

**EASTLAND EQUITY BHD ("EASTLND")**

Registration No: 200001013359 (515965-A)

Incorporated in Malaysia

**INTERIM REPORT - UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION AS AT 30 SEPTEMBER 2021**

	As at 30.09.2021 RM Unaudited	As at 30.06.2021 RM Audited
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	70,178,285	70,798,192
Investment properties	62,593,700	62,593,700
Other investments	1,618,746	1,674,911
Financing receivables	-	4,162
<b>Total Non-Current Assets</b>	<b>134,390,731</b>	<b>135,070,965</b>
<b>Current Assets</b>		
Inventories - Property development cost	16,904,213	16,881,363
Inventories - Completed properties and others	10,767,957	10,761,704
Trade and other receivables	2,106,141	2,008,402
Tax recoverable	572,189	572,189
Deposits placed with licensed banks	4,310,714	4,310,714
Cash and bank balances	7,394,640	2,113,808
<b>Total Current Assets</b>	<b>42,055,854</b>	<b>36,648,180</b>
<b>TOTAL ASSETS</b>	<b>176,446,585</b>	<b>171,719,145</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	140,745,334	133,877,051
Reserves	(64,702,718)	(62,624,237)
<b>Total Equity</b>	<b>76,042,617</b>	<b>71,252,814</b>
<b>Non-Current Liabilities</b>		
Lease payables	51,582	12,733
Term loans	46,258,147	46,522,807
Deferred tax liabilities	4,048,734	4,048,734
<b>Total Non-Current Liabilities</b>	<b>50,358,462</b>	<b>50,584,274</b>
<b>Current Liabilities</b>		
Trade and other payables	35,645,912	35,098,734
Contract liabilities	3,055,131	3,004,381
Provisions for liabilities	1,812,000	1,812,000
Lease payables	72,732	256,242
Term loans	2,473,064	1,956,056
Bank overdraft	6,986,666	7,754,644
<b>Total Current Liabilities</b>	<b>50,045,506</b>	<b>49,882,057</b>
<b>Total Liabilities</b>	<b>100,403,969</b>	<b>100,466,331</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>176,446,585</b>	<b>171,719,145</b>
<b>Net asset per share (sen)</b>	<b>18</b>	<b>22</b>

**Notes:**

*The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.*

**EASTLAND EQUITY BHD ("EASTLND")**

Registration No: 200001013359 (515965-A)

Incorporated in Malaysia

**INTERIM REPORT - UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Individual Period		Cumulative Period	
	Current period to date ended 30.09.2021 Unaudited  RM	Preceding year corresponding period 30.09.2020 (**)  RM	3 months ended 30.09.2021 Unaudited  RM	3 months ended 30.09.2020 (**)  RM
<b><u>Continuing Operations</u></b>				
Revenue	3,919,143	N/A	3,919,143	N/A
Expenses excluding finance cost	(4,978,950)	N/A	(4,978,950)	N/A
Other operating income	7,156	N/A	7,156	N/A
Loss from operations	(1,052,651)	N/A	(1,052,651)	N/A
Finance cost	(969,664)	N/A	(969,664)	N/A
<b>Loss before taxation</b>	<b>(2,022,315)</b>	<b>N/A</b>	<b>(2,022,315)</b>	<b>N/A</b>
Income tax credit	-	N/A	-	N/A
<b>Net loss for the period</b>	<b>(2,022,315)</b>	<b>N/A</b>	<b>(2,022,315)</b>	<b>N/A</b>
<b>Other comprehensive profit/(loss), net of tax</b>	<b>(56,165)</b>	<b>N/A</b>	<b>(56,165)</b>	<b>N/A</b>
<b>Total comprehensive loss for the period</b>	<b>(2,078,481)</b>	<b>N/A</b>	<b>(2,078,481)</b>	<b>N/A</b>
Earnings per ordinary share attributable to equity holders of the Company (sen)				
Basic loss per share	(0.52)	N/A	(0.52)	N/A
Diluted	-	-	-	-

**Notes:**

**\*\* Following the change in financial year end from 31 December to 30 June, the previous set of audited financial statements are for a period of 18 months from 1 January 2020 to 30 June 2021 and thereafter, to end on 30 June each year. Accordingly, there are no comparative figures to be presented in this Condensed Consolidated Income Statement.**

