

TO BE RELEASED TO BURSA



HUA YANG GROUP OF COMPANIES

INTERIM FINANCIAL RESULTS

FOURTH QUARTER ENDED 31 MARCH 2022

Interim Financial Statements for the financial period ended 31 March 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	%
	31/3/2022 RM' 000	31/3/2021 RM' 000	+ / (-)	31/3/2022 RM' 000	31/3/2021 RM' 000	+ / (-)
Revenue	40,807	76,604	(46.7)	120,188	159,560	(24.7)
Cost of Sales	(23,788)	(71,954)		(70,959)	(136,534)	
Gross Profit	17,019	4,650	266.0	49,229	23,026	113.8
Other Income	839	1,470		1,695	2,070	
Selling and Marketing Expenses	(1,407)	(5,593)		(8,429)	(9,938)	
Administrative and General Expenses	(6,988)	(18,426)		(20,861)	(34,605)	
Net Gain on Impairment of Financial Instruments	12,347	10,285		1,582	28,809	
Operating Profit / (Loss)	21,810	(7,614)	386.4	23,216	9,362	148.0
Finance Costs	(2,244)	(2,664)		(9,264)	(11,843)	
Share of Results of an Associate	-	(42,339)		(6,255)	(46,696)	
Profit / (Loss) Before Tax	19,566	(52,617)	137.2	7,697	(49,177)	115.7
Tax Expense	(1,329)	(1,466)		(6,274)	(3,305)	
Profit / (Loss) For The Period	18,237	(54,083)	133.7	1,423	(52,482)	102.7
Profit / (Loss) attributable to:						
Owners of the Company	18,280	(54,066)	133.8	1,516	(52,400)	102.9
Non-controlling Interests	(43)	(17)		(93)	(82)	
	18,237	(54,083)		1,423	(52,482)	
Earnings Per Share Attributable to Owners of the Company (sen)						
Basic, for loss for the period	5.19	(15.36)	133.8	0.43	(14.89)	102.9

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 31 March 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	%
	31/3/2022 RM' 000	31/3/2021 RM' 000	+ / (-)	31/3/2022 RM' 000	31/3/2021 RM' 000	+ / (-)
Profit / (Loss) For The Period	18,237	(54,083)	133.7	1,423	(52,482)	102.7
Other Comprehensive Income For The Period, Net Of Tax	(9,775)	2,461	(497.2)	(11,161)	3,997	(379.2)
Total Comprehensive Income For The Period, Net Of Tax	8,462	(51,622)		(9,738)	(48,485)	
Total Comprehensive Income Attributable To :						
Owners of the Company	8,506	(51,605)	116.5	(9,645)	(48,403)	80.1
Non-controlling Interests	(44)	(17)		(93)	(82)	
	8,462	(51,622)		(9,738)	(48,485)	

