SOLUTION GROUP BERHAD (Company No : 200401016072 (654575-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER **ENDED 31 DECEMBER 2023**

(The figures have not been audited)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
		Current Year Quarter ended 31 Dec 2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 31 Dec 2022 (Unaudited) RM'000	Current Year To-Date 31 Dec 2023 (Unaudited) RM'000	Preceding Year Corresponding Period 31 Dec 2022 (Audited) RM'000	
Revenue		34,639	14,508	120,882	33,202	
Cost of sale		(29,380	(42,809)	(105,799)	(57,936)	
Gross profit		5,259	(28,301)	15,083	(24,734)	
Other Operating Income		20	1,341	430	6,275	
Administrative and distribution expenses		(2,283	(3,501)	(7,637)	(13,621)	
Other Operating Expenses		(100	(942)	(2,827)	(6,473)	
Share of loss from an associate		-	-	-	(26)	
Profit/(loss) before tax		2,896	(31,403)	5,049	(38,579)	
Income tax expense	В5	(748	(48)	(2,553)	(776)	
Profit/(loss) after tax	_	2,148	(31,451)	2,496	(39,355)	
Attributable to :						
Equity holders of the parent Non-controlling Interest		1,615 533	394	162 2,334	(39,727) 372	
	_	2,148	(31,451)	2,496	(39,355)	
Earnings per share attributable to equity holders of parent:						
Basic (sen)	B13	0.362	, ,	0.036	(9.040)	
Diluted (sen)	B13	0.362	(7.655)	0.036	(9.020)	
EBITDA ⁽¹⁾		3,587	(1,372)	8,199	(7,301)	

Note:-

(The unaudited Condensed Consolidated Income Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

Profit before interest income, finance cost, tax, depreciation, amortisation and allowances.

SOLUTION GROUP BERHAD (Company No : 200401016072 (654575-P) (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023 (The figures have not been audited)

		Unaudited 31 Dec 2023 RM'000	Audited 31 Dec 2022 RM'000
ASSETS			
Non-current assets		06150	20.551
Property, plant and equipment		26,153	28,571
Right-of-use assets Goodwill		3,842 33	4,114 8
Other receivables		-	96
Other receivables	_	30,028	32,789
			_
Current Assets		• 40•	
Inventories		3,483	3,867
Trade receivables		15,019	9,533
Other receivables		9,598	2,396
Contract Assets Tax recoverable		34,057	21,389
Other short term investments		1,720	3,743 36
Deposit, cash and bank balances		22,860	14,507
Deposit, easif and bank balances	_	86,737	55,471
TOTAL ASSETS	_	116,765	88,260
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		89,323	80,749
Treasury shares		(280)	(280)
Reserves	_	(9,013)	(9,176)
Non-controlling interest		80,030	71,293
Non-controlling interest	_	4,677	2,344
Total equity		84,707	73,637
Non-Current Liabilities			
Term Loan	B7	4,151	4,695
Lease liabilities	B7	1,490	1,422
Deferred taxation		36	25
		5,677	6,142
Current Liabilities			
Trade payables		11,458	3,358
Other payable & accruals		5,183	1,010
Amount due to director		16	- -
Contract Liabilities		5,067	3,050
Bills payable		2,606	-
Term Loan	B7	570	501
Lease liabilities	B7	383	562
Taxation		1,098	<u> </u>
		26,381	8,481
Total liabilities	_	32,058	14,623
TOTAL EQUITY AND LIABILITIES	_	116,765	88,260
Number of ordinary shares in issue ('000)		485,587	441,619
Net assets value per share (RM)		0.1744	0.1667
1.51 abboto value per bitate (1011)	_	0.1711	0.1007

(The unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

SOLUTION GROUP BERHAD (Company No : 200401016072 (654575-P) (Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023 (The figures have not been audited)

