

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FOURTH QUARTER ENDED 31 MARCH 2023

Interim Financial Statements for the financial period ended 31 March 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	%
	31/03/2023 RM' 000	31/03/2022 RM' 000	+ / (-)	31/03/2023 RM' 000	31/03/2022 RM' 000	+ / (-)
Revenue	41,265	40,808	1.1	120,064	120,188	(0.1)
Cost of Sales	(28,598)	(23,788)		(82,657)	(70,959)	
Gross Profit	12,667	17,021	(25.6)	37,407	49,230	(24.0)
Other Income	4,306	810		10,144	1,666	
Selling and Marketing Expenses	(936)	(1,409)		(4,034)	(8,431)	
Administrative and General Expenses	(9,485)	(6,913)		(25,739)	(20,785)	
Net Loss on Impairment of Financial Instruments	133	12,304		92	1,539	
Operating Profit	6,685	21,812	(69.4)	17,870	23,218	(23.0)
Finance Costs	(2,584)	(2,194)		(10,043)	(9,254)	
Share of Results of an Associate	-	-		-	(6,255)	
Profit Before Tax	4,101	19,618	(79.1)	7,827	7,709	1.5
Tax Expense	(2,256)	(1,331)		(4,700)	(6,276)	
Profit For The Period	1,845	18,287	(89.9)	3,127	1,433	118.3
Profit attributable to:						
Owners of the Company	1,886	18,331	(89.7)	3,219	1,526	110.9
Non-controlling Interests	(41)	(44)		(92)	(93)	
	1,845	18,287		3,127	1,433	
Earnings Per Share Attributable to Owners of the Company (sen)						
- Basic	0.49	5.21	(90.7)	0.83	0.43	91.0
- Diluted	0.49	5.21		0.83	0.43	
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	388,646,575	352,000,000		388,646,575	352,000,000	
Weighted average number of Ordinary Shares in issue (diluted)	388,646,575	N/A		388,646,575	N/A	

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 31 March 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	%
	31/03/2023 RM' 000	31/03/2022 RM' 000	+ / (-)	31/03/2023 RM' 000	31/03/2022 RM' 000	+ / (-)
Profit For The Period	1,845	18,287	(89.9)	3,127	1,433	118.3
Other Comprehensive Income For The Period, Net Of Tax	2,572	(12,239)	121.0	(1,029)	(11,161)	90.8
Total Comprehensive Income For The Period, Net Of Tax	4,417	6,048		2,098	(9,728)	
Total Comprehensive Income Attributable To :						
Owners of the Company	4,458	6,092	(26.8)	2,190	(9,635)	122.7
Non-controlling Interests	(41)	(44)		(92)	(93)	
	4,417	6,048		2,098	(9,728)	

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

Interest Income	41	16		161	99	
Other Income Including Investment Income	4,232	794		9,983	1,567	
Interest Expense	2,584	2,194		10,043	9,254	
Depreciation & Amortization	932	1,003		3,636	3,712	
Provision For/Write Off of Receivables	(125)	5		(84)	82	
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	133	12,304		92	1,539	
Gain/Loss on Foreign Exchange	-	(9,775)		-	(11,161)	
Gain/Loss on Derivatives	N/A	N/A		N/A	N/A	
Gain/Loss on Fair Value of Quoted Investment	2,572	-		(1,029)	-	

