

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FIRST QUARTER ENDED 30 JUNE 2023

Interim Financial Statements for the financial period ended 30 June 2023

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	%	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	%
	30/06/2023 RM' 000	30/06/2022 RM' 000	+ / (-)	30/06/2023 RM' 000	30/06/2022 RM' 000	+ / (-)
Revenue	34,870	23,419	48.9	34,870	23,419	48.9
Cost of Sales	(26,015)	(16,802)		(26,015)	(16,802)	
Gross Profit	8,855	6,617	33.8	8,855	6,617	33.8
Other Income	803	2,165		803	2,165	
Selling and Marketing Expenses	(919)	(778)		(919)	(778)	
Administrative and General Expenses	(5,073)	(4,278)		(5,073)	(4,278)	
Net Gain / (Loss) on Impairment of Financial Instruments	8	-		8	-	
Operating Profit	3,674	3,726	(1.4)	3,674	3,726	(1.4)
Finance Costs	(2,306)	(2,366)		(2,306)	(2,366)	
Profit Before Tax	1,368	1,360	0.6	1,368	1,360	0.6
Tax Expense	588	(1,150)		588	(1,150)	
Profit For The Period	1,956	210	831.7	1,956	210	831.7
Profit attributable to:						
Owners of the Company	1,985	228	770.5	1,985	228	770.5
Non-controlling Interests	(29)	(18)		(29)	(18)	
	1,956	210		1,956	210	
Earnings Per Share Attributable to Owners of the Company (sen)						
- Basic	0.45	0.06	596.4	0.45	0.06	596.4
- Diluted	0.45	0.06		0.45	0.06	
Number of Ordinary Shares in issue	440,000,000	352,000,000		440,000,000	352,000,000	
Weighted average number of Ordinary Shares in issue	440,000,000	352,000,000		440,000,000	352,000,000	
Weighted average number of Ordinary Shares in issue (diluted)	440,000,000	N/A		440,000,000	N/A	

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2023

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	%	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING YEAR TO DATE	%
	30/06/2023 RM' 000	30/06/2022 RM' 000	+ / (-)	30/06/2023 RM' 000	30/06/2022 RM' 000	+ / (-)
Profit For The Period	1,956	210	831.7	1,956	210	831.7
Other Comprehensive Income For The Period, Net Of Tax	(3,087)	6,688	(146.2)	(3,087)	6,688	(146.2)
Total Comprehensive Income For The Period, Net Of Tax	(1,131)	6,898		(1,131)	6,898	
Total Comprehensive Income Attributable To :						
Owners of the Company	(1,102)	6,916	(115.9)	(1,102)	6,916	(115.9)
Non-controlling Interests	(29)	(18)		(29)	(18)	
	(1,131)	6,898		(1,131)	6,898	

Note: Included in the Total Comprehensive Income for the period are the followings:

Interest Income	23	9		23	9	
Other Income Including Investment Income	779	2,156		779	2,156	
Interest Expense	2,306	2,366		2,306	2,366	
Depreciation & Amortization	845	820		845	820	
Provision For/Write Off of Receivables	-	-		-	-	
Provision For/Write Off of Inventories	N/A	N/A		N/A	N/A	
Gain/Loss on Disposal of Quoted and Unquoted Investment or Properties	N/A	N/A		N/A	N/A	
Gain/Loss on Impairment of Assets	8	-		8	-	
Gain/Loss on Foreign Exchange	N/A	N/A		N/A	N/A	
Gain/Loss on Derivatives	N/A	N/A		N/A	N/A	
Gain/Loss on Fair Value of Quoted Investment	(3,087)	6,688		(3,087)	6,688	