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

Interest Income	16	154		99	356	
Other Income Including Investment Income	823	1,316		1,596	1,714	
Interest Expense	2,245	2,664		9,264	11,849	
Depreciation & Amortization	900	602		3,609	3,595	
Provision For/Write Off of Receivables	5	(24)		82	12	
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	12,347	11,005		1,582	28,809	
Gain/Loss on Foreign Exchange	(9,775)	2,216		(11,161)	3,997	
Gain/Loss on Derivatives	N/A	N/A		N/A	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 2021 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As at 31/3/2022 RM' 000	(AUDITED) As at 31/03/2021 RM' 000
ASSETS		
Non-current assets		
Property, plant and equipment	9,978	12,407
Right-of-use assets	1,033	1,211
Concession assets	8,049	6,656
Inventories - Land held for property development	580,111	587,450
Investment properties	1,568	1,611
Investment in associate	-	60,705
Other investment	44,757	-
Other receivables	2,501	5,351
Fixed deposit with licenced bank	8,239	8,100
Intangible assets	9,596	9,596
Deferred tax assets	18,187	19,030
	<u>684,019</u>	<u>712,117</u>
Current assets		
Inventories - Completed properties	47,683	67,939
Inventories - Property development costs	57,945	49,280
Inventories - Others	6	21
Contract assets	28,832	37,549
Contract costs	14,139	9,292
Trade and other receivables	39,976	34,419
Other current assets	1,035	1,249
Cash and bank balances	10,284	60,871
	<u>199,900</u>	<u>260,620</u>
TOTAL ASSETS	<u>883,919</u>	<u>972,737</u>
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	104,932	136,094
Contract liabilities	-	3,517
Short term borrowings	52,492	68,362
Lease liabilities	557	690
Taxation	4,518	6,799
	<u>162,499</u>	<u>215,462</u>
Net current assets	<u>37,401</u>	<u>45,158</u>
Non-current liabilities		
Trade and other payables	29,872	35,726
Deferred tax liabilities	33,881	34,850
Long term borrowings	200,595	223,897
Lease liabilities	129	381
	<u>264,477</u>	<u>294,854</u>
TOTAL LIABILITIES	<u>426,976</u>	<u>510,316</u>
Net assets	<u>456,943</u>	<u>462,421</u>
Total equity attributable to owners of the Company		
Share capital	352,000	352,000
Reserves	78,362	88,006
	<u>430,362</u>	<u>440,006</u>
Perpetual sukuk	4,259	-
Non-controlling interests	22,322	22,415
TOTAL EQUITY	<u>456,943</u>	<u>462,421</u>
TOTAL EQUITY AND LIABILITIES	<u>883,919</u>	<u>972,737</u>
Net Assets Attributable to Owners of the Company	430,362	440,006
Net Assets Per Share Attributable to Owners of the Company (RM)	1.22	1.25

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 31 March 2022
The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Owners of the Company ----->							
	<----- Non-distributable ----->			<- Distributable ->		Perpetual Sukuk RM' 000	Non-controlling Interests RM' 000	Total Equity RM' 000
	Share Capital RM' 000	Foreign Currency Exchange Reserve RM' 000	Retained Earnings RM' 000	Sub-Total RM' 000	Sub-Total RM' 000			
12 months ended 31 March 2021								
At 1 April 2020	352,000	(7,956)	144,365	488,409	-	22,497	510,906	
Loss for the period	-	-	(52,400)	(52,400)	-	(82)	(52,482)	
Share of gain of equity-accounted associate	-	3,997	-	3,997	-	-	3,997	
Total comprehensive income for the period	-	3,997	(52,400)	(48,403)	-	(82)	(48,485)	
At 31 March 2021	352,000	(3,959)	91,965	440,006	-	22,415	462,421	
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	-	-	1,516	1,516	-	(93)	1,423	
Issuance of perpetual sukuk (net)	-	-	-	-	4,259	-	4,259	
Share of loss of equity-accounted associate	-	(11,161)	-	(11,161)	-	-	(11,161)	
Total comprehensive income for the period	-	(11,161)	1,516	(9,645)	4,259	(93)	(5,478)	
At 31 March 2022	352,000	(15,120)	93,481	430,361	4,259	22,322	456,943	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021 and the explanatory notes attached to the interim financial statements.

Interim Financial Statements for the financial period ended 31 March 2022

The figures have not been audited.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 months ended 31/3/2022 RM' 000	12 months ended 31/3/2021 RM' 000
OPERATING ACTIVITIES		
Profit / (Loss) before tax	7,697	(49,177)
Adjustments for :		
Non-cash items	6,484	23,245
Non-operating items	9,369	11,407
	<u>23,550</u>	<u>(14,525)</u>
Operating profit before changes in working capital	23,550	(14,525)
<i>Changes in working capital:</i>		
- Contract assets	8,717	22,481
- Contract cost	(4,847)	155
- Contract liabilities	(3,517)	(18,255)
- Inventories	23,434	73,350
- Trade and other receivables and other current assets	(2,536)	19,763
- Trade and other payables and other current liabilities	(37,013)	(2,065)
	<u>7,788</u>	<u>80,904</u>
Cash generated from operations	7,788	80,904
Interest paid	(9,264)	(1,277)
Interest received	99	356
Net tax paid	(8,680)	(3,390)
	<u>(10,057)</u>	<u>76,593</u>
Net cash (used in) / from operating activities	(10,057)	76,593
INVESTING ACTIVITY		
Purchase of property, plant and equipment and intangible assets	(91)	(490)
Net cash used in investing activity	(91)	(490)
FINANCING ACTIVITIES		
Change in pledged deposits	(138)	(4,458)
Interest paid	(4,488)	(15,214)
Drawdown of loans and borrowings	16,126	56,340
Repayment of loans and borrowings	(58,593)	(80,747)
Proceeds from issuance of perpetual sukuk (net)	4,055	-
Payment of lease liabilities	(694)	(1,098)
	<u>(43,732)</u>	<u>(45,177)</u>
Net cash used in financing activities	(43,732)	(45,177)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(53,880)	30,926
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	38,153	7,227
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>(15,727)</u>	<u>38,153</u>
Cash and cash equivalents comprise of :		
Deposits, bank and cash balances	10,284	60,870
Bank overdrafts	(26,011)	(22,717)
	<u>(15,727)</u>	<u>38,153</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021 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 2021. 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 2021.

