

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 DECEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	UNAUDITED CURRENT YEAR QUARTER 31/12/2022 RM'000	UNAUDITED PRECEDING YEAR QUARTER 31/12/2021 RM'000	UNAUDITED CURRENT YEAR 31/12/2022 RM'000	UNAUDITED PRECEDING YEAR 31/12/2021 RM'000
Revenue	5,198	46,721	9,703	55,175
Cost of sales	(4,623)	(46,884)	(20,207)	(68,948)
Gross income/(loss)	575	(163)	(10,504)	(13,773)
Other income	205	10	698	76
Distribution expenses	(5)	(64)	(22)	(190)
Administration and other expenses	(4,401)	(5,854)	(14,367)	(16,458)
Finance Income	17	36	1,622	75
Finance costs	(1,716)	(6,709)	(15,413)	(19,808)
Loss before tax	(5,325)	(12,744)	(37,986)	(50,078)
Taxation	14	(117)	(165)	(705)
Net loss for the financial period	(5,311)	(12,861)	(38,151)	(50,783)
Items that will not be reclassified subsequently to profit or loss				
Impairment during the year charged to revaluation reserve	-	-	-	-
Other comprehensive loss for the financial period	-	-	-	-
Total comprehensive loss for the financial period	(5,311)	(12,861)	(38,151)	(50,783)
Net loss for the financial period attributable to:				
Owners of the Company	(5,127)	(12,428)	(37,151)	(49,187)
Non-controlling interests	(184)	(433)	(1,000)	(1,596)
	(5,311)	(12,861)	(38,151)	(50,783)
Total comprehensive loss attributable to:				
Owners of the Company	(5,127)	(12,428)	(37,151)	(49,187)
Non-controlling interests	(184)	(433)	(1,000)	(1,596)
	(5,311)	(12,861)	(38,151)	(50,783)
Loss per share attributable to owners of the Company:				
Basic (sen)	(0.92)	(2.23)	(6.66)	(8.82)
Diluted (sen)	(0.92)	(2.23)	(6.66)	(8.82)

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 31 DECEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT END OF CURRENT YEAR TO-DATE 31/12/2022 RM'000	AUDITED AS AT PRECEDING YEAR ENDED 31/3/2022 RM'000
Non-Current Assets		
Property, plant and equipment	447,872	451,934
Biological assets	363	461
Inventories	128,722	147,201
Investment properties	55,581	56,029
Deferred tax assets	21,825	21,825
Total Non-Current Assets	654,363	677,450
Current Assets		
Inventories	86,911	69,945
Contract assets and costs	28,704	24,154
Trade and other receivables	71,233	76,768
Tax recoverable	1	3,034
Cash and bank balances	4,365	7,336
Total Current Assets	191,214	181,237
Non-current asset held for sales	-	563
Total Assets	845,577	859,250
Equity and Liabilities		
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	(139,968)	(102,817)
	133,689	170,840
Non-controlling interests	(12,694)	(11,694)
Total Equity	120,995	159,146
Non-Current Liabilities		
Contract liabilities	80	278
Deferred tax liabilities	4,148	3,983
Trade and other payables	70,477	67,538
Borrowings (secured)	415,521	5,001
Total Non-Current Liabilities	490,226	76,800
Current Liabilities		
Trade and other payables	150,018	124,677
Contract liabilities	77,057	64,905
Borrowings (secured)	7,281	433,722
Total Current Liabilities	234,356	623,304
Total Liabilities	724,582	700,104
Total Equity and Liabilities	845,577	859,250
Net assets per share (RM)	0.24	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.

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 DECEMBER 2022
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 2022								
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
Unaudited								
Financial period quarter ended 31 December 2022								
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	-	-	-	-	(37,151)	(37,151)	(1,000)	(38,151)
Total comprehensive loss for the financial period	-	-	-	-	(37,151)	(37,151)	(1,000)	(38,151)
As at 31 December 2022	161,778	(5,962)	66,374	51,467	(139,968)	133,689	(12,694)	120,995

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.

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 DECEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR 31/12/2022 RM'000	UNAUDITED PRECEDING YEAR 31/12/2021 RM'000
Operating Activities		
Loss before tax	(37,986)	(50,078)
Adjustments for :		
Amortisation and depreciation	6,871	5,994
Loss on disposal of properties, plant and equipment	-	598
Gain on disposal of biological assets	(2)	-
(Gain)/loss on disposal of investment properties	(100)	19
Gain on disposal of properties, plant and equipment	(190)	(22)
Finance income	(1,622)	(39)
Finance costs	15,413	19,808
Biological asset written off	-	96
Operating loss before changes in working capital	(17,616)	(23,624)
Changes in working capital		
Inventories	1,513	33,432
Contract assets/costs/(liabilities)	7,404	(973)
Receivable	5,535	26,798
Payables	28,265	1,987
Cash generated in operations	25,101	37,620
Finance costs paid	(433)	(3,326)
Finance income received	132	39
Tax refund	2,836	38
Net cash from operating activities	27,636	34,371
Purchase of property, plant and equipment	(2,460)	(996)
Uplift/(Placement) of fixed deposits with licensed banks	-	3,029
Uplift of deposit service reserve account	1,799	-
Proceeds from disposal of property, plant and equipment	150	1,000
Proceeds from disposal of investment properties	538	-
Proceeds from disposal of biological assets	5	-
Net cash from investing activities	32	3,033