N/A: Not Applicable

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30/06/2023 RM' 000	(AUDITED) As at 31/03/2023 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	7,022	7,595
Right-of-use assets	834	919
Concession assets	7,223	7,393
Inventories - Land held for property development	580,115	578,652
Investment properties	1,515	1,525
Other investment	40,642	43,728
Other receivables	6,448	6,300
Fixed deposit with licenced bank	6,304	6,303
Intangible assets	4,308	4,308
Deferred tax assets	17,266	17,227
	<u>671,677</u>	<u>673,950</u>
Current assets		
Inventories - Completed properties	43,642	44,563
Inventories - Property development costs	41,960	47,332
Inventories - Others	6	6
Contract assets	52,431	57,224
Contract costs	19,269	19,509
Trade and other receivables	26,730	26,067
Other current assets	1,211	1,282
Cash and bank balances	9,473	10,710
	<u>194,722</u>	<u>206,692</u>
TOTAL ASSETS	<u>866,399</u>	<u>880,642</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	104,120	105,126
Short term borrowings	66,696	64,318
Lease liabilities	300	336
Taxation	6,973	7,893
	<u>178,089</u>	<u>177,673</u>
Net current assets	<u>16,633</u>	<u>29,019</u>
Non-current liabilities		
Trade and other payables	30,113	30,304
Deferred tax liabilities	31,644	32,463
Long term borrowings	152,285	164,810
Lease liabilities	122	188
	<u>214,164</u>	<u>227,765</u>
TOTAL LIABILITIES	<u>392,253</u>	<u>405,439</u>
Net assets	<u>474,146</u>	<u>475,203</u>
Total equity attributable to owners of the Company		
Share capital	364,936	364,936
Reserves	82,367	83,471
	<u>447,303</u>	<u>448,407</u>
Perpetual sukuk	4,642	4,566
Non-controlling interests	22,201	22,231
TOTAL EQUITY	<u>474,146</u>	<u>475,203</u>
TOTAL EQUITY AND LIABILITIES	<u>866,399</u>	<u>880,642</u>
Net Assets Attributable to Owners of the Company	447,303	448,407
Net Assets Per Share Attributable to Owners of the Company (RM)	1.02	1.02

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2023 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2023
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	----- Attributable to Owners of the Company -----								
	----- Non-distributable -----				<- Distributable ->				
	Share Capital RM' 000	Warrants Reserve RM' 000	Foreign Exchange Reserve RM' 000	Fair Value Reserve RM' 000	Retained Earnings RM' 000	Sub-Total RM' 000	Perpetual Sukuk RM' 000	Non-controlling Interests RM' 000	Total Equity RM' 000
3 months ended 30 June 2022									
At 1 April 2022	352,000	-	(5,345)	(9,775)	93,491	430,371	4,259	22,322	456,952
Profit for the period	-	-	-	-	228	228	-	(18)	210
Net changes in fair value of equity investment designated at FVTOCI	-	-	-	6,688	-	6,688	-	-	6,688
Other movements	-	-	-	-	-	-	77	-	77
Total comprehensive income for the period	-	-	-	6,688	228	6,916	77	(18)	6,975
At 30 June 2022	352,000	-	(5,345)	(3,087)	93,719	437,287	4,336	22,304	463,927
3 months ended 30 June 2023									
At 1 April 2023	364,936	2,904	(5,345)	(10,804)	96,715	448,406	4,566	22,231	475,202
Profit for the period	-	-	-	-	1,985	1,985	-	(29)	1,955
Net changes in fair value of equity investment designated at FVTOCI	-	-	-	(3,087)	-	(3,087)	-	-	(3,087)
Other movements	-	-	-	-	-	-	76	-	76
Total comprehensive income for the period	-	-	-	(3,087)	1,985	(1,102)	76	(29)	(1,056)
At 30 June 2023	364,936	2,904	(5,345)	(13,891)	98,700	447,304	4,642	22,201	474,146

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2023 and the explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 June 2023

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 30/06/2023 RM' 000	3 months ended 30/06/2022 RM' 000
OPERATING ACTIVITIES		
Profit before tax	1,368	1,360
Adjustments for :		
Non-cash items	845	751
Non-operating items	2,359	2,434
Operating profit before changes in working capital	4,572	4,545
<i>Changes in working capital:</i>		
- Contract assets	4,794	(4,253)
- Contract cost	241	(1,477)
- Inventories	6,215	(1,931)
- Trade and other receivables and other current assets	(741)	5,350
- Trade and other payables and other current liabilities	(1,198)	3,012
Cash generated from operations	13,883	5,246
Interest paid	(414)	(368)
Interest received	23	9
Net tax paid	(1,192)	(242)
Net cash from operating activities	12,300	4,645
INVESTING ACTIVITY		
Purchase of property, plant and equipment and intangible assets	(6)	(6)
Net cash used in investing activity	(6)	(6)
FINANCING ACTIVITIES		
Change in pledged deposits	(1)	(7)
Interest paid	(3,282)	(3,049)
Drawdown of loans and borrowings	7,126	3,658
Repayment of loans and borrowings	(17,007)	(9,960)
Payment of lease liabilities	(101)	(173)
Net cash used in financing activities	(13,265)	(9,531)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(971)	(4,892)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(19,228)	(16,187)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(20,199)	(21,079)
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	9,473	7,894
Bank overdrafts	(29,672)	(28,973)
	(20,199)	(21,079)

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2023 and the accompanying notes attached to the interim financial statements.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis of Preparation

The interim financial report is unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2023.

