

BREM HOLDING BERHAD 198101000648 (66756-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/20 RM'000	CURRENT PERIOD TO DATE 31/12/21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/20 RM'000
Revenue	46,196	64,424	101,925	84,223
Cost of sales	(35,847)	(41,967)	(76,127)	(54,445)
Gross profit	10,349	22,457	25,798	29,778
Other operating income	1,549	2,814	4,846	16,915
Operating expenses	(6,411)	(3,689)	(18,695)	(9,235)
Finance cost	(759)	(908)	(1,698)	(1,698)
Share of results of associates	1,914	(143)	4,669	13
Profit/(loss) before taxation	6,642	20,531	14,920	35,773
Taxation	(2,196)	(5,595)	(5,291)	(12,242)
Profit/(Loss) after tax	4,446	14,936	9,629	23,531
Other comprehensive income, net of tax Foreign currency translation differences	(72)	(718)	74	(3,901)
Total comprehensive income for the period	4,374	14,218	9,703	19,630
Profit/(loss) attributable to:				
Owners of the Company	5,791	12,419	13,232	14,305
Non-controlling interests	(1,345)	2,517	(3,603)	9,226
	4,446	14,936	9,629	23,531
Total comprehensive income attributable to:				
Owners of the Company	5,755	12,054	13,270	12,318
Non-controlling interests	(1,381)	2,164	(3,567)	7,312
	4,374	14,218	9,703	19,630
Earnings per share (sen)				
- basic	1.8	3.8	4.0	4.3
- diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 March 2021)

BREM HOLDING BERHAD 198101000648 (66756-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	AS AT	AS AT
	31/12/21	31/03/21
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,195	6,979
Inventories	365,684	355,583
Investment properties	98,493	95,740
Investment in associates	70,478	66,808
Investment in joint ventures	28,960	28,959
Deferred tax assets	13,636	13,616
Goodwill on consolidation	9,281	9,281
Total non-current assets	<u>595,727</u>	<u>576,966</u>
Current assets		
Inventories	94,411	146,512
Other investments	100,546	42,730
Trade receivables	9,007	15,170
Other receivables, deposits and prepayments	9,126	4,895
Contract assets	10,110	5,517
Tax recoverable	6,792	3,249
Deposits with licensed financial institutions	2,484	3,782
Cash and bank balances	50,430	56,038
Total current assets	<u>282,906</u>	<u>277,893</u>
TOTAL ASSETS	<u>878,633</u>	<u>854,859</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	172,736	172,736
Reserves	436,289	423,019
Treasury shares	(12,007)	(12,007)
Total equity attributable to shareholders of the Company	597,018	583,748
Non-controlling interests	125,654	129,221
Total equity	<u>722,672</u>	<u>712,969</u>
Non-current liabilities		
Loans and borrowings	54,198	41,460
Deferred tax liabilities	7,467	7,434
Total non-current liabilities	<u>61,665</u>	<u>48,894</u>
Current liabilities		
Trade payables	13,611	13,411
Other payables, deposits and accruals	17,642	23,934
Contract liabilities	14,382	2,834
Amount due to directors	556	556
Loans and borrowings	47,263	52,189
Tax payable	842	72
Total current liabilities	<u>94,296</u>	<u>92,996</u>
TOTAL LIABILITIES	<u>155,961</u>	<u>141,890</u>
TOTAL EQUITY AND LIABILITIES	<u>878,633</u>	<u>854,859</u>
Net assets per share attributable to equity holders of the parent (RM)	1.81	1.77

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 March 2021)

BREM HOLDING BERHAD 198101000648 (66756-P)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021
(The figures have not been audited)