**EASTLAND EQUITY BHD ("EASTLND")**

Registration No: 200001013359 (515965-A)

Incorporated in Malaysia

**INTERIM REPORT - UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

	Current period to date ended 30.09.2021 RM	Current period to date ended 30.09.2020 RM
	Unaudited	(**)
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		
Loss before income tax expense for the period	(2,022,315)	N/A
Adjustments for:		
Gain on disposal of :		
Property, plant and equipment	-	N/A
Finance income	(656)	N/A
Finance cost	969,664	N/A
Reversal of impairment loss - TR	-	N/A
Reversal of impairment loss - OR	-	N/A
Fair value loss on investment properties	-	N/A
Impairment loss on PPE	-	N/A
Written off of property, plant and equipment	-	N/A
Depreciation of property, plant and equipment	662,797	N/A
Inventories written down	-	N/A
Inventories written of	-	N/A
Operating Loss Before Working Capital Changes	<u>(390,511)</u>	N/A
(Increase)/Decrease in:		
Lease & HP receivable	9,166	N/A
Inventories - Property development cost	(22,850)	N/A
Inventories - Completed properties and others	(6,253)	N/A
Trade and other receivables	(102,743)	N/A
Increase/(Decrease) in:		
Trade and other payables	(1,395,657)	N/A
Provision for liabilities	1,942,836	N/A
Contract liability	<u>50,750</u>	N/A
	<u>84,738</u>	N/A
Interest paid	-	N/A
Net Cash Flows From/(Used In) Operating Activities	<u>84,738</u>	N/A
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(42,890)	N/A
Proceed from disposal of property, plant & equipment	-	N/A
Interest received	656	N/A
Decrease in deposits pledged to banks	-	N/A
Net Cash Flows Generated From/(Used In) Investing Activities	<u>(42,234)</u>	N/A
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	6,868,283	N/A
Increase in term loans due to moratorium	95,736	N/A
Finance cost paid	(813,052)	N/A
Drawdown of term loan (Restructured overdraft to term-loan)	-	N/A
Payment of hire-purchase payables	(144,661)	N/A
Advances from directors	-	N/A
Net Cash Flows Generated From/(Used In) Financing Activities	<u>6,006,306</u>	N/A
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>6,048,810</b>	N/A
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>(5,640,836)</b>	N/A
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>407,974</u></b>	N/A
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD COMPRISE THE FOLLOWING:</b>		
Cash and bank balances	7,146,197	N/A
Housing Development Account	248,443	N/A
Deposits placed with licensed banks	4,310,714	N/A
Bank overdrafts	<u>(6,986,666)</u>	N/A
	4,718,688	N/A
Less : Deposits pledged with licensed bank	<u>(4,310,714)</u>	N/A
	<u>407,974</u>	N/A

**Notes:**

**\*\*There are no comparative figures disclosed for the preceding period-to-date results following the change in the financial year end from 31 December to 30 June.**

**EASTLAND EQUITY BHD ("EASTLND")**

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Incorporated in Malaysia

**INTERIM REPORT - UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED  
30 SEPTEMBER 2021**

	<u>Non-distributable</u>			Fair Value Reserve of Financial Assets at FVOCI RM	<u>Distributable</u>	Total RM
	Share Capital RM	Capital Reserve RM	Revaluation Reserve RM		Retained Profits/ (Accumulated Losses) RM	
<b>At 31 December 2019, as restated</b>	<b>129,878,659</b>	<b>110,238,037</b>	<b>1,013,608</b>	<b>1,077,908</b>	<b>(73,659,321)</b>	<b>168,548,891</b>
Reversal of surplus on revaluation recognized previously			(1,013,608)			(1,013,608)
Total comprehensive profit/(loss)	3,998,392	-	-		(100,417,954)	(96,419,562)
Other comprehensive profit	-	-	-	137,093	-	137,093
<b>At 30 June 2021</b>	<b>133,877,051</b>	<b>110,238,037</b>	<b>-</b>	<b>1,215,001</b>	<b>(174,077,275)</b>	<b>71,252,814</b>
Total comprehensive profit/(loss)	6,868,283	-	-	-	(2,022,315)	4,845,968
Other comprehensive profit	-	-	-	(56,165)	-	(56,165)
<b>At 30 September 2021</b>	<b>140,745,334</b>	<b>110,238,037</b>	<b>-</b>	<b>1,158,836</b>	<b>(176,099,590)</b>	<b>76,042,617</b>