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 March 2023 save for the adoption of the following new and amended MFRSs and interpretations that are mandatory for the Group for the financial year commencing 1 April 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single

The Group has yet to adopt the following new and amended MFRSs and interpretations that have been issued but not yet effective:

		Effective for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

These new and amended standards are not expected to have any material impact on the financial statements of the Group upon their initial application.

2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 March 2023 was not qualified.

3 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors.

4 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

5 Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

6 Debt and Equity Securities

a) Sukuk Murabahah Programme

On 29 April 2014, Public Investment Bank Berhad had, on behalf of the Board announced that the Company has obtained approval from the Securities Commission Malaysia on 28 April 2014 with regards to the proposed Sukuk Murabahah Programme of up to RM250.0 million in nominal value.

Proceed raised from the Sukuk Murabahah Programme issuance shall be utilised to part finance the acquisition cost of the Shariah compliant development land(s) and/or such other Shariah compliant property(ies).

The cumulative drawdown of the facility at the end of the reporting period are as follows:

Date of drawdown	Amount drawdown (RM' 000)	Repayment (RM' 000)	Amount outstanding (RM' 000)
31 March 2016	18,450	13,180	5,270
26 April 2016	21,250	21,250	-
28 September 2017	13,000	5,574	7,426
Total	52,700	40,004	12,696

b) Rights Issue with Warrants

On 30 August 2022, the shareholders of the Company had resolved to approve the Rights Issue with Warrants on the basis of 1 Rights Share for every 4 existing HYB shares held, together with up to 88,000,000 free Detachable Warrants on the basis of 1 Warrant for every 1 Rights Share subscribed.

On 19 September 2022, the Company announced that the issue price of the Rights Shares is fixed at RM0.18 per Right Share and the exercise price of the Warrants at RM0.30 per Warrant.

On 31 October 2022, the Rights Issue with Warrants was completed with the listing and quotation of 88,000,000 Rights Shares and 88,000,000 Warrants on the Main Market of Bursa Securities, raising a total proceeds of RM15,840,000.00.

The status of utilisation of proceeds as at end of the reporting period are as follows:

Proposed utilisation of proceeds	Proceeds raised (RM' 000)	Amount utilised (RM' 000)	Timeframe for utilisation
Repayment of bank borrowings	4,000	4,000	Within 12 months
Acquisition of new landbank, joint venture and investments	1,350	1,000	Within 6 months
Working capital	10,035	10,035	Within 12 months
Estimated expenses for the Rights Issue	455	455	Within 1 month
Total	15,840	15,490	

Save for the above, there were no other issuance and repayment of debts and equity, repurchases, share cancellation or new issuance during the quarter under review and financial year-to-date.

7 Dividends Paid

No dividend has been paid during the quarter under review.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/06/2023 RM' 000	30/06/2022 RM' 000	30/06/2023 RM' 000	30/06/2022 RM' 000	30/06/2023 RM' 000	30/06/2022 RM' 000	30/06/2023 RM' 000	30/06/2022 RM' 000
Revenue:								
External customers	33,180	21,941	1,691	1,478	-	-	34,870	23,419
Inter-segment	1,491	1,534	-	-	(1,491)	(1,534)	-	-
	34,671	23,475	1,691	1,478	(1,491)	(1,534)	34,870	23,419
Results:								
Interest income	23	9	-	-	-	-	23	9
Depreciation and amortisation	(593)	(659)	(248)	(160)	(4)	(1)	(845)	(820)
Interest expenses	(2,529)	(2,343)	(17)	(10)	240	(13)	(2,306)	(2,366)
Segment profit / (loss)	1,468	1,227	(100)	133	-	-	1,368	1,360
Assets:								
Additions to non-current assets	1,229	1,239	-	-	-	-	1,229	1,239
Segment assets	1,326,134	1,364,131	25,001	20,873	(484,736)	(493,417)	866,399	891,587
Segment liabilities	648,127	819,353	14,666	20,701	(270,540)	(412,394)	392,253	427,660

9 Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment have been brought forward, without any amendments from the previous annual audited financial statements for the year ended 31 March 2023.