CASHFLOWS FROM OPERATING ACTIVITIES The Value of SATION OF SATION OPERATING ACTIVITIES		12 months	12 months
Profit (loss) before taxation 5,049 (38,579)		Ended 31 Dec 2023	Ended 31 Dec 2022
Profit/(loss) before taxation 5,049 3(8,579)		,	,
Profit(loss) before taxation	CASHFLOWS FROM OPERATING ACTIVITIES	KW 000	KW 000
Adjustment for: Depreciation of property, plant and equipment 2,595 737 Depreciation of right-of-use assets 646 616 Waiver of debts - (2010) Dividend income from short term investments - (2010) Interest income (296) (190) Bad debts written off 18 - (55) Net (gain)/loss on changes in fair value of short term investments - (51) Gain on disposal of property, plant & equipment - (13) Gain on disposal of property, plant & equipment - (13) Gain on disposal of property, plant & equipment - (13) Interest expense - others - (13) Allowance for slow moving inventories - (26) Allowance for slow moving inventories - (26) Allowance for slow moving inventories - (26) Allowance for slow moving inventories - (25) Allowance for slow moving inventories - (27) Allowance for slow in an associate - (27) Allowance for slow in an associate - (27) Allowance for slow in a moving inventories - (27) Allowance for slow in a moving inventories - (27) Allowance for slow in inventories - (27) Allowance for slow in inventories - (27) Allowance for slow in inventories - (27) Allowance for slow inventories - (28) Allowance for slow inventories -		5.049	(38.579)
Depreciation of property, plant and equipment 2,595 737 Depreciation of right-of-use assets 646 616 Waiver of debts - (201) Dividend income from short term investments - (105) Dividend income from short term investments - (105) Interest income (296) (1990) Bad debts written off 18 - (50) Net (gaiin)/loss on changes in fair value of short term investments - (51) Gain on disposal of property, plant & equipment - (13) Gain on disposal of property, plant & equipment - (13) Gain on disposal of investment in an associate - (517) Interest expense - others 268 193 Allowance for slow moving inventories - (705) (525) Loss on disposal of right-of-use assets - (705) (525) Loss on disposal of right-of-use assets - (705) (525) Loss on disposal of short term investments - (705) (525) Loss on disposal of short term investments - (705) (525) Loss on disposal of short term investments - (705) (525) Loss on disposal of short term investments - (705) (525) Loss on disposal of short term investments - (705) (525) Loss on disposal of short term investments - (705) (525) Loss on disposal of short term investments - (705) (705) (705) Share of loss in an associate - (707) (107) Unrealised (gain)/loss on foreign exchange - (127) (127) Unrealised (gain)/loss on foreign exchange - (127) (127		-,	(==,=+,=)
Depreciation of right-of-use assets 646 616 Waiver of debts - (201) Dividend income from short term investments - (105) Interest income (296) (190) Bad debts written off 18 - (5) Residue of the start of the star	•	2,595	737
Waiver of debts - (201) Dividend income from short term investments - (105) Interest income (296) (190) Bad debts written off 18 - Net (gain)/loss on changes in fair value of short term investments - (5) Gain on disposal of property, plant & equipment - (13) Gain on disposal of investment in an associate - (517) Interest expense - others 268 193 Allowance for slow moving inventories - 30,300 Net impairment (gain)/losses for financial instruments and contract - 8 assests - 8 8 Loss on disposal of right-of-use assets - 8 165 Property, plant and equipment written off - 1 165 Property, plant and equipment written off - 1 1 Share of loss in an associate - 1 2 Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) </td <td></td> <td>646</td> <td>616</td>		646	616
Interest income	1 0	-	(201)
Bad debts written off	Dividend income from short term investments	-	(105)
Net (gain)/loss on changes in fair value of short term investments - (5) Gain on disposal of property, plant & equipment - (13) Gain on disposal of investment in an associate - (517) Interest expense - others 268 193 Allowance for slow moving inventories - 30,300 Net impairment (gain)/losses for financial instruments and contract assets (705) (525) Loss on disposal of right-of-use assets - 8 Loss on disposal of short term investments - 165 Property, plant and equipment written off - 14 Share options expenses - 1,800 Share options expenses - 1,800 Share options expenses - 1,227 Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: . (1,272) (Increase)/ Decrease in intrade and other receivables (13,124) (7,837) (Increase)/ Decrease in intrade and other receivables (11,907)	Interest income	(296)	(190)
Gain on disposal of property, plant & equipment - (517) Gain on disposal of investment in an associate - (517) Interest expense- others 268 193 Allowance for slow moving inventories - 30,300 Net impairment (gain)/losses for financial instruments and contract assets 7 (525) Loss on disposal of right-of-use assets - 8 Loss on disposal of short term investments - 165 Property, plant and equipment written off - 148 Share options expenses - 1,800 Share of loss in an associate - 2.7 Unrealised (gain)/loss on foreign exchange - (1227) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: (Increase)/ Decrease in inventorics 384 (3,322) (Increase)/ Decrease in inventorics 384 (3,322) (Increase)/ Decrease in inventorics 384 (3,322) (Increase)/ Decrease in inventorics (11,907) 22,075 (Increase)/ Decrease in trade and other receivables	Bad debts written off	18	-