SENTORIA GROUP BERHAD [Registration Number: 199801007217 (463344-K)]
QUARTERLY REPORT ON CONSOLIDATED RESULTS
FINANCIAL QUARTER ENDED 31 DECEMBER 2022
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	UNAUDITED CURRENT YEAR 31/12/2022 RM'000	UNAUDITED PRECEDING YEAR 31/12/2021 RM'000
Financing Activities		
Repayment of finance lease liabilities	-	(201)
Restructuring of overdraft balance to non-current borrowings	69,698	-
Repayment of borrowings	(31,158)	(44,962)
Net cash from/(used in) financing activities	38,540	(45,163)
Net decrease in cash and cash equivalents	66,208	(7,759)
Cash and cash equivalents at beginning of financial year	(61,843)	(49,818)
Cash and cash equivalents at end of financial year	4,365	(57,577)
Cash and cash equivalents at the end of the financial period comprise the following:		
Bank overdraft	-	(63,661)
Cash and bank balances	4,365	6,084
	4,365	(57,577)
	-	-

** Cash and bank balances in this statement of cashflows was 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 31 DECEMBER 2022

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 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* 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
Amendments 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 31 DECEMBER 2022**

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 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 31 DECEMBER 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
Revenue					
External	9,419	284	-	-	9,703
Inter-segment	-	-	-	-	-
	9,419	284	-	-	9,703
Results					
Segment loss	(15,543)	(6,397)	(2,255)	-	(24,195)
Finance income	132	1,490	-	-	1,622
Finance costs	(11,708)	(3,281)	(424)	-	(15,413)
Loss before taxation	(27,119)	(8,188)	(2,679)	-	(37,986)
Taxation	(165)	-	-	-	(165)
Net loss for the financial year	(27,284)	(8,188)	(2,679)	-	(38,151)

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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

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 “1st 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 “2nd 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
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NOTES TO THE FINANCIAL STATEMENTS

A11 Contingent assets and contingent liabilities (cont'd)

Our solicitors agree that the purported termination is wrong and invalid, SLSB has initiated 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.

SLSB (“Plaintiff”) had through its solicitors commenced legal action by issuing a Writ of Summons and Statement of Claim (the “Claim”) in the High Court of Malaya, Alor Setar on 22 November 2022, against the following defendants:-

1. LPL (“1st Defendant”); and
2. Affin Bank Berhad (“Affin”) (“2nd Defendant”)
(collectively referred as “the Defendants”)

As set out in the Claim, SLSB is claiming, among others, for the following:-

1. A declaration that the 1st Defendant is liable for breaches of and putting an end to the Lease Agreements;
2. A declaration that the Plaintiff is the legitimate owner and holder of the Leases over the Lands;
3. A declaration that the 1st Defendant is liable for infringements of the Plaintiff’s rights to property as the owner of the Leases;
4. Special damages of RM36.9 million (including the loss of RM12.5 million due to the difference between the land premium of RM41.4 million and the refund of RM28.9 million);
5. General damages in the sum of RM414.3 million or such sums that is assessed by this Honourable Court;
6. Interests on all sums awarded at the rate of 5% per annum from the date of the Purported Remedy Notices or the date of judgment or such other date as this Honourable Court deems fit, to the date of full settlement;
7. Plaintiff at liberty to apply;
8. Costs; and
9. Such further order or other relief as this Honourable Court deems fit to grant.

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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
QUARTER ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

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	1,484
Tax consulting fees paid/payable	<u>65</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 RM2.4 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 RM10.9 million.

A14. Significant Events During And After The Reporting Period

(a) 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 RM428 million as at 31 March 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
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NOTES TO THE FINANCIAL STATEMENTS

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

(a) Proposed Debt Restructuring Scheme – Approval by Corporate Debt Restructuring Committee (“CDRC”) (cont'd)

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.

(b) 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL
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NOTES TO THE FINANCIAL STATEMENTS

B1 Review of performance

	Individual Period		Changes +/-) %
	Current Year Quarter	Preceding Year Quarter	
	31.12.2022	31.12.2021	
	RM'000	RM'000	
Revenue			
Property Development Division ("PDD")	4,955	46,663	-89.4
Leisure & Hospitality Division ("LHD")	243	58	>100
	5,198	46,721	-88.9
Loss before taxation	(5,325)	(12,744)	-58.2
Taxation	14	(117)	>-100.0
Net loss for the financial year	(5,311)	(12,861)	-58.7
Loss attributable to owners of the Company	(5,127)	(12,428)	-58.7

For the current financial quarter ("CFQ"), the decrease in revenue is contributed by the RM4.9 million from Property Development Division ("PDD") in CFQ as compared to RM46.6 million in preceding year's corresponding financial year quarter ("PFQ"). The decrease in revenue is mainly due to less construction and development projects for the current financial quarter ("CFQ"). In addition, the higher revenue in PDD for PFQ was mainly contributed from the sales of Sungai Petani Land of approximately RM30 million.