10 Material Events Subsequent to the End of the Reporting Period

There were no material events subsequent to the statement of financial position date up to 20 July 2023, being the latest practicable date from the date of issuance of this Interim Financial Report.

11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter under review.

12 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual statement of financial position as at 31 March 2023.

13 Capital Commitments

There were no outstanding capital commitments for the Group as at 30 June 2023.

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

14 Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30/06/2023 RM' 000	Preceding Year Corresponding Quarter 30/06/2022 RM' 000	Current Year to Date 30/06/2023 RM' 000	Preceding Year Corresponding Year to Date 30/06/2022 RM' 000
Malaysian income tax	(272)	(1,253)	(272)	(1,253)
Deferred tax	860	143	860	143
	588	(1,110)	588	(1,110)
(Under) / Over provision of Malaysian income tax in prior years	-	(40)	-	(40)
	588	(1,150)	588	(1,150)

15 Corporate Proposals

As of 20 July 2023, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 30/06/2023 RM' 000	As at 31/03/2023 RM' 000
Short Term Bank Borrowings	66,696	64,318
Long Term Bank Borrowings	152,285	164,810
	218,981	229,128

17 Changes in Material Litigation

On 6 April 2021, Hua Yang Berhad received a Writ of Summons and Statement of Claim ("Claim") served by the solicitors for Apple Rainbow Sdn Bhd ("Plaintiff 1"); E-Hong Holdings Sdn Bhd ("Plaintiff 2"); Wong Yoon Tzy ("Plaintiff 3") and Bio-Energy Technology Sdn Bhd ("Plaintiff 4") collectively known as the "Plaintiffs". The Plaintiffs are seeking for the following reliefs:

- (i) Special damages amounting to RM11,042,725.52;
- (ii) General damages to be quantified by the Court;
- (iii) Interest of 5% per year on the said sum of RM11,042,724.52 to be calculated from the date of filing of the Claim until the date of full settlement;
- (iv) Cost; and
- (v) Exemplary damages to be assessed by the Court.

The Company has submitted its Defence on 4 May 2021 and the High Court has fixed the trial date on 7 to 10 November 2022.

The Company has on 4 November 2022 entered into a settlement agreement with the 1st and 2nd Plaintiffs with the payment of RM2,395,334.45 by the Company as full and final settlement of all disputes and claims against the Company. On 7 November 2022, the High Court has recorded that the 1st and 2nd Plaintiffs' claims against the Company has been struck out with no order as to costs and without liberty to file afresh as the 1st and 2nd Plaintiffs' claims were settled.

As for the 3rd and 4th Plaintiffs' claims against the Company, the Court was informed that the said plaintiffs wish to appoint new Solicitors to take over and a trial dates on 7 to 10 November 2022 are accordingly vacated.

On 11 January 2023, 3rd and 4th Plaintiffs appointed Messrs Christopher Vun & Partners and on 10 April 2023, 3rd and 4th Plaintiffs' solicitor have filed a Notice of Application to amend the Writ and Statement of Claims. On 18 April 2024, the Company has no objection to the application as well as no admission to the averments in the affidavit in support and affirmed by 3rd plaintiff. With this, the Company, 3rd and 4th plaintiff will be at liberty to amend their defence and counterclaim within 14 days of the Order allowing the application.

On 19 May 2023, the Judge allowed for Notice of Application and amended Statement of Claims, the damages claimed by 3rd and 4th Plaintiffs are significantly reduced from RM4,345,362.37 to RM496,534.81.

On 18 July 2023, 3rd and 4th Plaintiffs' solicitor have filed an application to transfer the proceeding to the Session Court. The next Case Management on 31 July 2023.

Other than the above, there were no material litigation since the date of the last annual statement of financial position to the date of this report.

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

18 Dividends Payable

No dividend has been declared for the quarter under review.

19 Earnings Per Share

Basic earnings per share is calculated by dividing profit for the period attributable to owners of the company by the weighted average number of ordinary shares in issue during the period.

