

*TO BE RELEASED TO BURSA*



**HUA YANG GROUP OF COMPANIES**

**INTERIM FINANCIAL RESULTS**

**FOURTH QUARTER ENDED 31 MARCH 2020**

Interim Financial Statements for the financial period ended 31 March 2020  
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	% +/-
	31/03/2020 RM' 000	31/03/2019 RM' 000		31/03/2020 RM' 000	31/03/2019 RM' 000	
Revenue	58,023	73,009	(20.5)	280,720	272,520	3.0
Cost of Sales	(44,103)	(52,495)		(207,250)	(198,791)	
<b>Gross Profit</b>	<b>13,920</b>	<b>20,514</b>	<b>(32.1)</b>	<b>73,470</b>	<b>73,729</b>	<b>(0.4)</b>
Other Income	900	6,540		1,954	8,100	
Selling and Marketing Expenses	(2,663)	(4,360)		(12,546)	(12,601)	
Administrative and General Expenses	(81,317)	(22,218)		(102,607)	(46,208)	
<b>Operating (Loss)/Profit</b>	<b>(69,160)</b>	<b>476</b>	<b>(14,630.7)</b>	<b>(39,729)</b>	<b>23,020</b>	<b>(272.6)</b>
Finance Costs	(3,593)	(8,849)		(14,550)	(20,184)	
Share of Results of an Associate	(3,667)	(20,397)		(10,129)	(16,649)	
<b>Loss Before Tax</b>	<b>(76,420)</b>	<b>(28,770)</b>	<b>(165.6)</b>	<b>(64,408)</b>	<b>(13,813)</b>	<b>(366.3)</b>
Tax Expense	(2,303)	(2,281)		(8,168)	(8,658)	
<b>Loss For The Period</b>	<b>(78,723)</b>	<b>(31,051)</b>	<b>(153.5)</b>	<b>(72,576)</b>	<b>(22,471)</b>	<b>(223.0)</b>
Loss attributable to:						
Owners of the Company	(78,717)	(30,915)	(154.6)	(72,495)	(22,231)	(226.1)
Non-controlling Interests	(6)	(136)		(81)	(240)	
	<b>(78,723)</b>	<b>(31,051)</b>		<b>(72,576)</b>	<b>(22,471)</b>	
<b>Earnings Per Share Attributable to Owners of the Company (sen)</b>						
Basic, for (loss)/profit for the period	(22.36)	(8.78)	(154.6)	(20.60)	(6.32)	(226.1)

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Financial Statements for the financial period ended 31 March 2020**

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	%
	31/03/2020 RM' 000	31/03/2019 RM' 000	+ / (-)	31/03/2020 RM' 000	31/03/2019 RM' 000	+ / (-)
(Loss)/Profit For The Period	<b>(78,723)</b>	(31,051)	(153.5)	<b>(72,576)</b>	(22,471)	(223.0)
Other Comprehensive Income For The Period, Net Of Tax	<b>821</b>	(1,211)	167.8	<b>(908)</b>	(4,352)	79.1
<b>Total Comprehensive Income For The Period, Net Of Tax</b>	<b><u>(77,902)</u></b>	<b><u>(32,262)</u></b>		<b><u>(73,484)</u></b>	<b><u>(26,823)</u></b>	
Total Comprehensive Income Attributable To :						
Owners of the Company	<b>(77,896)</b>	(32,126)	(142.5)	<b>(73,403)</b>	(26,583)	(176.1)
Non-controlling Interests	<b>(6)</b>	(136)		<b>(81)</b>	(240)	
	<b><u>(77,902)</u></b>	<b><u>(32,262)</u></b>		<b><u>(73,484)</u></b>	<b><u>(26,823)</u></b>	