	9 MONTHS ENDED 31/12/2021 RM'000	9 MONTHS ENDED 31/12/2020 RM'000
Cash Flows From Operating Activities		
Profit/(Loss) before taxation	14,920	35,773
Adjustment for:		
Depreciation/Amortisation of property, plant and equipment	3,301	2,444
(Gain)/Loss on disposal of:		
- property, plant and equipment	(29)	(210)
Interest expenses	1,698	1,698
Interest income	(3,030)	(1,847)
Impairment (gain)/loss on:		
- other investments	11,077	(10,731)
Share of results of associates	(4,669)	(13)
Share of results of joint ventures	-	-
Unrealised (gain)/loss on foreign exchange, net	(71)	1,294
Operating Profit Before Working Capital Changes	<u>23,197</u>	<u>28,408</u>
Changes In Working Capital:		
Contract assets	(4,594)	(3,810)
Contract liabilities	11,548	-
Inventories	42,001	32,410
Receivables	1,955	(1,089)
Payables	<u>(6,072)</u>	<u>(6,118)</u>
Cash Generated From/(Used In) Operations	68,035	49,801
Tax paid (net of tax refund)	<u>(8,049)</u>	<u>(11,927)</u>
Net Cash From/(Used In) Operating Activities	<u>59,986</u>	<u>37,874</u>
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment	29	210
(Advance to)/Repayment from associates	1,000	-
Advance to joint ventures	-	(21)
Net (placement)/withdrawal of unit trust fund	(68,893)	(24,246)
Purchase of property, plant and equipment	(872)	(98)
Acquisition of investment properties	(4,488)	-
Net withdrawal/(placement) of deposit with licensed financial institution	(202)	(630)
Interest received	<u>3,030</u>	<u>1,847</u>
Net Cash From/(Used in) Investing Activities	<u>(70,396)</u>	<u>(22,938)</u>
Cash Flows From Financing Activities		
Repurchase of treasury shares	-	(596)
Payment of hire purchase payables	(1,037)	(336)
Net Drawdown/(Repayment) of bank borrowings	6,511	(5,407)
Dividend paid to:		
- non-controlling interest of a subsidiary	-	(31,983)
Interest paid	<u>(1,698)</u>	<u>(1,698)</u>
Net Cash From/(Used in) Financing Activities	<u>3,776</u>	<u>(40,020)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(6,634)</u>	<u>(25,084)</u>
Effect of exchange rate changes	99	(3,560)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	58,168	96,325
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>51,633</u>	<u>67,681</u>
Cash and cash equivalents comprise:-		
Deposits with licensed financial institutions	2,484	4,465
Cash and bank balances	50,430	66,603
Bank overdraft	<u>(692)</u>	<u>(940)</u>
	52,222	70,128
Less: Deposits pledged to licensed financial institutions	<u>(589)</u>	<u>(2,447)</u>
	<u>51,633</u>	<u>67,681</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 March 2021)

BREM HOLDING BERHAD 198101000648 (66756-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021
(The figures have not been audited)

Equity Attributable to Shareholders of the Company....						Total equity RM'000
 Non-Distributable	Exchange fluctuation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	
At 1 April 2021	172,736	(5,602)	(12,007)	428,621	583,748	129,221	712,969
Total comprehensive income for the financial period	-	38	-	13,232	13,270	(3,567)	9,703
At 31 December 2021	172,736	(5,564)	(12,007)	441,853	597,018	125,654	722,672
At 1 April 2020	172,736	(3,984)	(11,411)	401,452	558,793	151,274	710,067
Total comprehensive income for the financial period	-	(1,618)	-	27,169	25,551	10,090	35,641
Shares repurchased	-	-	(596)	-	(596)	-	(596)
Dividend paid to non-controlling interest	-	-	-	-	-	(31,983)	(31,983)
Disposal of subsidiary	-	-	-	-	-	(160)	(160)
At 31 March 2021	172,736	(5,602)	(12,007)	428,621	583,748	129,221	712,969

(The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 March 2021)

NOTES TO THE INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES

A1. Basis of preparation

The unaudited interim financial report has been prepared in compliance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirement of the Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2021. These explanatory notes attached to the interim financial statements 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 year ended 31 March 2021.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group and its subsidiary companies for the interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2021 except for the mandatory adoption of the following new and revised MFRSs effective for the financial period beginning on 1 April 2021:

Standards issued but not yet effective

The Group has not adopted the following standards and interpretation that have been issued but are not yet effective:

New MFRS	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2023
MFRS 3 Business Combination	1 January 2023
MFRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 January 2023
MFRS 7 Financial Instruments: Disclosures	1 January 2023
MFRS 9 Financial Instruments:	1 January 2023
MFRS 10 Consolidated Financial Statements:	Deferred
MFRS 15 Revenue from Contracts with Customers:	1 January 2023
MFRS 16 Leases	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
MFRS 101 Presentation of Financial Instruments	1 January 2023
MFRS 107 Statement of Cash Flow	1 January 2023
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112 Income Taxes	1 January 2023
MFRS 116 Property, Plant and Equipment	1 January 2023
MFRS 119 Employee Benefits	1 January 2023
MFRS 128 Investments in Associates and Joint Ventures	1 January 2023
MFRS 132 Financial Instruments: Presentation	1 January 2023
MFRS 136 Impairment of Assets	1 January 2023
MFRS 137 Provision, Contingent Liabilities and Contingent Assets	1 January 2023
MFRS 138 Intangible Assets	1 January 2023
MFRS 139 Financial Instruments: Recognition and Measurement	1 January 2023
MFRS 140 Investment Property	1 January 2023
MFRS 141 Agriculture	1 January 2022

A3. Declaration of audit qualification

There was no audit qualification on the preceding annual financial statements.

A4. Seasonal or cyclical factors

The businesses of the Group are not affected by seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

The Group has assessed and recognised a fair value loss of RM3.8 million during this quarter (RM11.1 million YTD) on its shareholding of Titijaya Land Berhad's shares.