		3 months ended 30/06/2023	3 months ended 30/06/2022
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>1,985</u>	<u>228</u>
Total number of ordinary shares in issue	('000)	<u>440,000</u>	<u>352,000</u>
Weighted average number of ordinary shares in issue	('000)	440,000	352,000
Basic earnings per share	(sen)	0.45	0.06
(b) Diluted earnings per share			
Profit for the period	(RM' 000)	<u>1,985</u>	<u>228</u>
Weighted average number of ordinary shares	('000)	440,000	352,000
Effect of dilution due to issuance of shares	('000)	-	-
Number of ordinary shares in issue applicable to diluted earnings per share	('000)	<u>440,000</u>	<u>352,000</u>
Diluted earnings per share	(sen)	0.45	0.06

20 Review of Group Performance

For the quarter under review, the Group achieved revenue of RM34.87 million, representing an increase of RM11.45 million (49%) as compared to the preceding year's corresponding quarter.

The Group recorded profit before tax of RM1.37 million, a marginal increase of RM0.03 million as compared to the preceding year's corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM209.75 million.

The Group has undeveloped landbank of 379 acres across key regions with an estimated GDV of RM5.1 billion.

The performance of the respective operating business segments is analysed as follows:

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/06/2023 RM' 000	Preceding Year Corresponding Quarter 30/06/2022 RM' 000	% +/-	Current Year to Date 30/06/2023 RM' 000	Preceding Year Corresponding Year to Date 30/06/2022 RM' 000	% +/-
Revenue						
Property Development	33,179	21,941	51.2	33,179	21,941	51.2
Other Operations	<u>1,691</u>	1,478	14.4	<u>1,691</u>	1,478	14.4
	<u>34,870</u>	23,419	48.9	<u>34,870</u>	23,419	48.9
Profit before tax						
Property Development	1,468	1,227	19.7	1,468	1,227	19.7
Other Operations	<u>(100)</u>	133	(175.5)	<u>(100)</u>	133	(175.5)
	<u>1,368</u>	1,360	0.6	<u>1,368</u>	1,360	0.6

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

20 Review of Group Performance (contd.)

(a) Property development:

For the quarter under review, revenue improved by 51% while profit before tax ("PBT") increased by 22% as compared to the previous financial year corresponding quarter.

The increase in revenue was mainly contributed by steady construction progress of Aston Acacia, Bukit Mertajam.

(b) Other operations:

Revenue and profit from other operations consist mainly of rental income derived from the operation of commercial properties under the "build, operate and transfer" concession with local authorities, operation of franchised food and beverage and laundry outlet and trading of building materials.

21 Material Changes in the Quarterly Results compared to the Results of the Immediate Preceding Quarter

For the quarter under review, the Group achieved profit before tax ("PBT") of RM1.37 million as compared to RM4.10 million in the immediate preceding quarter ended 31 March 2023. The lower PBT was due to lower contribution from Bandar Universiti Seri Iskandar, Perak as the Sakura series of products are towards the end of cycle.

	Quarter Ended		%
	30/06/2023	31/03/2023	
	RM' 000	RM' 000	+ / (-)
Revenue	34,870	41,265	(15.5)
Cost of Sales	(26,015)	(28,598)	
Gross Profit	8,855	12,667	(30.1)
Other Income	803	4,306	
Selling and Marketing Expenses	(919)	(936)	
Administrative and General Expenses	(5,073)	(9,485)	
Net Gain on Impairment of Financial Instruments	8	133	
Operating Profit	3,674	6,685	(45.0)
Finance Costs	(2,306)	(2,584)	
Profit Before Tax	1,368	4,101	(66.6)
Tax Expense	588	(2,256)	
Profit After Tax	1,956	1,845	6.0

22 Prospects for The Financial Year

The Malaysian GDP grew at a pace of 5.6% in the first quarter of 2023. Despite the prevailing global economic challenges and uncertainty, Malaysian GDP is forecasted to grow by 4% to 5% for the whole year of 2023 driven by resilient domestic demand and supported by improved labour market conditions.

Amid the foregoing, the housing sector is cautiously optimistic of a rebound in the current year in an environment of an expanding economy. The recent decision by Bank Negara Monetary Policy Committee to maintain Overnight Policy Rate at 3% remain supportive and accommodative to the overall economy.

The Group continue to take measures to mitigate risks and to ensure cost efficiencies in its operation especially in the current situation where labour shortage continue to be problematic and where supply chain disruptions have resulted in escalating cost of building materials. The Group will remain prudent in all its business operations and will take all steps necessary to closely monitor market sentiment before launching any new housing projects to meet the demand of house buyers.

23 Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee

Not applicable.

24 Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors passed at the Board of Directors' meeting held on 20 July 2023.