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

Interest Income	<b>155</b>	75		<b>411</b>	526	
Other Income Including Investment Income	<b>745</b>	6,465		<b>1,543</b>	7,574	
Interest Expense	<b>3,593</b>	8,849		<b>14,550</b>	20,184	
Depreciation & Amortization	<b>1,086</b>	713		<b>3,280</b>	2,745	
Provision For/Write Off of Receivables	<b>(6)</b>	446		<b>(3)</b>	25	
Provision For/Write Off of Inventories	<b>N/A</b>	N/A		<b>N/A</b>	N/A	
Gain/Loss on Disposal of Quoted and Unquoted Investment or Properties	<b>N/A</b>	N/A		<b>N/A</b>	N/A	
Impairment of Assets	<b>74,707</b>	8,514		<b>74,707</b>	8,514	
Gain/Loss on Foreign Exchange	<b>821</b>	(1,211)		<b>(908)</b>	(4,352)	
Gain/Loss on Derivatives	<b>N/A</b>	N/A		<b>N/A</b>	N/A	

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 2019 and the accompanying explanatory notes attached to the interim financial statements.**

Interim Financial Statements for the financial period ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31/03/2020 RM' 000	(AUDITED) As at 31/3/2019 RM' 000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,569	15,100
Right-of-use assets	275	-
Concession assets	7,311	7,345
Inventories - Land held for property development	483,451	478,627
Investment properties	1,653	1,696
Investment in associate	74,764	160,508
Other receivables	7,039	8,389
Fixed deposit with licenced bank	3,642	3,276
Intangible assets	9,596	9,596
Deferred tax assets	19,678	14,956
	<u>621,978</u>	<u>699,492</u>
<b>Current assets</b>		
Inventories - Completed properties	59,967	58,012
Inventories - Property development costs	229,923	280,418
Inventories - Others	24	11
Contract assets	60,559	70,118
Contract cost	9,676	24,247
Trade and other receivables	49,923	43,145
Other current assets	532	548
Tax recoverable	-	3,544
Cash and bank balances	33,207	16,589
	<u>443,811</u>	<u>496,631</u>
<b>TOTAL ASSETS</b>	<u>1,065,789</u>	<u>1,196,123</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	18,375	26,149
Trade and other payables	167,510	137,614
Short term borrowings	144,782	92,460
Taxation	6,749	-
	<u>337,416</u>	<u>256,223</u>
<b>Net current assets</b>	<u>106,395</u>	<u>240,408</u>
<b>Non-current liabilities</b>		
Trade and other payables	6,616	6,541
Deferred tax liabilities	35,170	37,593
Long term borrowings	174,928	310,623
	<u>216,714</u>	<u>354,757</u>
<b>TOTAL LIABILITIES</b>	<u>554,130</u>	<u>610,980</u>
<b>Net assets</b>	<u>511,659</u>	<u>585,143</u>
<b>Total equity attributable to owners of the Company</b>		
Share capital	352,000	352,000
Reserves	137,162	210,565
	<u>489,162</u>	<u>562,565</u>
Non-controlling interests	22,497	22,578
<b>TOTAL EQUITY</b>	<u>511,659</u>	<u>585,143</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,065,789</u>	<u>1,196,123</u>
<b>Net Assets Attributable to Owners of the Company</b>	489,162	562,565
<b>Net Assets Per Share Attributable to Owners of the Company (RM)</b>	1.39	1.60

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

**Interim Financial Statements for the financial period ended 31 March 2020**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

<----- Attributable to Owners of the Company ----->

	<----- Non-distributable ----->		<- Distributable ->		Non-controlling	Total Equity
	Share Capital	Foreign Currency	Retained Earnings	Sub-Total	Interests	
	RM' 000	Exchange Reserve	RM' 000	RM' 000	RM' 000	RM' 000
		RM' 000				

**12 months ended 31 March 2019**

At 1 April 2018	352,000	(2,581)	241,547	590,966	-	590,966
Loss for the period	-	-	(22,231)	(22,231)	(240)	(22,471)
Share of losses of equity-accounted associate	-	(4,352)	-	(4,352)	-	(4,352)
Total comprehensive income for the period	-	(4,352)	(22,231)	(26,583)	(240)	(26,823)
Changes in ownership interest in a subsidiary	-	-	(1,818)	(1,818)	22,818	21,000
At 31 March 2019	352,000	(6,933)	217,498	562,565	22,578	585,143

**12 months ended 31 March 2020**

At 1 April 2019	352,000	(6,933)	217,498	562,565	22,578	585,143
Loss for the period	-	-	(72,495)	(72,495)	(81)	(72,576)
Share of losses of equity-accounted associate	-	(908)	-	(908)	-	(908)
Total comprehensive income for the period	-	(908)	(72,495)	(73,403)	(81)	(73,484)
At 31 March 2020	352,000	(7,841)	145,003	489,162	22,497	511,659