Gain on disposal of property, plant & equipment - (517) Gain on disposal of investment in an associate - (517) Interest expense- others 268 193 Allowance for slow moving inventories - 30,300 Net impairment (gain)/losses for financial instruments and contract assets 7 (525) Loss on disposal of right-of-use assets - 8 Loss on disposal of short term investments - 165 Property, plant and equipment written off - 148 Share options expenses - 1,800 Share of loss in an associate - 2.7 Unrealised (gain)/loss on foreign exchange - (1227) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: (Increase)/ Decrease in inventorics 384 (3,322) (Increase)/ Decrease in inventorics 384 (3,322) (Increase)/ Decrease in inventorics 384 (3,322) (Increase)/ Decrease in inventorics (11,907) 22,075 (Increase)/ Decrease in trade and other receivables	Net (gain)/loss on changes in fair value of short term investments	-	(5)
Interest expense - others		-	(13)
Allowance for slow moving inventories Net impairment (gain)/losses for financial instruments and contract assets (705) (525) Loss on disposal of right-of-use assets Loss on disposal of short term investments Loss on disposal of pight-of-use assets Loss on disposal of right-of-use assets (705) Loss on disposal of right-of-use assets (1405) Loss on disposal of right-of-use assets (150) Loss of property, plant and equipment (include PPE WIP) Net (placement)/vithdrawal of deposits under lien (453) Loss on disposal of right-of-use assets (151) Loss of property, plant and equipment (include PPE WIP) Net (placement)/vithdrawal of deposits under lien	Gain on disposal of investment in an associate	-	(517)
Net impairment (gain)/losses for financial instruments and contract assets (705) (525) Loss on disposal of right-of-use assets - 8 Loss on disposal of short term investments - 165 Property, plant and equipment written off - 14 Share of loss in an associate - 27 Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes : (Increase)/ Decrease in contract assets (13,124) (7,837) (Increase)/ Decrease in contract assets (13,124) (7,837) (Increase)/ Decrease in rande and other receivables (11,907) 22,075 (Increase)/ Decrease in rande and other receivables (11,907) 22,075 (Increase)/ Decrease in rande and other payables 2,474 (634) Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in amount due to director 16 Cash used in operating activities (2,308) (19,572) Tax paid (2,775) (9,300) N	Interest expense - others	268	193
assets (705) (525) Loss on disposal of right-of-use assets - 8 Loss on disposal of short term investments - 165 Loss on disposal of short term investments - 148 Loss on disposal of short term investments - 14 Share options expenses - 1,800 Share of loss in an associate - (127) Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: (Increase)/ Decrease in inventories 384 (3,322) (Increase)/ Decrease in contract assets (13,124) (7,837) (Increase)/ Decrease in ontract assets (11,907) 22,075 (Increase)/ Decrease in inventories 2,474 (634) Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in ontract lassets 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 - Cash used in operating activities 2,368 (19,572)	Allowance for slow moving inventories	-	30,300
Loss on disposal of right-of-use assets - 8 Loss on disposal of short term investments - 165 Property, plant and equipment written off - 14 Share options expenses - 1,800 Share of loss in an associate - 27 Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: (Increase)/ Decrease in inventories 384 (3,322) (Increase)/ Decrease in contract assets (11,124) (7,837) (Increase)/ Decrease in trade and other receivables (11,907) 22,075 (Increase)/ Decrease in amount due from associate - 1,816 Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 16 Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,33	Net impairment (gain)/losses for financial instruments and contract		
Loss on disposal of short term investments - 165 Property, plant and equipment written off - 14 Share options expenses - 1,800 Share of loss in an associate - 27 Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: (Increase)/ Decrease in inventories 384 (3,322) (Increase)/ Decrease in contract assets (13,124) (7,837) (Increase)/ Decrease in trade and other receivables (11,907) 22,075 (Increase)/ Decrease in trade and other receivables (11,907) 22,075 (Increase)/ Decrease in trade and other payables 2,474 (634) Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in unde and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 12 Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (assets	(705)	(525)
Property, plant and equipment written off - 14 Share options expenses - 1,800 Share of loss in an associate - 27 Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: (Increase)/ Decrease in inventories 384 (3,322) (Increase)/ Decrease in contract assets (13,124) (7,837) (Increase)/ Decrease in trade and other receivables (11,907) 22,075 (Increase)/ Decrease in amount due from associate - 1,816 Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 - Cash used in operating activities (2,308) (19,572) Tax paid (2,775) (9,330) Net ash used in operating activities 3 12 Tax paid (2,775) (9,330) Net withdrawal/(placements) of short term investments 3	Loss on disposal of right-of-use assets	-	8
Share options expenses - 1,800 Share of loss in an associate - 27 Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: 384 (3,322) (Increase)/ Decrease in inventories 384 (3,322) (Increase)/ Decrease in contract assets (11,907) 22,075 (Increase)/ Decrease in trade and other receivables (11,907) 22,075 (Increase)/ Decrease in amount due from associate - 1,816 Increase/ (Decrease) in trade and other payables 12,274 (634) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in manunt due to director 16	Loss on disposal of short term investments	-	165