*Notes:*

(i) *The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the period ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.*

(ii) *Following the change in financial year end from 31 December to 30 June, the previous set of audited financial statements are for a period of 18 months from 1 January 2020 to 30 June 2021 and thereafter, to end on 30 June each year.*

**EASTLAND EQUITY BHD (“EASTLND”)  
INTERIM REPORT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2021**

**EXPLANATORY NOTES**

**A1 Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the reporting requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s annual audited financial statements for the financial period ended 30 June 2021, which have been prepared in accordance with the MFRS and the Companies Act 2016.

These explanatory notes 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 financial period ended 30 June 2021. The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial period ended 30 June 2021.

**A2 Audit qualifications**

The auditors’ report on the audited annual financial statements for the financial period ended 30 June 2021 was not subject to any qualification.

Key Audit Matters (“KAM”) highlighted by the auditors were funding requirements and ability to meet short term obligations; investment properties and property, plant and equipment; inventory and revenue and corresponding costs recognition for property development activities. Details of the KAM are provided in the audited financial statements for the financial period ended 30 June 2021.

**A3 Seasonality or cyclicity of operation**

For the financial period under review, the operations of the Group are not subject to material seasonal or cyclical fluctuations except for the Hospitality segment.

**A4 Changes in the composition of the Group**

For the financial period under review, there were no material changes in the composition of the Group.

**A5 Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cashflows because of their nature, size or incidence during the financial period under review.

**A6 Changes in estimates**

There were no material changes in estimates in the current quarter results.

**A7 Debt and equity securities**

There were no issuance, repurchase and repayment of debt and equity securities for the financial period under review.

**A8 Dividends paid**

There was no dividend paid for the financial period under review.

## A9 Segmental reporting

The Group's segmental report for the financial period to date is as follows:

	Investment properties RM'000	Leasing & financing RM'000	Hospitality RM'000	Investment holding RM'000	Property development RM'000	Others RM'000	Total RM'000
<b>Revenue</b>	690	-	3,229	-	-	-	3,919
<b>Results</b>							
Segment profit/(loss)	(151)	(2)	184	(948)	(133)	(3)	(1,053)
Interest income	-	-	-	-	-	-	-
Finance cost	(106)	-	-	(369)	(494)	-	(969)
Loss before taxation							(2,022)
Income tax credit/(expense)							-
Loss for the period							(2,022)
Other comprehensive profit, net of tax							(56)
Total comprehensive loss for the period							(2,078)

## A10 Carrying amount of revalued assets

The carrying value of land and building is based on the valuation incorporated in the annual financial statements for the financial period ended 30 June 2021 and valuation performed by CH Williams Talhar & Wong Sdn Bhd on 08 August 2021.

## A11 Subsequent material event

There were no material events subsequent to the end of the period that have not been reflected in the financial statements for the period, other than the Acquisition of Development Rights and the Proposed Rights Issue with Warrants as disclosed in section (b) and section (d) of note B5 respectively.

## A12 Changes in contingent liabilities and contingent assets

There were no known material contingent liabilities and contingent assets of the Group since the 2019 annual report.

## A13 Capital Commitments

During the financial period under review, there were no material capital commitments that the Group had contracted for and approved except for that already disclosed in the audited financial statements for the financial period ended 30 June 2021 and the RM8 million consideration for the Acquisition of Development Rights as disclosed in section (b) of note B5.

**ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BHD'S LISTING REQUIREMENTS**

**B1 Review of performance**

Financial review for current quarter and financial year to date

	Current Quarter	Investment properties	Hospitality	Investment holding	Property development	Others
	30 Sep 2021 (RM '000)	30 Sep 2021 (RM '000)	30 Sep 2021 (RM '000)	30 Sep 2021 (RM '000)	30 Sep 2021 (RM '000)	30 Sep 2021 (RM '000)
Revenue	3,919	690	3,229	-	-	-
Operating Profit/(Loss)	(1,053)	(151)	184	(948)	(133)	(5)
Profit/(Loss) Before Interest and Tax	(1,053)	(151)	184	(948)	(133)	(5)
Profit/(Loss) Before Tax	(2,022)	(257)	184	(1,317)	(627)	(5)
Profit/(Loss) After Tax	(2,022)	(257)	184	(1,317)	(627)	(5)
Other Comprehensive Profit/(Loss), Net of Tax	(56)	-	-	(56)	-	-
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(2,078)	(257)	184	(1,373)	(627)	(5)