Other than the above, there was no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 31 December 2021.

A6. Changes in estimates

There were no significant changes in estimates used for preparation of the interim financial report.

A7. Issuance or repayment of debts and equity securities

Save as disclosed below, there were no issuance and repayment of debts and equity securities, share cancellation, and resale of treasury shares during the financial quarter ended 31 December 2021.

Treasury shares

There was no share repurchased during the current quarter. Shares repurchased were held as treasury shares in accordance with Section 127 of the Companies Act 2016. The total number of treasury shares held as at 31 December 2021 was 16,492,634.

A8. Dividend paid

There is no dividend paid during the current quarter.

A9. Segmental information

Business Segments

	Civil engineering & construction	Property development	Property investment & investment holding	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External	5,665	89,426	6,834	-	101,925
Inter-segment	10,132	-	-	(10,132)	-
Total revenue	15,797	89,426	6,834	(10,132)	101,925
RESULT					
Segment results	3,377	21,322	(9,065)	(3,685)	11,949
Finance cost					(1,698)
Share of results of associates					4,669
Taxation					(5,291)
Profit for the financial period					9,629

The above revenue was wholly from Malaysia.

Statement of comprehensive income items of foreign subsidiary companies are translated into Ringgit Malaysia at average rate of exchange throughout the financial period. The average rate used in the translation is Kina1.00 equal to RM1.1867.

A10. Valuation of property, plant and equipment

Property, plant and equipment of the Group are stated at cost less accumulated depreciation/amortisation and impairment loss, if any.

A11. Events subsequent to the end of the financial period

There was no material event subsequent to the financial period ended 31 December 2021 up to the date of this report.

A12. Changes in the composition of the Group

There was no change of composition of the Group during the quarter.

A13. Contingent liabilities

The details of Group contingent liabilities are as follows:

	RM'000
Guarantees given to financial institutions in favour of third parties	<u>3,625</u>

A14. Capital commitments

As at 31 December 2021, the Group has no other capital commitment.

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

	Revenue				Profit/(Loss) before tax [PBT/(LBT)]			
	31/12/2021	31/12/2020	Variances		31/12/2021	31/12/2020	Variances	
Business Segment	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Civil engineering & construction	5,665	9,018	(3,353)	(37.2)	665	5,467	(4,802)	(87.8)
Property development	89,426	67,908	21,518	31.7	19,270	20,021	(751)	(3.8)
Property investment & investment holding	6,834	7,297	(463)	(6.3)	(5,015)	10,285	(15,300)	(148.8)
Total	101,925	84,223	17,702	21.0	14,920	35,773	(20,853)	(58.3)

The Group registered 21.0% surge in revenue in the current financial period of RM101.9 million as compared to the preceding year corresponding period of RM84.2 million. The increase in revenue was mainly due to the recognition of contribution from selling of industrial land at Sungai Buaya. However, in the same periods, the Group recorded a lower profit compared against profit registered in the preceding year corresponding period. The lower profit was mainly due to the RM11.1 million fair value losses stated in A5 above while last year had registered a fair value gain of RM10.7m.

The further analysis of performance of each business segment for 9 months ended 31 December 2021 is as follows:

Civil engineering & construction

The segment recorded 37.2% lower revenue and 87.8% lower PBT during the current financial period ended 31 December 2021 as compared to the preceding year corresponding period. The contraction was due to the lack of on-going projects.

Property development

The segment recorded 31.7% higher revenue during the current financial period ended 31 December 2021 as compared to the preceding year corresponding period. The positive contribution was due to added contribution from selling of industrial land at Sungai Buaya in this financial period. However, the segment registered 3.8% lower PBT under the same periods above due to lower profit margin from the selling of industrial land at Sungai Buaya as compared to the selling of completed units at Residensi Harmoni 2.

Property investment & investment holding

The segment recorded 6.3% lower revenue during the current financial period ended 31 December 2021 as compared to the preceding year corresponding period. The slide in revenue was due to the operation of Brem Mall, a retail cum office complex at Jalan Kepong, Kuala Lumpur, was affected by disruptive MCO during the current period as compared to the preceding year corresponding period. The segment showed a dive in PBT which resulted in a loss during the current financial period. It was due to RM11.1 million fair value loss stated in A5 above while last year had registered a fair value gain of RM10.7 million.

