is required.

**A12 Capital commitments**

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

<u>Property, plant and equipment</u>	RM'000
- Authorised and contracted for	<u>15,707</u>
- Authorised but not contracted for	<u>36,168</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/persons connected with a Director</u>	
Advisory fees paid/payable	247
Tax consulting fees paid/payable	<u>22</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 RM4.5 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 RM12.1 million.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL  
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**A14. Significant Events During And After The Reporting Period**

**(a) COVID-19 Pandemic**

The COVID-19 pandemic since the end of 2019 has affected business and economic activities in Malaysia and beyond.

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 leisure and hospitality businesses under leisure and hospitality segment of the Group have been financially affected during the current financial quarter mainly arose from its diminished sources of income as most of its business operations were suspended whilst the fixed overhead costs that include salary, security personnel expenses, and rental expense continued to be incurred. For leisure segment, the Group has temporarily ceased its themeparks, nature park and waterparks operations at Bukit Gambang, Langkawi and Kuching respectively.

The Group plan to re-open certain of its theme parks in the second half of this financial year.

For disruption in the property development operations, the Group has recognised significant liquidated ascertained damages in the financial statements due to delay in completing the property development projects. The Group has resumed operations for its property development projects in Kuantan and Morib.

Barring unforeseen circumstances, the Group anticipates business operations from its property development division and leisure and hospitality division to take at least 24 months from the date of this report for their business to return to pre-Covid-19 revenue performance levels. 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 2023.

**(b) Proposed Debt Restructuring Scheme – Approval by Corporate Debt Restructuring Committee (“CDRC”)**

The Corporate Debt Restructuring Committee (“CDRC”) under the purview of Bank Negara Malaysia has vide its letter dated 27 August 2020 approved the Group's application for assistance to mediate between the Company and certain of its subsidiary companies with their respective lenders to restructure or renegotiate for the settlement of the respective financing facilities held by the Company and certain of its subsidiaries of approximately RM440 million as at 30 June 2022.

On 28 March 2022, the Company and relevant subsidiary companies signed the Supplementary Agreements (“SAs”) and relevant agreements with their lenders, which formed part of the restructuring scheme under the CDRC purview.

On 13 July 2022, the Company and relevant subsidiary companies fulfilled all the conditions precedents of the SAs.

The restructuring scheme, having become effective, will benefit the Group and improve its financial position to weather the current challenging market conditions and to sustain their business.

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QUARTER ENDED 30 JUNE 2022**

**NOTES TO THE FINANCIAL STATEMENTS**

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

**(c) 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 (“STAR Scheme”); and
- (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 subsequently extended to 4 April 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.

On 13 April 2022, the High Court granted an order for the approval of the STAR Scheme and the STAR Scheme shall be binding on STAR and its scheme creditors. The Scheme amount in respect of the Scheme Creditors amounts to approximately RM8,871,000 and repayable over a period of 6 years.

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NOTES TO THE FINANCIAL STATEMENTS

**B1 Review of performance**

	Individual Period		Changes +/- %
	Current Year Quarter	Preceding Year Quarter	
	30.06.2022	30.06.2021	
	RM'000	RM'000	
Revenue			
Property Development Division ("PDD")	1,208	7,529	-74.1
Leisure & Hospitality Division ("LHD")	19	51	-62.7
	1,227	7,580	-83.8
Loss before taxation	(14,795)	(12,017)	-23.1
Taxation	55	(126)	>100
Net loss for the financial year	(14,740)	(12,143)	-21.4
Loss attributable to owners of the Company	(14,318)	(11,575)	-23.7

For the current financial quarter ("CFQ"), the lower revenue is due to lower contribution from Property Development Division ("PDD"). It was mainly due to the reduction in transaction price arising from project delays, resulting in a Group's revenue of RM1.2 million for CFQ compared to preceding year financial quarter ("PFQ") of RM7.5 million. Revenue contribution for CFQ was mainly from construction and development projects in Kuantan and Morib.

The low revenue for Leisure & hospitality Division ("LHD") in CFQ of RM0.02 million and in PFQ of RM 0.05 million mainly due to the Group has temporary ceased its themeparks, nature park and waterparks operations at Bukit Gambang, Langkawi and Kuching respectively.

The Group recorded loss before taxation of RM14.7 million for the CFQ compared to loss before taxation of RM12.0 million in the PFQ mainly due to the lower revenue by PDD as mentioned earlier.

There was tax income for CFQ of RM0.06 million as compare to tax expenses of RM0.1 million in the PFQ due to the reversal of deferred tax assets during the CFQ.