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 2021 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 2021:

Amendments to MFRS 16, Leases - Covid-19-Related Rent Concessions
 Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2
 Amendment to MFRS 16, Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

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 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)	1 January 2022
Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 101, Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be confirmed

During the financial year, the Group treated its interest in Magna Prima Berhad ("MPB") as simple investment as the Group considers that it does not have the power to exercise influence over MPB.

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 2021 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	3,716	9,284
Total	52,700	35,510	17,190

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	
	31/3/2022 RM' 000	31/3/2021 RM' 000	31/3/2022 RM' 000	31/3/2021 RM' 000	31/3/2022 RM' 000	31/3/2021 RM' 000	31/3/2022 RM' 000	31/3/2021 RM' 000
Revenue:								
External customers	112,112	151,370	8,076	8,190	-	-	120,188	159,560
Inter-segment	6,563	5,884	-	-	(6,563)	(5,884)	-	-
	118,675	157,254	8,076	8,190	(6,563)	(5,884)	120,188	159,560
Results:								
Interest income	7,345	12,042	73	102	(7,319)	(11,788)	99	356
Depreciation and amortisation	(2,737)	(2,654)	(868)	(938)	(4)	(3)	(3,609)	(3,595)
Share of results of an Associate	(6,255)	(46,696)	-	-	-	-	(6,255)	(46,696)
Interest expenses	(15,268)	(22,703)	(297)	(310)	6,302	11,170	(9,264)	(11,843)
Segment (loss)/profit	7,928	(48,639)	(231)	(538)	-	-	7,697	(49,177)
Assets:								
Additions to non-current assets	16,286	10,003	77	170	-	-	16,363	10,173
Segment assets	1,367,618	1,564,282	22,380	17,487	(506,079)	(609,032)	883,919	972,737
Segment liabilities	804,528	995,004	22,409	18,648	(399,962)	(503,336)	426,976	510,316

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 2021.

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 25 May 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 2021.

13 Capital Commitments

Commitments to purchase land held for property development as at 31 March 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 31/3/2022 RM' 000	Preceding Year Corresponding Quarter 31/3/2021 RM' 000	Current Year to Date 31/3/2022 RM' 000	Preceding Year Corresponding Year to Date 31/3/2021 RM' 000
Malaysian income tax	(3,904)	(2,668)	(7,088)	(4,048)
Deferred tax	2,953	1,211	124	(304)
	<u>(951)</u>	<u>(1,457)</u>	<u>(6,964)</u>	<u>(4,352)</u>
(Under) / Over provision of Malaysian income tax in prior years	(378)	(9)	690	1,047
	<u>(1,329)</u>	<u>(1,466)</u>	<u>(6,274)</u>	<u>(3,305)</u>

The effective tax rate of the Group after adjusting the gain / (loss) on impairment of financial instruments and share of losses in an associate company 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 25 May 2022, the Company has not announced any corporate proposal.

16 Borrowings - Secured

	As at 31/3/2022 RM' 000	As at 31/03/2021 RM' 000
Short Term Bank Borrowings	52,492	68,362
Long Term Bank Borrowings	200,595	223,897
	<u>253,087</u>	<u>292,259</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:

- (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.