**The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019 and the explanatory notes attached to the interim financial statements.**

**Interim Financial Statements for the financial period ended 31 March 2020**

The figures have not been audited.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	12 months ended 31/03/2020 RM' 000	12 months ended 31/03/2019 RM' 000
<b>OPERATING ACTIVITIES</b>		
Profit before tax	(64,408)	(13,813)
Adjustments for :		
Non-cash items	88,282	27,090
Non-operating items	14,139	19,456
Operating profit before changes in working capital	38,013	32,733
<i>Net change in current assets</i>		
Receivables	(5,229)	10,727
Contract assets	9,558	(20,000)
Contract cost	14,570	(5,461)
Inventories	52,600	71,674
<i>Net change in current liabilities</i>		
Contract liabilities	(7,774)	24,793
Payables	29,972	(9,550)
Cash generated from operations	131,710	104,916
Tax paid	(5,329)	(7,984)
Interest paid	(1,459)	(1,251)
Interest received	231	455
Net cash from operating activities	125,153	96,136
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and intangible assets	(2,594)	(450)
Net cash outflow on acquisition of a subsidiary	-	(48,384)
Proceeds from disposal of property, plant and equipment	45	35
Proceeds from disposal of shares in subsidiary	-	21,000
Net cash used in investing activities	(2,549)	(27,799)
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	49,774	272,819
Repayment of borrowings	(143,414)	(311,842)
Repayment of finance lease liabilities	(366)	(42)
Change in pledged deposits	(366)	(88)
Interest paid	(21,679)	(29,055)
Net cash used in financing activities	(116,051)	(68,208)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>6,553</b>	<b>129</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>607</b>	<b>478</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>7,160</b>	<b>607</b>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	33,207	16,587
Bank overdrafts	(26,047)	(15,980)
	7,160	607

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2019 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 has 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 2019. 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 2019.

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 2019 save for the adoption of the following new and amended MFRSs and Issues Committee ("IC") Interpretations that are mandatory for the Group for the financial year commencing 1 April 2019:

Annual Improvements to MFRSs 2015-2017 Cycle	
MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

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

		Effective for financial periods beginning on or after
Amendments to MFRS 3	Definition of a Business	1 January 2020
Amendments to MFRS 101	Definition of Material	1 January 2020
Amendments to MFRS 108	Definition of Material	1 January 2020
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

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 2019 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 except as disclosed in Note A5.

### **5 Changes in Estimates**

The Group has previously recognised impairment loss in respect of the investment in the associate based on the recoverable amount that was estimated using fair value less cost to sell. The fair value of the investment in the associate was previously determined based on the net assets value of the associate, which is the most significant input.

Following the announcement on 17 July 2020 by the associate, Magna Prima Berhad (MPB), of the appointment of Receiver and Manager over the properties and assets of MPB's subsidiary, Magna Prima Ecocity Sdn. Bhd., the use of net assets value of the associate is no longer a reliable estimate and the Group has measured the fair value of the associate using quoted price of its shares as published in the Main Market of Bursa Malaysia Securities Berhad on 22 July 2020. This has resulted in the recognition of an impairment loss of RM74.71 million.

There were no changes in estimates that have had a material effect in the current quarter results.

### **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:

**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

<b>Date of drawdown</b>	<b>Amount drawdown (RM' 000)</b>	<b>Repayment (RM' 000)</b>	<b>Amount outstanding (RM' 000)</b>
31 March 2016	18,450	5,272	13,178
26 April 2016	21,250	21,250	-
28 September 2017	13,000	-	13,000
<b>Total</b>	<b>52,700</b>	<b>26,522</b>	<b>26,178</b>

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.



**PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134**

**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	
	31/03/2020 RM' 000	31/03/2019 RM' 000	31/03/2020 RM' 000	31/03/2019 RM' 000	31/03/2020 RM' 000	31/03/2019 RM' 000	31/03/2020 RM' 000	31/03/2019 RM' 000
<b>Revenue:</b>								
External customers	277,092	271,412	3,628	1,108	-	-	280,720	272,520
Inter-segment	8,726	7,270	73	-	(8,799)	(7,270)	-	-
	<b>285,818</b>	<b>278,682</b>	<b>3,701</b>	<b>1,108</b>	<b>(8,799)</b>	<b>(7,270)</b>	<b>280,720</b>	<b>272,520</b>
<b>Results:</b>								
Interest income	16,677	15,645	-	-	(16,266)	(15,119)	411	526
Depreciation and amortisation	(2,558)	(2,093)	(719)	(649)	(3)	(3)	(3,280)	(2,745)
Other non-cash income / (expenses)	(74,587)	(14,109)	-	(24)	-	-	(74,587)	(14,133)
Share of results of an Associate	(10,129)	(16,649)	-	-	-	-	(10,129)	(16,649)
Interest expenses	(14,121)	(35,113)	(429)	(407)	-	15,336	(14,550)	(20,184)
Segment profit / (loss)	<b>(62,195)</b>	<b>(11,752)</b>	<b>(2,213)</b>	<b>(2,061)</b>	<b>-</b>	<b>-</b>	<b>(64,408)</b>	<b>(13,813)</b>
<b>Assets:</b>								
Additions to non-current assets	26,895	25,720	-	355	-	-	26,895	26,075
Segment assets	<b>1,692,796</b>	<b>1,795,581</b>	<b>18,054</b>	<b>9,865</b>	<b>(645,061)</b>	<b>(609,323)</b>	<b>1,065,789</b>	<b>1,196,123</b>
<b>Segment liabilities</b>	<b>1,179,684</b>	<b>1,157,449</b>	<b>17,748</b>	<b>14,159</b>	<b>(643,302)</b>	<b>(560,628)</b>	<b>554,129</b>	<b>610,980</b>

**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 2019.

**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 23 June 2020, 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 2019.

**13 Capital Commitments**

There were no outstanding capital commitments for the Group as at 31 March 2020.

**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 31/03/2020 RM' 000	Preceding Year Corresponding Quarter 31/03/2019 RM' 000	Current Year to Date 31/03/2020 RM' 000	Preceding Year Corresponding Year to Date 31/03/2019 RM' 000
Malaysian income tax	(7,156)	(1,302)	(15,912)	(10,182)
Deferred tax	4,853	(979)	7,454	1,611
	<u>(2,303)</u>	<u>(2,281)</u>	<u>(8,458)</u>	<u>(8,571)</u>
Over/(Under) provision of Malaysian income tax in prior years	-	-	290	(87)
	<u>(2,303)</u>	<u>(2,281)</u>	<u>(8,168)</u>	<u>(8,658)</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 and share of losses in an associate company.

**15 Corporate Proposals**

As of 23 June 2020, the Company has not announced any corporate proposal.

**16 Borrowings - Secured**

	As at 31/03/2020 RM' 000	As at 31/3/2019 RM' 000
Short Term Bank Borrowings	144,782	92,460
Long Term Bank Borrowings	174,928	310,623
	<u>319,710</u>	<u>403,083</u>

**17 Changes in Material Litigation**

There were no material litigation since the date of the last annual statement of financial position to the date of this report.

**18 Dividends Payable**

No dividend has been declared for the quarter under review.

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

**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.

		<b>12 months ended 31/03/2020</b>	<b>12 months ended 31/03/2019</b>
<b>(a) Basic earnings per share</b>			
Loss for the period	(RM' 000)	<u>(72,495)</u>	<u>(22,231)</u>
Weighted average number of ordinary shares	('000)	<u>352,000</u>	<u>352,000</u>
Basic earnings per share	(sen)	<b>(20.60)</b>	(6.32)
<b>(b) Diluted earnings per share</b>			
	(sen)	N/A	N/A

**20 Review of Group Performance**

For the quarter under review, the Group achieved revenue of RM58.02 million, representing a decrease of RM14.99 million (-21%) as compared to the preceding year's corresponding quarter.

Loss before tax for the quarter under review of RM77.45 million was RM48.68 million (169%) higher than the preceding year corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM17.61 million. The Group has undeveloped landbank of 451 acres across key regions with an estimated GDV of RM5.2 billion.