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NOTES TO THE FINANCIAL STATEMENTS

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

	Current Year	Immediate	Changes
	Quarter	Preceding	
	30.06.2022	Quarter	
		(restated)	+ / (-)
	RM'000	RM'000	%
Revenue			
Property Development Division ("PDD")	1,208	(1,374)	>100.0
Leisure & Hospitality Division ("LHD")	19	26	-26.9
	1,227	(1,348)	>100.0
Loss before tax	(14,795)	(43,428)	65.9
Taxation	55	(2,906)	>100.0
Net loss for the financial period	(14,740)	(46,334)	68.2
Loss attributable to owners of the Company	(14,318)	(45,845)	68.8

The Group recorded a higher revenue of RM1.2 million for the current financial quarter ("CFQ") as compared to negative RM1.4 million in the immediate preceding financial quarter ("PFQ") mainly due to the reduction in transaction price arising from project delays in PFQ.

The low revenue for Leisure & hospitality Division ("LHD") in CFQ of RM0.02 million and in PFQ of RM 0.03 million mainly due to the Group has temporary ceased its theme parks, nature park and water parks operations at Bukit Gambang, Langkawi and Kuching respectively.

The Group recorded loss before taxation of RM14.8 million for the CFQ compared to loss before taxation of RM43.4 million in the PFQ, this was primarily due to higher expenses in PFQ including the loss of remeasurement of inventories of RM14.5 million and the impairment loss on property, plant and equipment of RM28.3 million.

There was tax income for CFQ of RM0.06 million as compare to tax expenses of RM2.9 million in the PFQ mainly caused by the charge out of tax benefits in PFQ due to the relevant subsidiaries are incurring losses.

**B3 Commentary on prospects**

The Covid-19 pandemic has adversely impacted the overall economy across the globe and the Group is not spared from the negative effects of the pandemic. However, as the pandemic gradually subsides and with the relaxation of containment measures including the reopening of international borders, the global economy is expected to gradually recover in the near future.

As Malaysia transitioned to the "endemic phase" of Covid-19 with effect from 1 April 2022 and following the reopening of international borders, the outlook of Malaysia's tourism industry is expected to improve. Moreover, the higher vaccination rates worldwide and the introduction of vaccine passports in certain countries will support the recovery of the tourism, leisure and hospitality industries.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**B3 Commentary on prospects (cont'd)**

Nonetheless, the Group remains cautious on the overall global outlook in view of the hike in interest rates and the current Ukraine-Russia conflict which had caused oil prices to go up. Despite the aforementioned is not expected to have direct significant impacts on Malaysia, it may have potential consequential impacts through the increase in construction material prices and logistics costs arising from disruptions in the global supply chain.

We do foresee that the increase in interest rates and hike in oil prices will directly impact the costs of our operation and reduce our profit margins.

The Group's leisure and hospitality business is expected to continue to remain challenging in the near term. The LHD is greatly affected by the COVID-19 pandemic and it is envisaged that it would require more time before the operation normalises.

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 RM279 million as of 30 June 2022 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**B5 Taxation**

	<b>Current Year Quarter RM'000</b>	<b>Current Year To-Date RM'000</b>
Current income tax - Malaysian income tax	-	-
Deferred taxation income	55	55
Tax income	55	55
Effective income tax rate	-0.4%	-0.4%

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.

**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:

	<b>Short term RM'000</b>	<b>Long term RM'000</b>	<b>Total RM'000</b>
Bankers' acceptances	-	26,774	26,774
Bridging loan	6,096	19,550	25,646
Bank overdrafts	-	68,173	68,173
Revolving credit	-	55,056	55,056
Finance lease liabilities	1,532	4	1,536
Term loans	-	267,245	267,245
	7,628	436,802	444,430

**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.

On 28 March 2022, the Company and relevant subsidiary companies signed the Supplementary Agreements ("SAs") and relevant agreements with their lenders, which formed part of the restructuring scheme under the CDRC purview.

On 13 July 2022, the Group having fulfilled all the conditions precedent of the relevant agreements with the financial institution, the restructuring scheme have become effective.

The restructuring scheme, having become effective, will benefit the Group and improve its financial position to weather the current challenging market conditions and to sustain their business.



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**NOTES TO THE FINANCIAL STATEMENTS**

**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.

**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
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Loss attributable to owners of the Company (RM'000)	(14,318)	(11,575)	(14,318)	(11,575)
Weighted average number of ordinary shares in issue ('000)	557,681	557,681	557,681	557,681
Basic loss per share (sen)	(2.57)	(2.08)	(2.57)	(2.08)

(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.

**B10 Loss per share (cont'd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year	Preceding Year
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Loss attributable to owners of the Company (RM'000)	(14,318)	(11,575)	(14,318)	(11,575)
Weighted average number of ordinary shares in issue ('000)	557,681	557,681	557,681	557,681
Diluted loss per share (sen)	(2.57)	(2.08)	(2.57)	(2.08)

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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**B11 Loss before taxation**

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

	<b>Current Year Quarter RM'000</b>	<b>Current Year To-Date RM'000</b>
Finance income	460	460
Gain on disposal of investment properties	32	32
Gain on disposal of biological assets	120	120
Finance costs	(6,661)	(6,661)
Amortisation and depreciation	(2,223)	(2,223)

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

26 August 2022