

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

SECOND QUARTER ENDED 30 SEPTEMBER 2022

Interim Financial Statements for the financial period ended 30 September 2022

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	%
	30/9/2022 RM' 000	30/9/2021 RM' 000		30/9/2022 RM' 000	30/9/2021 RM' 000	
Revenue	25,542	16,096	58.7	48,961	49,207	(0.5)
Cost of Sales	(16,314)	(4,265)		(33,116)	(30,282)	
Gross Profit	9,228	11,831	(22.0)	15,845	18,925	(16.3)
Other Income	286	281		2,451	561	
Selling and Marketing Expenses	(1,339)	(1,257)		(2,117)	(4,362)	
Administrative and General Expenses	(4,748)	(4,490)		(9,026)	(8,672)	
Net Loss on Impairment of Financial Instruments	-	(9,751)		-	(3,202)	
Operating Profit / (Loss)	3,427	(3,386)	201.2	7,153	3,250	120.1
Finance Costs	(2,494)	(2,347)		(4,861)	(5,071)	
Share of Results of an Associate	-	(1,453)		-	(3,935)	
Profit / (Loss) Before Tax	933	(7,186)	113.0	2,292	(5,756)	139.8
Tax Expense	(613)	(1,480)		(1,763)	(2,030)	
Profit / (Loss) For The Period	320	(8,666)	103.7	529	(7,786)	106.8
Profit attributable to:						
Owners of the Company	337	(8,647)	103.9	564	(7,758)	107.3
Non-controlling Interests	(17)	(19)		(35)	(28)	
	320	(8,666)		529	(7,786)	
Earnings Per Share Attributable to Owners of the Company (sen)						
Basic, for profit / (loss) for the period	0.10	(2.46)	103.9	0.16	(2.20)	107.3

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

Interim Financial Statements for the financial period ended 30 September 2022

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	%
	30/9/2022 RM' 000	30/9/2021 RM' 000	+ / (-)	30/9/2022 RM' 000	30/9/2021 RM' 000	+ / (-)
Profit / (Loss) For The Period	320	(8,666)	103.7	529	(7,786)	106.8
Other Comprehensive Income For The Period, Net Of Tax	(2,058)	-	-	4,630	1,078	329.5
Total Comprehensive Income For The Period, Net Of Tax	(1,738)	(8,666)		5,159	(6,708)	
Total Comprehensive Income Attributable To :						
Owners of the Company	(1,721)	(8,647)	80.1	5,194	(6,680)	177.8
Non-controlling Interests	(17)	(19)		(35)	(28)	
	(1,738)	(8,666)		5,159	(6,708)	

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

Interest Income	15	9		24	80	
Other Income Including Investment Income	272	272		2,427	481	
Interest Expense	2,494	2,347		4,861	5,071	
Depreciation & Amortization	935	842		1,755	1,661	
Provision For/Write Off of Receivables	57	-		57	-	
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	-	(9,751)		-	(3,202)	
Gain/Loss on Foreign Exchange	-	-		-	1,078	
Gain/Loss on Derivatives	N/A	N/A		N/A	N/A	
Gain/Loss on Fair Value of Quoted Investment	(2,058)	-		4,630	1,078	