The Group recorded revenue of RM3.92 million for the current quarter and current period-to-date respectively. For the current quarter and current period-to-date, the Investment Properties segment registered a revenue of RM0.69 million; the Hospitality segment registered a revenue of RM3.23 million.

The Group posted loss before tax (LBT) of RM2.02 million for the current quarter and current period-to-date respectively. For the current quarter and current period-to-date, the Investment Properties segment registered a LBT of RM0.26 million; the Hospitality segment registered a profit before tax of RM0.18 million; the Investment Holding segment registered a LBT of RM1.32 million; and Property Development segment registered a LBT of RM0.63 million.

**B2 Material changes in the loss before taxation**

Financial review for the current quarter compared with the immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	30 Sep 2021 (RM '000)	30 Jun 2021 (RM '000)	
Revenue	3,919	5,107	(23)
Operating Loss	(1,053)	(93,063)	99
Loss Before Interest and Tax	(1,053)	(93,063)	99
Loss Before Tax	(2,022)	(92,847)	98
Loss After Tax	(2,022)	(85,933)	98
Other comprehensive profit/(loss), Net of Tax	(56)	(20)	(180)
Loss Attributable to Ordinary Equity Holders of the Parent	(2,078)	(85,953)	98

The Group recorded a loss before tax of RM2.02 million and RM92.85 million for the current and previous quarter respectively. The higher loss in the previous quarter was mainly due to the following:

1. RM27.33 million impairment loss in the Hotel building in property, plant and equipment, and RM20.00 million fair value loss in Investment Properties pursuant to a valuation performed by CH Williams Talhar & Wong Sdn Bhd on 8 August 2021; and
2. RM43.88 million write down in Property Development Cost in Inventories to net realisable value following the company's decision to put up the remaining land in the Bandar Tasek Raja project for sale instead of developing it.

### **B3 Group prospects**

The Group's businesses in the hospitality and investment property segments had been affected by the Covid-19 pandemic and the imposition of MCO. The operating environments for these business segments are expected to continue to be challenging. However, with the implementation of the national COVID-19 immunisation program, it is expected to translate to improved sentiment for our businesses.

The Group and the Company have considered possible impacts, if any, of COVID-19 pandemic in our application of significant judgements and estimates for the new financial year. However, as the ongoing COVID-19 pandemic continues to evolve, there is significant uncertainty over the impacts of the pandemic and its full range of possible effects on the Group's financial and liquidity positions. Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 30 June 2022 as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

Moving forward, the Board is continuously identifying new opportunities for development projects to provide the Group with new income streams, such as the signing of a conditional sale and purchase agreement with Inland World Sdn. Bhd. for the proposed acquisition of development rights as mentioned in section B5 (b). The Board will continue to adopt a cautious approach for the Group's property development projects; and will evaluate all options available to the Group at the material point in time before launching any particular projects. While the Group will remain focused on its core business, the Group will continue to seek and explore non-property related business opportunities that would contribute positively towards the Group's financial performance, and will remain cautious when looking out for business opportunities in the face of new challenges. The Group remains hopeful to gain from the gradual recovery of the economy and gradual opening up of the retail and hospitality segment as the situation improves further.

### **B4 Variance of profit forecast and profit guarantee**

Not applicable.