Share of loss in an associate - 27 Unrealised (gain)/loss on foreign exchange - (127) Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes: (Increase)/ Decrease in inventories 384 (3,322) (Increase)/ Decrease in contract assets (13,124) (7,837) (Increase)/ Decrease in trade and other receivables (11,907) 22,075 (Increase)/ Decrease in amount due from associate - 1,816 Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 16 Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax refunded (2,775) (9,330) Net eash used in operating activities 22,775 (9,330) Net withdrawal/	1 1 1	-	= :
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Operating profit/(loss) before working capital changes 7,575 (6,402) Working capital changes :		-	
Working capital changes : (Increase)/ Decrease in inventories 384 (3,322) (Increase)/ Decrease in contract assets (13,124) (7,837) (Increase)/ Decrease in contract assets (11,907) 22,075 (Increase)/ Decrease in amount due from associate - 1,816 Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 - Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Set withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purch	(C)		
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(Increase)/ Decrease in contract assets (13,124) (7,837) (Increase)/ Decrease in trade and other receivables (11,907) 22,075 (Increase)/ Decrease in amount due from associate - 1,816 Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 - Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase o		204	(2.222)
(Increase)/ Decrease in trade and other receivables (11,907) 22,075 (Increase)/ Decrease in amount due from associate - 1,816 Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien <td></td> <td></td> <td></td>			
(Increase)/ Decrease in amount due from associate - 1,816 Increase/ (Decrease) in contract liabilities 2,474 (634) Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 - Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)		\ ' '	\ ' /
Increase (Decrease) in contract liabilities 2,474 (634) Increase (Decrease) in trade and other payables 12,274 (25,268) Increase (Decrease) in amount due to director 16 Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal (placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)		(11,907)	-
Increase/ (Decrease) in trade and other payables 12,274 (25,268) Increase/ (Decrease) in amount due to director 16 Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)		2.474	*
Increase/ (Decrease) in amount due to director 16 Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)		· ·	, ,
Cash used in operating activities (2,308) (19,572) Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)	. , , , , , , , , , , , , , , , , , , ,	· ·	(25,268)
Tax refunded 3,355 12 Tax paid (2,775) (9,330) Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)			(10.572)
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Net cash used in operating activities (1,728) (28,890) CASH FLOWS FROM INVESTING ACTIVITIES Net withdrawal/(placements) of short term investments 36 217 Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)		· ·	
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Net withdrawal/(placements) of short term investments36217Interest received296190Addition of goodwill arising from the acquisition of a subsidiary(25)-Proceeds from disposal of right-of-use assets22Proceeds from disposal of property, plant and equipment14151Purchase of right-of-use assets(15)(162)Purchase of property, plant and equipment (include PPE WIP)(81)(772)Net (placement)/withdrawal of deposits under lien(453)(1,715)	Net cash used in operating activities	(1,/28)	(28,890)
Net withdrawal/(placements) of short term investments36217Interest received296190Addition of goodwill arising from the acquisition of a subsidiary(25)-Proceeds from disposal of right-of-use assets22Proceeds from disposal of property, plant and equipment14151Purchase of right-of-use assets(15)(162)Purchase of property, plant and equipment (include PPE WIP)(81)(772)Net (placement)/withdrawal of deposits under lien(453)(1,715)	CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received 296 190 Addition of goodwill arising from the acquisition of a subsidiary (25) - Proceeds from disposal of right-of-use assets 22 Proceeds from disposal of property, plant and equipment 14 151 Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)	Net withdrawal/(placements) of short term investments	36	217
Proceeds from disposal of right-of-use assets Proceeds from disposal of property, plant and equipment Purchase of right-of-use assets Purchase of property, plant and equipment (include PPE WIP) Net (placement)/withdrawal of deposits under lien 22 14 151 (162) (1772) (81) (772) (1715)	*	296	190
Proceeds from disposal of right-of-use assets Proceeds from disposal of property, plant and equipment Purchase of right-of-use assets Purchase of property, plant and equipment (include PPE WIP) Net (placement)/withdrawal of deposits under lien 22 14 151 (162) (1772) (81) (772) (1715)	Addition of goodwill arising from the acquisition of a subsidiary	(25)	-
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Purchase of right-of-use assets (15) (162) Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)		14	151
Purchase of property, plant and equipment (include PPE WIP) (81) (772) Net (placement)/withdrawal of deposits under lien (453) (1,715)		(15)	(162)
Net (placement)/withdrawal of deposits under lien (453) (1,715)			` /
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CASHFLOWS FROM FINANCING ACTIVITIES