The higher revenue for Leisure & hospitality Division ("LHD") in CFQ of RM0.2 million and in PFQ of RM0.06 million mainly due to the Group's waterparks operations at Bukit Gambang has started operation through outsourcing to a third party operator during the CFQ. The Group's themeparks, nature park and waterparks operations at Langkawi and Kuching; and nature parks' operation at Kuantan are still temporarily ceased.

The Group recorded loss before taxation of RM5.3 million for the CFQ compared to loss before taxation of RM12.7 million in the PFQ mainly due to the lesser activities by PDD in CFQ which resulted in decrease in construction cost and delay in projects; and adjustment to realign the finance expense on the new restructured loan terms which resulted in lower interest expense for the quarter..

There was a tax income for CFQ of RM0.01 as compared to tax expenses of RM0.1 million in the PFQ, was due to reversal of deferred tax liabilities during the CFQ.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

B2 Comparison with immediate preceding quarter's results

	Current Year Quarter	Immediate Preceding Quarter	Changes + / (-)
	31.12.2022	30.09.2022	
	RM'000	RM'000	%
Revenue			
Property Development Division ("PDD")	4,955	3,256	52.2
Leisure & Hospitality Division ("LHD")	243	22	>100
	5,198	3,278	58.6
Loss before tax	(5,325)	(17,866)	-70.2
Taxation	14	(234)	>-100
Net loss for the financial period	(5,311)	(18,100)	-70.7
Loss attributable to owners of the Company	(5,127)	(17,706)	-71.0

The Group recorded a higher revenue of RM4.9 million for the current financial quarter ("CFQ") as compared to RM3.2 million in the immediate preceding financial quarter ("PFQ") mainly due to the revenue contribution from the construction and development projects in Kuantan and Morib.

The higher revenue for Leisure & hospitality Division ("LHD") in CFQ of RM0.2 million and in PFQ of RM0.02 million mainly due to the Group's waterparks operations at Bukit Gambang has started operation through outsourcing to a third party operator during the CFQ. The Group's theme parks, nature park and waterparks operations at Langkawi and Kuching; and nature parks' operation at Kuantan are still temporarily ceased.

The Group recorded loss before taxation of RM5.3 million for the CFQ compared to loss before taxation of RM17.8 million in the PFQ, this was primarily due to higher contribution of revenue from the property development projects in PFQ and adjustment to realign the finance expense on the new restructured loan terms which resulted in lower interest expense for the quarter.

There was a tax income for CFQ of RM0.01 as compared to tax expenses of RM0.2 million in the PFQ, was due to reversal of deferred tax liabilities during the CFQ.

B3 Commentary on prospects

The Group remains cautious on the overall domestic economy outlook in view of the challenges caused by labour shortages, raw material price increases, inflationary pressures and rising logistics costs arising from disruptions in the global supply chain.

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 RM269 million as of 31 December 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.

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NOTES TO THE FINANCIAL STATEMENTS

B3 Commentary on prospects (cont'd)

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

During this challenging time, the Group will focus on liquidity and capital adequacy.

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 RM'000	Current Year To-Date RM'000
Current income tax - Malaysian income tax	-	-
Deferred taxation (expense)/income	14	(165)
Tax income	<u>14</u>	<u>(165)</u>
Effective income tax rate	<u>-0.3%</u>	<u>0.1%</u>

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.

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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	-	28,085	28,085
Bridging loan	6,057	19,777	25,833
Restructured bank overdrafts	-	71,047	71,048
Revolving credit	-	53,823	53,823
Finance lease liabilities	1,224	14	1,238
Term loans	-	242,775	242,775
	7,281	415,521	422,802

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.

B8 Changes in material litigation

Saved as disclosed in Note A11, the Group has no other 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.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

B10 Loss per share

(i) Basic loss per share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year	Preceding Year
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Loss attributable to owners of the Company (RM'000)	(5,127)	(12,428)	(37,151)	(49,187)
Weighted average number of ordinary shares in issue ('000)	557,681	557,681	557,681	557,681
Basic loss per share (sen)	(0.92)	(2.23)	(6.66)	(8.82)

(ii) Diluted loss per share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year	Preceding Year
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Loss attributable to owners of the Company (RM'000)	(5,127)	(12,428)	(37,151)	(49,187)
Weighted average number of ordinary shares in issue ('000)	557,681	557,681	557,681	557,681
Diluted loss per share (sen)	(0.92)	(2.23)	(6.66)	(8.82)

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
Finance income	17	1,622
Gain on disposal of biological assets	2	2
Gain on disposal of investment properties	57	100
Gain on disposal of property, plant and equipment	-	190
Finance costs	(1,716)	(15,413)
Amortisation and depreciation	(2,302)	(6,871)

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

24 February 2023