B2. Comparison with preceding quarter results

Business Segment	Revenue				Profit/(Loss) before tax [PBT/(LBT)]			
	Current Quarter	Preceding Quarter	Variances		Current Quarter	Preceding Quarter	Variances	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Civil engineering & construction	2,883	2,643	240	9.1	286	827	(541)	(65.4)
Property development	40,973	34,808	6,165	17.7	7,968	8,635	(667)	(7.7)
Property investment & investment holding	2,340	2,084	256	12.3	(1,612)	(592)	(1,020)	172.3
Total	46,196	39,535	6,661	16.8	6,642	8,870	(2,228)	(25.1)

The Group recorded 16.8% higher revenue during the current quarter compared to the immediate preceding quarter mainly due to higher recognition of sales of industrial land at Sungai Buaya. However, the Group registered 25.1% lower PBT during the current quarter compared to the immediate preceding quarter due to lower profit margin from selling of industrial land at Sungai Buaya compared to the selling of completed units at Residensi Harmoni 2 coupled with recognition of higher fair value loss of RM3.8 million in the current quarter as compared to RM2.1 million in last quarter on investment in Titijaya Land Berhad.

B3. Prospects

With the existing contracts in hand under the construction segment, they will continue to make contribution to the Group in the current financial year. They are targeted to be completed by next financial year. The Group will continue to be selective in tendering for valued projects. For property development segment, the group will continue to dispose of the inventory at hand while developing leasehold industrial land at Sungai Buaya with earthwork and infrastructure facilities. The project is expected to complete in financial year 2025. For the property investment and investment holding segment, Brem Mall at Kepong is still facing pressure on occupancy rate and teething collection issues from tenants due to Covid-19 pandemic.

The Board is cautious about the current market sentiment and will continue to seek ways and implement measures to improve the financial performance for the financial year ending 31 March 2022.

B4. Variance of actual profit from forecast profit

- The Company did not issue any profit forecast during the financial period.
- The Company did not issue profit guarantee to any parties.

B5. Taxation

The taxation for the current quarter and financial period to-date are as follows:

	Current quarter RM'000	Financial period to-date RM'000
Malaysian taxation	2,284	5,214
Foreign taxation	37	65
Deferred tax expense relating to origination & reversal of temporary differences	(125)	12
	<u>2,196</u>	<u>5,291</u>

The relationship between the tax expenses and accounting profit are as follows:-

	Current quarter RM'000	Financial period to-date RM'000
Profit/(Loss) before taxation	<u>6,642</u>	<u>14,920</u>
Tax at the statutory rate of 24%	1,594	3,581
Higher foreign tax rate	7	13
Non-taxable income	(205)	(918)
Non-allowable expenses	1,624	4,099
Overprovision in prior year	(363)	(363)
Share of associates results	(461)	(1,121)
Tax expenses	<u>2,196</u>	<u>5,291</u>

B6. Corporate proposal

The Company has received a Selective Capital Reduction (SCR) offer letter on 26 November 2021 from Brem Property Sdn Bhd and Tan Sri Dato' Khoo Chai Kaa, with the intention to privatise the Company by way of a Selective Capital Reduction and repayment exercise pursuant to Section 116 of the Companies Act 2016. Currently, it is awaiting a special resolution to be tabled at the forthcoming EGM on 28 February 2022.

Other than the above, there was no corporate proposal during the financial period ended 31 December 2021.

B7. Group borrowings

The tenure of group borrowings classified as short and long term categories are as follows:

	RM'000
Long term	54,198
Short term	<u>47,263</u>
	<u>101,461</u>
Secured	76,250
Unsecured	<u>25,211</u>
	<u>101,461</u>

B8. Material litigation

There was no material litigation for the financial period ended 31 December 2021.

B9. Dividends

There was no dividend declared during the quarter ended 31 December 2021.

B10. Earnings per share*Basic earnings per share*

Basic earnings per share has been calculated by dividing the net profit attributable to the owners of the parent by the weighted average number of shares in issue during the financial period, excluding the average number of shares purchased by the Company and held as treasury shares.

	Current Quarter 31/12/21	Preceding year corresponding quarter 31/12/20	Financial period to-date 31/12/21	Preceding year corresponding period to-date 31/12/20
Profit/(Loss) attributable to the equity holders of the parent (RM'000)	5,791	12,419	13,232	14,305
Weighted average number of ordinary shares ('000)	328,980	328,980	328,980	329,028
Basic earnings per share (sen)	1.8	3.8	4.0	4.3

Diluted earnings per share

There is no dilution of earnings per share.

B11. Profit before taxation

The profit before taxation for the financial period is arrived at:

	Current quarter RM'000	Financial period to-date RM'000
After charging		
Auditors' remuneration	60	203
Fair value loss on other investment	3,808	11,077
Interest expense	759	1,698
Depreciation/Amortisation of property, plant and equipment	733	2,149
Rental of premise	101	279
And crediting		
Interest income	886	3,030
Rental income	601	1,461
Gain/(loss) on foreign exchange:		
-unrealised	(68)	71
Gain on disposal of property, plant and equipment	29	29

By Order of the Board

Andrea Huong Jia Mei

Company Secretary

Kuala Lumpur

23 February 2022