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 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31/03/2023 RM' 000	(AUDITED) As at 31/03/2022 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	7,595	9,915
Right-of-use assets	919	1,029
Concession assets	7,393	8,049
Inventories - Land held for property development	578,652	580,122
Investment properties	1,525	1,568
Other investment	43,728	44,757
Other receivables	6,300	3,001
Fixed deposit with licenced bank	6,303	8,239
Intangible assets	4,308	9,596
Deferred tax assets	17,226	18,188
	<u>673,948</u>	<u>684,464</u>
Current assets		
Inventories - Completed properties	44,563	47,683
Inventories - Property development costs	47,332	57,946
Inventories - Others	4	6
Contract assets	57,224	28,832
Contract costs	19,509	14,139
Trade and other receivables	23,702	39,819
Other current assets	1,282	1,219
Cash and bank balances	10,178	9,824
	<u>203,795</u>	<u>199,468</u>
TOTAL ASSETS	<u>877,742</u>	<u>883,932</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	102,472	104,947
Short term borrowings	64,568	52,492
Lease liabilities	336	550
Taxation	7,880	4,518
	<u>175,256</u>	<u>162,507</u>
Net current assets	<u>28,538</u>	<u>36,962</u>
Non-current liabilities		
Trade and other payables	30,328	29,873
Deferred tax liabilities	32,463	33,883
Long term borrowings	164,310	200,595
Lease liabilities	188	121
	<u>227,288</u>	<u>264,472</u>
TOTAL LIABILITIES	<u>402,545</u>	<u>426,979</u>
Net assets	<u>475,197</u>	<u>456,953</u>
Total equity attributable to owners of the Company		
Share capital	364,936	352,000
Reserves	83,464	78,372
	<u>448,400</u>	<u>430,372</u>
Perpetual sukuk	4,566	4,259
Non-controlling interests	22,231	22,322
TOTAL EQUITY	<u>475,197</u>	<u>456,953</u>
TOTAL EQUITY AND LIABILITIES	<u>877,742</u>	<u>883,932</u>
Net Assets Attributable to Owners of the Company	<u>448,400</u>	<u>430,372</u>
Net Assets Per Share Attributable to Owners of the Company (RM)	<u>1.02</u>	<u>1.22</u>

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 31 March 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
12 months ended 31 March 2022									
At 1 April 2021	352,000	-	(3,959)	-	91,965	440,006	-	22,415	462,421
Profit for the period	-	-	-	-	1,526	1,526	-	(93)	1,434
Issuance of perpetual Sukuk (net)	-	-	-	-	-	-	4,259	-	4,259
Share of gain of equity-accounted associate	-	-	(11,161)	-	-	(11,161)	-	-	(11,161)
Total comprehensive income for the period	-	-	(11,161)	-	1,526	(9,635)	4,259	(93)	(5,468)
At 31 March 2022	352,000	-	(15,120)	-	93,491	430,371	4,259	22,322	456,953
12 months ended 31 March 2023									
At 1 April 2022	352,000	-	(5,345)	(9,775)	93,491	430,372	4,259	22,322	456,953
Profit for the period	-	-	-	-	3,219	3,219	-	(92)	3,127
Net changes in fair value of equity investment designated at FVTOCI	-	-	-	(1,029)	-	(1,029)	-	-	(1,029)
Issuance of ordinary shares	12,936	-	-	-	-	12,936	-	-	12,936
- Rights issue	-	2,904	-	-	-	2,904	-	-	2,904
- Warrants	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	307	-	307
Total comprehensive income for the period	12,936	2,904	-	(1,029)	3,219	18,030	307	(92)	18,245
At 31 March 2023	364,936	2,904	(5,345)	(10,804)	96,710	448,402	4,566	22,231	475,197