Interest paid	(268)	(193)
Dividend paid	-	(8,794)
Net repayment of term loans	(475)	(540)
Proceeds from issuance of shares pursuant to exercise of share options	-	120
Proceeds from issuance of shares pursuant to exercise of private placement	8,574	-
Net addition/(repayments) of bill payables	2,606	-
Net repayments of principal portion of lease liabilities	(580)	(517)
(Repayment to)/Advance from directors	-	(103)
Net cash generated from/(used in) financing activities	9,857	(10,027)
Net decrease in cash and cash equivalents	7,901	(40,986)
Currency translation difference	-	127
Cash and cash equivalents at beginning period	6,153	47,011
Cash and cash equivalents at end of period	14,054	6,152

Cash and cash equivalents as at 31 Dec 2023 and 31 Dec 2022 comprise the following :

	2023 RM'000	2022 RM'000	
Deposit, cash and bank balances	22,860	14,507	
Less: Fixed deposits with licensed banks (pledged with bank for banking fac	(8,806)	(8,355)	
Cash and cash equivalents	14,054	6,152	

(The unaudited Condensed Consolidated Cashflow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

SOLUTION GROUP BERHAD

(Company No: 200401016072 (654575-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023 (The figures have not been audited)

	Share Capital RM'000	Non-distributab Option Reserve RM'000	Treasury Shares	Distributable Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000	Non-controlling Interests RM'000	Total RM'000
As at 1 January 2022 (audited)	80,551	125	(280)	37,498	117,894	1,971	119,865
Issuance of ordinary shares pursuant to: Exercise of Share Options	198	(77)	-	-	121	-	121
Share Options Granted	-	1,800	-	-	1,800	-	1,800
Loss for the financial year and total comprehensive loss for the financial year	-	-	-	(39,728)	(39,728)	373	(39,355)
Dividend paid	-	-	-	(8,794)	(8,794)	-	(8,794)
At 31 Dec 2022 (audited)	80,749	1,848	(280)	(11,024)	71,293	2,344	73,637
As at 1 January 2023	80,749	1,848	(280)	(11,024)	71,293	2,344	73,637
Issuance of ordinary shares pursuant to: Private placements	8,574	-	-	-	8,574	-	8,574
Profit for the financial year and total comprehensive profit for the financial year	-	-	-	162	162	2,334	2,496
At 31 Dec 2023 (unaudited)	89,323	1,848	(280)	(10,862)	80,029	4,678	84,707

¹ Effective from 31st January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for purpose set out in Section 618 (3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any members as a result of this transition.