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

	<b>Individual Quarter</b>			<b>Cumulative Quarter</b>		
	<b>Current Year Quarter 31/03/2020 RM' 000</b>	<b>Preceding Year Corresponding Quarter 31/03/2019 RM' 000</b>	<b>% + / (-)</b>	<b>Current Year to Date 31/03/2020 RM' 000</b>	<b>Preceding Year Corresponding Year to Date 31/03/2019 RM' 000</b>	<b>% + / (-)</b>
<b>Revenue</b>						
Property Development	56,736	72,692	(22.0)	277,019	271,412	2.1
Other Operations	1,287	317	306.0	3,701	1,108	234.0
	<u>58,023</u>	<u>73,009</u>	(20.5)	<u>280,720</u>	<u>272,520</u>	3.0
<b>Loss before tax</b>						
Property Development	(75,301)	(27,087)	(178.0)	(62,195)	(11,752)	(429.2)
Other Operations	(1,119)	(1,683)	33.5	(2,213)	(2,061)	(7.4)
	<u>(76,420)</u>	<u>(28,770)</u>	(165.6)	<u>(64,408)</u>	<u>(13,813)</u>	(366.3)

**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 decreased by 22% and loss before tax increased by 188% as compared to the previous financial year corresponding quarter.

The decrease in revenue was mainly due to lower sales achieved and slower construction progress from Astetica Residence, Seri Kembangan.

The increase in loss before tax was due to higher impairment loss on investment in associate, Magna Prima Berhad ("MPB") as compared to previous year's corresponding quarter due to the change in estimation of the fair value of investment in associate from using net asset value to the use of the quoted price of MPB published in the Main Market of Bursa Malaysia Securities Berhad following their announcement on 17 July 2020, of the appointment of Receiver and Manager over the properties and assets of MPB's subsidiary, Magna Ecocity Sdn. Bhd..

**(b) Other operations:**

Revenue and profit from other operations mainly consist 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 loss before tax of RM76.42 million as compared to profit of RM2.08 million in the immediate preceding quarter ended 31 December 2019. The decrease was mainly due to lower sales achieved from Astetica Residence, Seri Kembangan and Elemence, Johor and provision of impairment loss on investment in associate.

	Quarter Ended		%
	31/03/2020	31/12/2019	
	RM' 000	RM' 000	+ / (-)
Revenue	58,023	72,525	(20.0)
Cost of Sales	<u>(44,103)</u>	<u>(53,791)</u>	
Gross Profit	13,920	18,734	(25.7)
Other Income	900	615	
Selling and Marketing Expenses	(2,663)	(4,809)	
Administrative and General Expenses	<u>(81,317)</u>	<u>(6,817)</u>	
Operating Loss	(69,160)	7,723	(995.5)
Finance Costs	(3,593)	(3,556)	
Share of Results of Associate	<u>(3,667)</u>	<u>(2,083)</u>	
<b>(Loss)/Profit Before Tax</b>	<b>(76,420)</b>	2,084	(3,767.0)
Income Tax Expense	<u>(2,303)</u>	<u>(587)</u>	
<b>(Loss)/Profit After Tax</b>	<b><u>(78,723)</u></b>	<b><u>1,497</u></b>	(5,358.7)

**22 Current Year Prospects**

For the financial year ended 31 March 2020, the main focus of the Group has been driving sales for on-going projects and selling inventory units, but the economic slow down and unprecedented COVID-19 pandemic have severely impacted and dampened demand and created many uncertainties in our operating environment.

Recognising the changing business conditions and new social norms, the Group has continued to exercise prudence and adopted new business strategies to counter the fast-moving and unexpected variables from the pandemic and to ensure timely and appropriate actions to be taken in line with the market changes.

As the impact and risks of the COVID-19 pandemic is still not fully quantifiable, the Board is taking a cautious approach for the coming financial year ending 31 March 2021 and is hopeful that the incentives in the recent short-term Economic Recovery Stimulus Package may mitigate partly some of the adverse impact of the pandemic.

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

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

Not applicable.

**24 Authorisation For Issue**

The amended interim financial statements were authorised for issue by the Board of Directors on 23 July 2020.