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 31 March 2023

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 31/03/2023 RM' 000	12 months ended 31/03/2022 RM' 000
OPERATING ACTIVITIES		
Profit before tax	7,827	7,709
Adjustments for :		
Non-cash items	9,239	8,166
Non-operating items	<u>10,189</u>	<u>8,996</u>
Operating profit before changes in working capital	27,255	24,871
<i>Changes in working capital:</i>		
- Contract assets	(28,392)	8,717
- Contract cost	(5,370)	(4,847)
- Contract liabilities	-	(3,517)
- Inventories	19,878	23,432
- Trade and other receivables and other current assets	12,413	(4,622)
- Trade and other payables and other current liabilities	<u>(2,019)</u>	<u>(36,897)</u>
Cash generated from operations	23,764	7,137
Interest paid	(1,646)	(1,223)
Interest received	161	99
Net tax paid	(1,797)	(8,681)
Net cash from / (used in) operating activities	<u>20,482</u>	<u>(2,668)</u>
INVESTING ACTIVITY		
Purchase of property, plant and equipment and intangible assets	(75)	(28)
Proceeds from disposal of property, plant and equipment	4	2
Net cash used in investing activity	(71)	(26)
FINANCING ACTIVITIES		
Change in pledged deposits	1,936	(138)
Interest paid	(13,069)	(11,893)
Drawdown of loans and borrowings	27,004	17,626
Repayment of loans and borrowings	(56,032)	(59,838)
Proceeds from issuance of ordinary shares	15,840	-
Proceeds from issuance of perpetual sukuk (net)	-	4,259
Payment of lease liabilities	(555)	(769)
Net cash used in financing activities	(24,877)	(50,753)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,466)	(53,447)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(15,294)	38,153
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>(19,760)</u>	<u>(15,294)</u>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	10,178	9,824
Bank overdrafts	(29,938)	(25,118)
	<u>(19,760)</u>	<u>(15,294)</u>

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.

HUA YANG BERHAD (Co. No. 44094-M)

(Incorporated in Malaysia)

Interim Financial Statements for the financial period ended 31 March 2023

Interim Financial Statements for the financial period ended 31 March 2023

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.

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

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 31 March 2023 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.

8 Segment Information

	Property Development		Other Operation		Adjustments and Eliminations		Per Consolidated Financial Statements	
	31/03/2023 RM' 000	31/03/2022 RM' 000	31/03/2023 RM' 000	31/03/2022 RM' 000	31/03/2023 RM' 000	31/03/2022 RM' 000	31/03/2023 RM' 000	31/03/2022 RM' 000
Revenue:								
External customers	112,334	112,112	7,731	8,076	-	-	120,064	120,188
Inter-segment	6,186	6,563	-	-	(6,186)	(6,563)	-	-
	118,519	118,675	7,731	8,076	(6,186)	(6,563)	120,064	120,188
Results:								
Interest income	9,156	7,345	48	73	(9,043)	(7,319)	161	99
Depreciation and amortisation	(2,648)	(2,840)	(982)	(868)	(7)	(4)	(3,636)	(3,712)
Share of results of an Associate	-	(6,255)	-	-	-	-	-	(6,255)
Interest expenses	(17,528)	(15,259)	(438)	(297)	7,922	6,302	(10,043)	(9,254)
Segment (loss)/profit	8,177	7,940	(350)	(231)	-	-	7,827	7,709
Assets:								
Additions to non-current assets	7,494	16,286	1	77	-	-	7,495	16,363
Segment assets	1,342,676	1,367,631	26,299	22,380	(491,233)	(506,079)	877,742	883,932
Segment liabilities	664,146	804,532	16,028	22,409	(277,629)	(399,962)	402,545	426,979

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.

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 24 May 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 2022.

13 Capital Commitments

Commitments to purchase land held for property development as at 31 March 2023

- Approved and contracted for land acquisition

2,244

14 Tax Expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/03/2023 RM' 000	Preceding Year Corresponding Quarter 31/03/2022 RM' 000	Current Year to Date 31/03/2023 RM' 000	Preceding Year Corresponding Year to Date 31/03/2022 RM' 000
Malaysian income tax	(1,845)	(3,904)	(5,130)	(7,088)
Deferred tax	(411)	2,576	459	122
	<u>(2,256)</u>	<u>(1,328)</u>	<u>(4,671)</u>	<u>(6,966)</u>
(Under) / Over provision of Malaysian income tax in prior years	<u>0</u>	<u>(3)</u>	<u>(29)</u>	<u>690</u>
	<u>(2,256)</u>	<u>(1,331)</u>	<u>(4,700)</u>	<u>(6,276)</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 24 May 2023, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 31/03/2023 RM' 000	As at 31/03/2022 RM' 000
Short Term Bank Borrowings	64,568	52,492
Long Term Bank Borrowings	164,310	200,595
	<u>228,878</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 ("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. The next Case Management on 18 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.

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.