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 2022 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 30/9/2022 RM' 000	(AUDITED) As at 31/03/2022 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	8,725	9,915
Right-of-use assets	1,269	1,029
Concession assets	7,777	8,049
Inventories - Land held for property development	581,710	580,122
Investment properties	1,546	1,568
Other investment	49,387	44,757
Other receivables	3,319	3,001
Fixed deposit with licenced bank	8,227	8,239
Intangible assets	9,596	9,596
Deferred tax assets	17,841	18,188
	<u>689,397</u>	<u>684,464</u>
Current assets		
Inventories - Completed properties	47,355	47,683
Inventories - Property development costs	46,241	57,946
Inventories - Others	-	6
Contract assets	40,993	28,832
Contract costs	22,100	14,139
Trade and other receivables	28,049	39,819
Other current assets	1,038	1,219
Cash and bank balances	8,201	9,824
	<u>193,977</u>	<u>199,468</u>
TOTAL ASSETS	<u>883,374</u>	<u>883,932</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	102,404	104,947
Contract liabilities	2,346	-
Short term borrowings	63,512	52,492
Lease liabilities	489	550
Taxation	6,321	4,518
	<u>175,072</u>	<u>162,507</u>
Net current assets	<u>18,905</u>	<u>36,962</u>
Non-current liabilities		
Trade and other payables	29,862	29,873
Deferred tax liabilities	33,444	33,883
Long term borrowings	182,535	200,595
Lease liabilities	199	121
	<u>246,040</u>	<u>264,472</u>
TOTAL LIABILITIES	<u>421,112</u>	<u>426,979</u>
Net assets	<u>462,262</u>	<u>456,953</u>
Total equity attributable to owners of the Company		
Share capital	352,000	352,000
Reserves	83,563	78,372
	<u>435,563</u>	<u>430,372</u>
Perpetual sukuk	4,412	4,259
Non-controlling interests	22,287	22,322
TOTAL EQUITY	<u>462,262</u>	<u>456,953</u>
TOTAL EQUITY AND LIABILITIES	<u>883,374</u>	<u>883,932</u>
Net Assets Attributable to Owners of the Company	435,563	430,372
Net Assets Per Share Attributable to Owners of the Company (RM)	1.24	1.22

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

Interim Financial Statements for the financial period ended 30 September 2022
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	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
<u>6 months ended 30 September 2021</u>								
At 1 April 2021	352,000	(3,959)	-	91,965	440,006	-	22,415	462,421
Loss for the period	-	-	-	(7,758)	(7,758)	-	(28)	(7,786)
Issuance of perpetual Sukuk (net)	-	-	-	-	-	4,055	-	4,055
Share of gain of equity-accounted associate	-	1,078	-	-	1,078	-	-	1,078
Total comprehensive income for the period	-	1,078	-	(7,758)	(6,680)	4,055	(28)	(2,653)
At 30 September 2021	352,000	(2,881)	-	84,207	433,326	4,055	22,387	459,768
<u>6 months ended 30 September 2022</u>								
At 1 April 2022	352,000	(5,345)	(9,775)	93,491	430,372	4,259	22,322	456,953
Profit for the period	-	-	-	564	564	-	(35)	529
Net changes in fair value of equity investment designated at FVTOCI	-	-	4,630	-	4,630	-	-	4,630
Other movements	-	-	-	-	-	150	-	150
Total comprehensive income for the period	-	-	4,630	564	5,194	150	(35)	5,309
At 30 September 2022	352,000	(5,345)	(5,145)	94,055	435,566	4,412	22,287	462,262

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

Interim Financial Statements for the financial period ended 30 September 2022

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30/9/2022 RM' 000	6 months ended 30/9/2021 RM' 000
OPERATING ACTIVITIES		
Profit / (Loss) before tax	2,292	(5,756)
Adjustments for :		
Non-cash items	1,832	6,902
Non-operating items	4,991	4,990
Operating profit before changes in working capital	9,115	6,136
<i>Changes in working capital:</i>		
- Contract assets	(12,160)	13,928
- Contract cost	(7,961)	(2,736)
- Contract liabilities	2,346	(1,336)
- Inventories	12,651	12,283
- Trade and other receivables and other current assets	11,531	6,157
- Trade and other payables and other current liabilities	(2,553)	(32,295)
Cash generated from operations	12,969	2,137
Interest paid	(781)	(5,071)
Interest received	24	80
Net tax paid	(54)	(6,541)
Net cash from / (used in) operating activities	12,158	(9,395)
INVESTING ACTIVITY		
Purchase of property, plant and equipment and intangible assets	(18)	(26)
Net cash used in investing activity	(18)	(26)
FINANCING ACTIVITIES		
Change in pledged deposits	12	(116)
Interest paid	(6,284)	(2,302)
Drawdown of loans and borrowings	11,759	776
Repayment of loans and borrowings	(24,188)	(27,389)
Proceeds from issuance of perpetual sukuk (net)	-	4,055
Payment of lease liabilities	(451)	(153)
Net cash used in financing activities	(19,152)	(25,129)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,012)	(34,550)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(16,187)	38,153
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(23,199)	3,603
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	8,201	22,629
Bank overdrafts	(31,400)	(19,026)
	(23,199)	3,603

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2022 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 2022. 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 2022.