### **B5 Corporate proposal**

#### (a) Private Placement

On 6 November 2019, the company successfully completed a private placement of 29,480,000 new ordinary shares at issue price of RM0.0841 per share which raised RM2,479,268. The utilisation of the proceeds raised is as follows:

Purpose	Proposed utilisation of proceeds	Utilised from 06.11.2019 to 15.10.2020	Actual utilisation as at 12.11.2021	Balance to be utilised	Utilisation Timeframe
Repayment of bank borrowings	772	772	772	-	
Working capital	327	327	327	-	
Property development activities	1,280	507	507	773	Within 12 months
Expenses related to Private Placement	100	100	100	-	
	<u>2,479</u>	<u>1,706</u>	<u>1,706</u>	<u>773</u>	



#### (b) Acquisition of Development Rights

On 18 August 2020, the Company announced that its wholly-owned subsidiary, FBO Land (Setapak) Sdn. Bhd. (“FBO”) has entered into a conditional sale and purchase agreement (“CSPA”) with Inland World Sdn. Bhd. (“IWSB”). The CSPA lays out the agreement for FBO to purchase all rights, title, benefits, interests, covenants, undertakings, duties, liabilities and obligations of IWSB under the Joint Venture Agreement (as defined herein) which are to be transferred to and/or assumed by FBO pursuant to the CSPA, for a purchase consideration of RM8.0 million.

For information, IWSB has on 18 September 2018 enter into a Joint Venture Agreement with Sabah Urban Development Corporation Sdn. Bhd. (“SUDC”) (“Joint Venture Agreement”) to collaborate in the development of a 14,059.82 square feet land, situated in Damai, in the district of Kota Kinabalu, Sabah, which is managed by SUDC on behalf of Perbadanan Pembangunan Ekonomi Sabah (the registered owner of the land) (“SEDCO”). In the Joint Venture Agreement, IWSB will develop, construct and manage a building consisting of, inter alia a 16-storey building with 2-storey shoplot, 5-storey carpark, 1-storey private facilities and 8-storey commercial units (“Project”) on the said piece of land.

On 21 October 2021, the Company announced the CSPA has become unconditional and that the parties to the CSPA have agreed to vary the payment obligations in the CSPA in that the obligation of Purchaser to pay the Purchase Consideration be extended to on or before 31 March 2022.

Notwithstanding the above, the CSPA is deemed completed on 21 October 2021.

#### (c) Private Placements

The company successfully completed the following fund raising exercises on:

- 15 June 2021 - 10% private placement of 34,428,157 new ordinary shares at issue price of RM0.1233 per share;
- 13 August 2021 - 20% share issuance of 64,856,312 new ordinary shares at issue price of RM0.1059 per share;

which raised a total of RM10,866,675. The utilisation of the proceeds raised is as follows:

Purpose	10% private placement	20% share issuance	Proposed	Utilised from	Actual	Balance to be utilised	Utilisation timeframe
			utilisation of proceeds	15.06.2021 to 12.11.2021	utilisation as at 12.11.2021		
			RM'000	RM'000	RM'000	RM'000	
Repayment of bank borrowings	2,487	1,504	3,991	3,991	3,991	-	Within 12 months
Working capital	1,416	1,189	2,605	2,584	2,584	21	Within 12 months
Property development activities	-	4,000	4,000	708	708	3,292	Within 12 months
Expenses related to private placement	95	175	270	270	270	-	Within 1 months
	<u>3,998</u>	<u>6,868</u>	<u>10,866</u>	<u>7,553</u>	<u>7,553</u>	<u>3,313</u>	-

#### (d) Proposed Rights Issue with Warrants

The company had made announcements on 12 October 2021 and 5 November 2021 to Bursa Malaysia Securities Bhd the proposed renounceable rights issue of new ordinary shares with free detachable warrants on a basis and issue price to be determined and announced later to raise gross proceeds of approximately RM80 million, with minimum subscription to raise minimum gross proceeds of RM8 million (“Proposed Rights Issue with Warrants”). The gross proceeds to be raised are envisaged to be utilised for the following purposes:

Details of Utilisation	Timeframe for utilisation from completion of the Proposed Rights Issue with Warrants	Minimum Subscription Level	Full Subscription Level
		RM'000	RM'000
Repayment of bank borrowings <sup>(i)</sup>	Within 1 year	7,300	40,000
Repayment of advances owing to LCK <sup>(ii)</sup>	Within 1 month	-	12,440
Repayment of advances owing to Datuk Melvinyeo Kiandee <sup>(iii)</sup>	Within 1 month	-	2,420
Payment of Damai Project consideration <sup>(iv)</sup>	Within 1 month	-	8,000
General working capital <sup>(v)</sup>	Within 1 year	-	2,440
Business opportunities <sup>(vi)</sup>	Within 2 years	-	14,000
Estimated expenses for the Proposed Rights Issue with Warrants <sup>(vii)</sup>	Upon completion	700	700
<b>Total</b>		<b>8,000</b>	<b>80,000</b>