(The unaudited Condensed Consolidated Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report of the Company and its subsidiaries ("Group") is unaudited and is prepared in accordance with MFRS 134 "Interim Financial Reporting" and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the ACE Market and should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2022.

A2. Changes in accounting policies

At the beginning of the current financial year, the Group and the Company adopted new amendments and improvements to MFRSs which are mandatory for the financial years beginning on or after 1 January 2023.

The adoption of the above did not have any significant impact on the financial statements of the Group.

Standards issued but Not Yet Effective

The Group and the Company have not early adopted the following new MFRS and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:-

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 - Leases: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 - Presentation of Financial Statements: Non-current Liabilities with Covenants

Effective for annual periods beginning on or after a date to be determined by the MASB

Amendments to MFRS 10 and MFRS 128 - Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will apply the above new MFRS and amendments to MFRSs that are applicable once they become effective. The initial application of the new MFRS and amendments to MFRSs is not expected to have any significant impact on the Group's and the Company's financial statements.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

A4. Seasonality or cyclicality factors

The Group's operations were not affected by seasonal or cyclical changes.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items or events affecting assets, liabilities, equity, net income or cash flows of the Group during the quarter under review.

A6. Material changes in estimates

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

A7. Debts and equity securities

There were no other issuance, cancellation, resale, repurchase and repayment of debt and equity securities.

A8. Dividends Paid

There was no dividend paid during the quarter under review.

A9. Segmental information

During the financial period, the Group revenue was contributed mainly from the following business segments:

i) Engineering Equipment Design and development of equipment and software for engineering education, research and Technical and Vocational Education and Training ("TVET") in chemical, mechanical, electrical, civil, control engineering and renewable energy.

ii) Metal Fabrication Provision of fabrication for pressurised vessels, heat exchangers, storage tanks, structures and process skids assembly. and Assembly Works

iii) Industrial Automation and Provision of industrial automation and system integration solutions for telemetry, Supervisory Control and Data Plant Construction Acquisition (SCADA), instrumentation and control systems.

iv) Green and Renewal Energy Promotion of business relating to green and renewal energy including supply and installation of photovoltaic system.

v) Biopharmaceuticals & Sales and manufacture of pharmaceutical, medical and botanical products and medicinal chemical and Biotechnology provision of laboratory and industrial biotechnology solutions

vi) Industrial Lubricants Production and distribution of industrial lubricants under SOLMAX brand and OEM brand.

Segmental financial information for 12 months period ended 31 Dec 2023 and 31 Dec 2022 are as follows:

	2023								
	Engineering Equipment RM'000	Metal Fabrication and Assembly Works RM'000	Industrial Automation and Plant Construction RM'000	Industrial Lubricants RM'000	Biopharma- ceuticals & Biotechnology RM'000	Green and Renewal Energy RM'000	Others RM'000	Elimination RM'000	Total RM'000
Segment revenue									
External	6,762	3,020	103,863	1,378	2,751	3,108	-	-	120,882
Inter-segment	84	1,867	412	4	4	_	354	(2,725)	
Total revenue	6,846	4,887	104,275	1,382	2,755	3,108	354	(2,725)	120,882
Results									
Segment results	1,390	726	10,015	(164)	(5,988)	(374)	(52)	(236)	5,317
Interest expense									(268)
Profit before taxation ("PBT")								-	5,049
Income tax expense									(2,553)
Profit after taxation ("PAT)								-	2,496
Non-controlling Interest									(2,334)
Profit attributable to equity								=	
holders of the company								_	162