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.

**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.

		12 months ended 31/3/2022	12 months ended 31/3/2021
(a) Basic earnings per share			
Profit / (Loss) for the period	(RM' 000)	<u>1,516</u>	<u>(52,400)</u>
Weighted average number of ordinary shares	('000)	<u>352,000</u>	<u>352,000</u>
Basic earnings per share	(sen)	0.43	(14.89)
(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 RM40.81 million, representing a decrease of RM35.79 million (-47%) as compared to the preceding year's corresponding quarter.

The Group recorded profit before tax of RM19.57 million for the quarter under review as compared to loss before tax of RM52.62 million for the preceding year's corresponding quarter.

Total unbilled sales at the end of the quarter under review stood at RM150.50 million.

The Group has undeveloped landbank of 400 acres across key regions with an estimated GDV of RM5.3 billion.

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

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31/3/2022 RM' 000	Preceding Year Corresponding Quarter 31/3/2021 RM' 000	% +/-	Current Year to Date 31/3/2022 RM' 000	Preceding Year Corresponding Year to Date 31/3/2021 RM' 000	% +/-
Revenue						
Property Development	37,809	73,375	(48.5)	112,112	151,370	(25.9)
Other Operations	2,998	3,229	(7.2)	8,076	8,190	(1.4)
	<u>40,807</u>	<u>76,604</u>	<u>(46.7)</u>	<u>120,188</u>	<u>159,560</u>	<u>(24.7)</u>
Profit / (Loss) before tax						
Property Development	19,399	(53,052)	136.6	7,928	(48,639)	116.3
Other Operations	167	435	61.7	(231)	(538)	57.0
	<u>19,566</u>	<u>(52,617)</u>	<u>137.2</u>	<u>7,697</u>	<u>(49,177)</u>	<u>115.7</u>

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 decrease by 49% while profit before tax ("PBT") increase by 137% as compared to the previous financial year corresponding quarter.

The decreased in revenue was due to lower sales achieved in Bandar U @ Seri Iskandar and Astetica Residence @ Seri Kembangan and completion of Astetica Residence in prior year corresponding quarter.

The movement in PBT was due to reclassification of investment in associate to simple investment during the year and provision of compensation for legal suit in the previous financial year 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 of RM19.56 million as compared to loss before tax of RM6.08 million in the immediate preceding quarter ended 31 December 2021. The improved results was due to reversal of impairment loss on financial instruments.

	Quarter Ended		%
	31/3/2022	31/12/2021	
	RM' 000	RM' 000	+ / (-)
Revenue	40,807	30,173	35.2
Cost of Sales	(23,788)	(16,889)	
Gross Profit	17,019	13,284	28.1
Other Income	839	296	
Selling and Marketing Expenses	(1,407)	(2,660)	
Administrative and General Expenses	(6,988)	(5,201)	
Net Gain / (Loss) on Impairment of Financial Instruments	12,347	(7,563)	
Operating Gain / (Loss)	21,810	(1,844)	1,282.7
Finance Costs	(2,244)	(1,919)	
Share of Results of Associate	-	(2,320)	
Profit / (Loss) Before Tax	19,566	(6,083)	421.7
Income Tax Expense	(1,329)	(2,922)	
Profit / (Loss) After Tax	18,237	(9,005)	302.5

22 Prospects for Next Financial Year

The Malaysian economy is expected to improve amidst easing of restrictions, reopening of borders and increased consumption activities driven by recovery in the labour markets. The property market is also expected to recover in line with the opening up of the economy though the recovery may be hampered by the current geopolitical conflicts, escalating cost of building materials and energy and supply chain disruptions.

Having taken cognizant of the disruption, the Group undertook a review of its working systems and procedures, involving close monitoring of its risk management regimes, strengthening of its digital marketing tools as well as expanding the digitalization of its processes and procedures to improve efficiency and reduce cost.

Looking ahead, the Group continues to evaluate and take innovative measures to further strengthen our operations and management to achieve better performance for the coming financial year ending 31 March 2023.

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 25 May 2022.