The proceeds from the Proposed Rights Issue with Warrants are intended to repay up to RM40.0 million of the Group's bank borrowings. The Board is of the opinion that the Proposed Rights Issue with Warrants will reduce the interest expenses of the Group by approximately RM2.35 million moving forward, and substantially reduce the Group's borrowings and liabilities. The lower gearing ratio will also enable the Group to regear again in the future, should the need arise. The reduction of the Group's gearing from the proceeds of the Proposed Rights Issue with Warrants (based on the Minimum Subscription Level) and the surplus to be raised, if any, will enable the Group to be ready to capitalise on any business opportunities which may arise once the economic activities recover.

The Proposed Rights Issue with Warrants is the most suitable means of fund raising for the Company for the following reasons :-

- (i) the quantum of the proceeds to be raised;
- (ii) it will involve the issuance of new Eastland Shares without diluting the Entitled Shareholders' shareholdings provided that they subscribe in full for their respective entitlements under the Proposed Rights Issue with Warrants and exercise their Warrants subsequently;
- (iii) it provides an opportunity for the Entitled Shareholders to participate in the equity offering of the Company on a pro-rata basis; and
- (iv) it will enable the Company to raise the requisite funds without incurring additional interest expense from bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing costs

The free Warrants which are attached to the Rights Shares are intended to provide an added incentive to the Entitled Shareholders to subscribe for the Rights Shares. In addition, the free Warrants will provide the Entitled Shareholders with an opportunity to increase their equity participation in the Company at a pre-determined Exercise Price during the tenure of the Warrants and will allow the Entitled Shareholders to further participate in the future growth of the Company as and when the Warrants are exercised. The exercise of the Warrants in the future will allow the Company to obtain additional funds without incurring additional

interest expenses from borrowings. For further details, please refer to the announcement made to Bursa Malaysia Securities Bhd on 12 October 2021 and 5 November 2021.

Saved as disclosed above, there are no outstanding corporate proposals which have been announced by the Company but not yet completed as at the date of this report.

#### B6 Taxation

	3 months ended 30-Sep-21 RM'000	Year-to-date 30-Sep-21 RM'000
Tax credit/(expense)		
Income tax		
-current year	-	-
-prior year	-	-
Deferred tax		
-current year	-	-
-prior year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

#### B7 Group borrowings and debts securities

The Group borrowings, all denominated in Ringgit Malaysia, as at 30 September 2021 are as follows: -

	30/09/2021		30/06/2021	
	Short term RM'000	Long term RM'000	Short term RM'000	Long term RM'000
<b>Secured</b>				
Hire-purchase payables	73	52	256	13
Term Loan	2,473	46,258	1,956	46,523
Bank overdraft	6,987	-	7,755	-
	<u>9,533</u>	<u>46,310</u>	<u>9,967</u>	<u>46,536</u>

#### B8 Changes in material litigation

There were no material litigations for the financial period under review.

#### B9 Dividend

There was no dividend paid for the financial period under review.

**B10 Earnings per shares**

	3 months ended 30-Sep-21 RM'000	Year-to-date 30-Sep-21 RM'000
Net loss attributable to equity holders of the Company		
- from continuing operation	<u>(2,022)</u>	<u>(2,022)</u>
	<u><u>(2,022)</u></u>	<u><u>(2,022)</u></u>
Number of ordinary share in issue ('000)	421,566	421,566
Weighted average number of ordinary share in issue ("000)	391,253	391,253
Loss per share (sen)		
Basic, loss from		
- continuing operations	<u>(0.52)</u>	<u>(0.52)</u>
Basic, loss for the period	<u><u>(0.52)</u></u>	<u><u>(0.52)</u></u>
Diluted	<u>-</u>	<u>-</u>

**B11 Loss for the period**

	Current Quarter RM'000	Year-to-date RM'000
This is arrived at after (charging)/crediting:		
Interest income	0.66	0.66
Interest expense	(970)	(970)
Depreciation and amortization	<u>(663)</u>	<u>(663)</u>

Other disclosure items pursuant to Appendix 9B, Part A(16) of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.