	2022								
	Engineering Equipment RM'000	Metal Fabrication and Assembly Works RM'000	Industrial Automation and Plant Construction RM'000	Industrial Lubricants RM'000	Biopharma- ceuticals & Biotechnology RM'000	Green and Renewal Energy RM'000	Others RM'000	Elimination RM'000	Total RM'000
Segment revenue									
External	5,469	993	16,644	1,399	709	7,988	-	-	33,202
Inter-segment	4	1,449	634	-	-	-	113	(2,200)	
Total revenue	5,473	2,442	17,278	1,399	709	7,988	113	(2,200)	33,202
Results									
Segment results	(20)	132	1,258	(117)	(38,930)	779	(1,467)	. 5	(38,360)
Share of profit in an associate									(26)
Interest expense								_	(193)
Loss before taxation ("LBT")									(38,579)
Income tax expense									(776)
Loss after taxation ("LAT)									(39,355)
Non-controlling Interest								_	(372)
Loss attributable to equity								-	
holders of the company								_	(39,727)

SOLUTION GROUP BERHAD ("Company" or "SGB") (Company No : 200401016072 (654575-P) (Incorporated in Malaysia)

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONTD.)

A10. Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the quarter under review.

A11. Material events subsequent to the end of the quarter

There were no material events occurring subsequent to the end of the reporting period to the date of announcement.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group for the quarter under review.

A13. Contingent liabilities

There were no material contingent liabilities as at the date of this announcement.

A14. Capital commitment

There were no material capital commitment as at the date of this announcement.

A15. Significant Related Party Transaction

There was no significant related party transaction as at the date of this announcement.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD

LISTING REQUIREMENTS FOR THE ACE MARKET

B1. Review of Performance

Comparison with corresponding quarter in previous financial year

During the quarter, the Group achieved a substantial revenue of RM34.64 million, marking a noteworthy increase of RM20.13 million compared to the RM14.51 million revenue from the corresponding quarter in the previous fiscal year. This significant surge in revenue was primarily driven by heightened sales within the industrial automation and plant construction business segment.

For the quarter ended 31 Dec 2023, the Group recorded a profit after tax ("PAT") of RM2.15 million. In contrast, during the same period in the prior year, ended 31 Dec 2023, the Group had reported a loss after tax ("LAT") of RM31.45 million. The achievement of profit in the current quarter can be attributed to the augmented revenue; however, it was mitigated by higher operating expenses in the biopharma business segment.

B2. Comparison with Preceding Quarter's Results

The Group's revenue for the quarter under review totalled RM34.64 million, reflecting a modest increase of RM5.08 million compared to the RM29.56 million reported in the preceding quarter.

During the quarter, the Group realized a profit after tax of RM2.15 million, primarily attributed to increased sales within the industrial automation and plant construction business segment

B3. Prospects for the financial year 2024

The Group is actively pursuing an expansion of its business operations, adopting a forward-looking approach that holds promising prospects for substantial success and heightened long-term stability.

Notably, the Group's industrial automation and plant construction business continues to thrive, serving as the primary revenue driver. Other business segments within the Group are also showing signs of improvement, having secured significant orders throughout the quarter.

Furthermore, the Group is actively exploring mergers and acquisitions to broaden its business scope, with the aim of achieving greater success and stability

It's worth noting that on 25th May 2022, SOLBIO, the National Institute of Biotechnology Malaysia ("NIBM"), and CanSino signed a Memorandum of Understanding (MOU) regarding collaboration in human vaccine research and development. As of today, the parties are still in the process of finalizing a definitive agreement.

B4. Profit guarantee

The Group has not issued any profit forecast nor guarantee in respect of any corporate proposal.

B5. Taxation

	Quarter ended		Year-to-c	late
	31 Dec 2023 RM'000	31 Dec 2022 RM'000	31 Dec 2023 RM'000	31 Dec 2022 RM'000
Current taxation -Provision for taxation	(748)	(48)	(2,553)	(776)
Deferred taxation	-	=	=	=
	(748)	(48)	(2,553)	(776)

B6. Profit on sale of unquoted investments and/or properties

There were no disposal of unquoted investment and/or properties for the quarter under review.

SOLUTION GROUP BERHAD ("Company" (Company No : 200401016072 (654575-P) (Incorporated in Malaysia) B7. Group borrowings and debt securities

Details of the Group's borrowings as at 31 Dec 2023 are as follows :

-	Current RM'000	Non-current RM'000	Total RM'000
Secured:			
Hire purchase (included in lease liabilities)	167	617	784
Term loan	570	4,151	4,721
Total	737	4,768	5,505

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE ACE MARKET (CONTD.)