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 2022 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 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	
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	
- Amendments to MFRS 9, Financial Instruments	
- Amendments to Illustrative Examples accompanying MFRS 16, Leases	
- Amendments to MFRS 141, Agriculture	

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
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
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 2022 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.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

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.

6 Debt and Equity Securities

Status of Sukuk Murabahah Programme announced and completed:

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	10,544	7,906
26 April 2016	21,250	21,250	-
28 September 2017	13,000	5,574	7,426
Total	52,700	37,368	15,332

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.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	30/9/2022 RM' 000	30/9/2021 RM' 000	30/9/2022 RM' 000	30/9/2021 RM' 000	30/9/2022 RM' 000	30/9/2021 RM' 000	30/9/2022 RM' 000	30/9/2021 RM' 000
Revenue:								
External customers	45,443	46,044	3,518	3,163	-	-	48,961	49,207
Inter-segment	3,258	2,942	-	-	(3,258)	(2,942)	-	-
	48,701	48,986	3,518	3,163	(3,258)	(2,942)	48,961	49,207
Results:								
Interest income	24	80	-	-	-	-	24	80
Depreciation and amortisation	(1,599)	(1,353)	(154)	(306)	(2)	(2)	(1,755)	(1,661)
Share of results of an Associate	-	(3,935)	-	-	-	-	-	(3,935)
Interest expenses	(4,892)	(5,037)	(27)	-	58	(34)	(4,861)	(5,071)
Segment (loss)/profit	2,161	(5,831)	131	75	-	-	2,292	(5,756)
Assets:								
Additions to non-current assets	2,712	9,648	-	-	-	-	2,712	9,648
Segment assets	1,362,040	1,493,325	20,666	19,636	(499,332)	(611,437)	883,374	901,524
Segment liabilities	818,148	924,332	20,679	18,636	(417,715)	(501,212)	421,112	441,756

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 2022.

PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

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 19 October 2022, 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 2022.

13 Capital Commitments

Commitments to purchase land held for property development as at 30 September 2022
- Approved and contracted for

4,055

**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 30/9/2022 RM' 000	Preceding Year Corresponding Quarter 30/9/2021 RM' 000	Current Year to Date 30/9/2022 RM' 000	Preceding Year Corresponding Year to Date 30/9/2021 RM' 000
Malaysian income tax	(563)	(1,182)	(1,816)	(1,905)
Deferred tax	(50)	(298)	93	(125)
	<u>(613)</u>	<u>(1,480)</u>	<u>(1,723)</u>	<u>(2,030)</u>
(Under) / Over provision of Malaysian income tax in prior years	(0)	-	(40)	-
	<u>(613)</u>	<u>(1,480)</u>	<u>(1,763)</u>	<u>(2,030)</u>

The effective tax rate of the Group was higher than the statutory tax rate mainly due to losses in certain subsidiaries which are not available for set off against taxable profit in other subsidiaries within the Group.

15 Corporate Proposals

As of 19 October 2022, the Company has not announced any corporate proposal except for:

- Proposed renounceable right issue of up to 88,000,000 new ordinary shares in the Company on the basis of 1 Right Share for every 4 existing Shares held, together with up to 88,000,000 free detachable warrants, and
- Proposed exemption under Paragraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions to Heng Holdings Sdn. Bhd. and persons acting in concert with it, from the obligation to undertake a mandatory offer for the remaining of the Company's shares and warrants not already owned by them pursuant to the Proposed Rights Issue with Warrants.

The proposal was approved by Bursa Malaysia Securities Berhad on 14 July 2022. Subsequently, the shareholders approved the proposal at Extraordinary General Meeting on 30 August 2022.

On 19 September 2022, the Board announced the followings:-

- The issue price of the rights shares at RM0.18 per rights share;
- The exercise price of the warrant at RM0.30 per warrant and executed the Deed Poll constituting the warrants; and
- Entitlement date for the rights issue and warrants is fixed on Monday, 3 October 2022.