		12 months ended 31/03/2023	12 months ended 31/03/2022
(a) Basic earnings per share			
Profit for the period	(RM' 000)	<u>3,219</u>	<u>1,526</u>
Number of ordinary shares at beginning of the year	('000)	352,000	352,000
Effect of shares issued pursuant to:			
- Rights Issue	('000)	<u>88,000</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)	388,647	352,000
Basic earnings per share	(sen)	0.83	0.43
(b) Diluted earnings per share			
Profit for the period	(RM' 000)	<u>3,219</u>	<u>1,526</u>
Weighted average number of ordinary shares	('000)	388,647	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>388,647</u>	<u>352,000</u>
Diluted earnings per share	(sen)	0.83	0.43

20 Review of Group Performance

For the quarter under review, the Group achieved revenue of RM41.27 million, representing a marginal increase of RM0.46 million (1%) as compared to the preceding year's corresponding quarter.

The Group recorded profit before tax of RM4.10 million, lower by RM15.52 million as compared to the preceding year's corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM208.52 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 31/03/2023 RM' 000	Preceding Year Corresponding Quarter 31/03/2022 RM' 000	% +/(-)	Current Year to Date 31/03/2023 RM' 000	Preceding Year Corresponding Year to Date 31/03/2022 RM' 000	% +/(-)
Revenue						
Property Development	38,943	37,810	3.0	112,333	112,112	0.2
Other Operations	<u>2,322</u>	<u>2,998</u>	(22.6)	<u>7,731</u>	<u>8,076</u>	(4.3)
	<u>41,265</u>	<u>40,808</u>	1.1	<u>120,064</u>	<u>120,188</u>	(0.1)
Profit before tax						
Property Development	4,292	19,451	(77.9)	8,177	7,940	3.0
Other Operations	<u>(191)</u>	<u>167</u>	(214.6)	<u>(350)</u>	<u>(231)</u>	(51.7)
	<u>4,101</u>	<u>19,618</u>	(79.1)	<u>7,827</u>	<u>7,709</u>	1.5

20 Review of Group Performance (contd.)

(a) Property development:

For the quarter under review, revenue improved marginally by 3% and profit before tax ("PBT") decreased by 78% as compared to the previous financial year corresponding quarter.

The decrease in PBT was mainly due to inclusion of adjustment on removal of share of losses of associate amounting RM12.30 million in the preceding year's corresponding 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 RM4.10 million as compared to RM1.43 million in the immediate preceding quarter ended 31 December 2022. The higher PBT was contributed by steady construction progress from Aston Acacia, Penang and Bandar Universiti Seri Iskandar, Perak.

	Quarter Ended		%
	31/03/2023	31/12/2022	
	RM' 000	RM' 000	+ / (-)
Revenue	41,265	29,838	38.3
Cost of Sales	(28,598)	(20,943)	
Gross Profit	12,667	8,895	42.4
Other Income	4,306	3,387	
Selling and Marketing Expenses	(936)	(981)	
Administrative and General Expenses	(9,485)	(7,228)	
Net Loss on Impairment of Financial Instruments	133	(41)	
Operating Gain	6,685	4,032	65.8
Finance Costs	(2,584)	(2,598)	
Profit Before Tax	4,101	1,434	186.0
Income Tax Expense	(2,256)	(681)	
Profit After Tax	1,845	753	145.1

22 Prospects for The Financial Year

The property industry remains challenging with escalating cost of building materials, supply chain disruptions, shortage of workers and uptrend in interest rate. Despite these ongoing headwinds, underlying demand for housing remains strong, due to continuing robust improvement in the labour market with strong growth in employment and continued expansion in wages which have supported private consumption spending.

The Group will continue to monitor potential risks, particularly consumer sentiment and adopt a prudent and cautious approach for its new property launches amid ongoing global economic uncertainties.

Looking ahead, the Group continues to evaluate its business plans and activities to further strengthen our operations and management effectiveness and efficiency to achieve better performance for the coming financial year ending 31 March 2024.

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 24 May 2023.