The proposal are expected to be completed by end October 2022.

16 Borrowings - Secured

	As at 30/9/2022 RM' 000	As at 31/03/2022 RM' 000
Short Term Bank Borrowings	63,512	52,492
Long Term Bank Borrowings	182,535	200,595
	<u>246,047</u>	<u>253,087</u>

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 and three other parties (the "Plaintiffs"). The Plaintiffs are seeking for the following reliefs:

- Special damages amounting to RM11,042,725.52;
- General damages to be quantified by the Court;
- 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;
- Cost; and
- 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.

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.

		6 months ended 30/9/2022	6 months ended 30/9/2021
(a) Basic earnings per share			
Profit / (Loss) for the period	(RM' 000)	<u>564</u>	<u>(7,758)</u>
Weighted average number of ordinary shares	('000)	<u>352,000</u>	<u>352,000</u>
Basic earnings per share	(sen)	0.16	(2.20)
(b) Diluted earnings per share	(sen)	N/A	N/A

20 Review of Group Performance

For the quarter under review, the Group achieved revenue of RM25.54 million, representing an increase of RM9.44 million (59%) as compared to the preceding year's corresponding quarter.

The Group also recorded an increase in profit before tax of RM8.12 million as compared to a loss of RM7.19 million for the preceding year's corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM216.46 million.

The Group has undeveloped landbank of 391 acres across key regions with an estimated GDV of RM5.2 billion.

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30/9/2022 RM' 000	Preceding Year Corresponding Quarter 30/9/2021 RM' 000	% + / (-)	Current Year to Date 30/9/2022 RM' 000	Preceding Year Corresponding Year to Date 30/9/2021 RM' 000	% + / (-)
Revenue						
Property Development	23,502	14,407	63.1	45,443	46,044	(1.3)
Other Operations	<u>2,040</u>	<u>1,689</u>	20.8	<u>3,518</u>	<u>3,163</u>	11.2
	<u>25,542</u>	<u>16,096</u>	58.7	<u>48,961</u>	<u>49,207</u>	(0.5)
Profit before tax						
Property Development	935	(6,876)	113.6	2,161	(5,831)	137.1
Other Operations	<u>(2)</u>	<u>(310)</u>	99.5	<u>131</u>	<u>75</u>	75.1
	<u>933</u>	<u>(7,186)</u>	113.0	<u>2,292</u>	<u>(5,756)</u>	139.8

**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 and profit before tax ("PBT") for property development increased by 63% and 114% respectively as compared to the previous financial year corresponding quarter.

The increase in revenue was mainly contributed by the launching of Aston Acacia Phase 2 @ Bukit Mertajam, Penang Mainland.

The improved PBT was due to exclusion of share of loss of associate and impairment loss on financial instruments in the current quarter.

(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 RM0.93 million as compared to RM1.36 million in the immediate preceding quarter ended 30 June 2022. The lower PBT was due to higher selling and marketing expenses incurred for the launching of Aston Acacia Phase 2.

	Quarter Ended		%
	30/9/2022	30/6/2022	
	RM' 000	RM' 000	+ / (-)
Revenue	25,542	23,419	9.1
Cost of Sales	(16,314)	(16,802)	
Gross Profit	9,228	6,617	39.5
Other Income	286	2,165	
Selling and Marketing Expenses	(1,339)	(778)	
Administrative and General Expenses	(4,748)	(4,278)	
Operating Gain	3,427	3,726	(8.0)
Finance Costs	(2,494)	(2,367)	
Profit Before Tax	933	1,359	(31.3)
Income Tax Expense	(613)	(1,150)	
Profit After Tax	320	209	53.1

22 Prospects for The Financial Year

The property industry remains challenging and is expected to face continued headwinds, including escalating cost of building materials, supply chain disruptions, shortage of workers as well as the uptrend in interest rate.

Consequently, the group will continue to monitor changes in market conditions closely so that it will be able to respond and adapt to such changes in a timely fashion.

Effort to improve efficiency and effectiveness in the operation and management of the group and to reduce cost remain one of the group's top priorities.

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 19 October 2022.