B8. Status of Corporate Proposals

A) Update on Employees' Share Option Scheme (ESOS) as at 31 Dec 2023

The Company had obtained its shareholders approval for the establishment of the ESOS of up to 30% of the total issued and paid-up share capital for the eligible employees and directors and its subsidiaries at the EGM dated 16 January 2014.

Below are the details of the shares that had been granted and exercised under the ESOS as at 31 Dec 2023:

				No. of Share		
ESOS Option Grant Date	Expiry Date	Exercise Price	No. of Share Granted	Exercised and Listed	No. of Share Lapsed	Status
22 July 2014	29 Jan 2019	RM0.135	11,134,000	11,103,000	31,000	Completed
8 January 2015	29 Jan 2019	RM0.185	6,000,000	6,000,000	-	Completed
28 September 2016	29 Jan 2024	RM0.220	6,000,000	4,473,000	422,000	Ongoing
8 August 2020	29 Jan 2024	RM0.175	2,605,000	2,150,000	-	Ongoing
9 February 2022	29 Jan 2024	RM0.470	6,000,000	257,000	-	Ongoing

On 22 January 2019, the Company had announced to extend the existing ESOS of the Company which commenced on 30 January 2014 and expired on 29 January 2019 for another five (5) years until 29 January 2024 in accordance with the terms of the ESOS Bylaws.

B) Proposed Renewal of Authority for the Company to Purchase Its Own Shares

The Renewal of Authority for Share Buy Back had been approved by shareholders at the Seventeenth Annual General Meeting of the Company. As at to date, the total number of treasury shares is 1,932,700.

C) Utilisation of proceeds

On 3 October 2023, M&A Securities, on behalf of the Board, formally announced the successful completion of the Private Placement. The listing of 43,968,600 Placement Shares on the ACE Market of Bursa Malaysia Securities Berhad resulted in total proceeds amounting to RM8,573,877. The proceeds will be utilised by the Group for research and development of human vaccines and working capital, the breakdown of the utilisation are as follows:

Purpose	Timeframe for Utilisation of	Proposed Utilisation	Actual Utilisation
	Proceeds		
		RM'000	RM'000
Research and development of human vaccines	Within 24 months	4,500	-
Working capital requirements	Within 24 months	3,934	440
Expenses for The Proposed Private Placement	Immediate	140	140

B9. Realised/ Unrealised Profits

	As at 31 Dec 2023 RM'000
Total accumulated losses of the Company and its subsidiaries	
- realised	(4,586)
- unrealised	20
	(4,566)
Less: Consolidated adjustments	(6,296)
Accumulated losses as per financial statement	(10,862)

B10. Profit Before Tax

	Quarter ended 31 Dec 2023 RM'000	Quarter ended 31 Dec 2022 RM'000	
Profit before tax is derived after charging:			
Depreciation of property, plant & equipment	663	180	
Depreciation of right-of-use assets	147	156	
Impairment on trade receivables and contract asset	-	343	
Allowance for slow moving inventories	-	30,300	
Loss on disposal of property, plant & equipment	-	19	
Loss on disposal of investment	-	165	
Interest expense	28	63	
Loss on foreign exchange:			
-Realised	24	46	
-Unrealised	2		
and crediting:			
Interest income	(71)	(48)	
Net impairment gain on trade receivables and contract asset	(427)	(615)	
Gain on foreign exchange:			
Unrealised		(123)	

SOLUTION GROUP BERHAD ("Company" or "SGB") (Company No : 200401016072 (654575-P) (Incorporated in Malaysia) B. ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS FOR THE ACE MARKET (CONTD.)

B11. Off balance sheet financial instruments

There were no financial instruments with off-balance sheet risk as at the date of this announcement applicable to the Group.

B12. Dividends

The Board of Directors did not recommend other payment of dividend in respect of the quarter under review.

B13. Earnings per share

J. O. Zamanigo per same	Current Quarter ended 31 Dec 2023	Comparative Quarter ended 31 Dec 2022	Current year to date ended 31 Dec 2023	Preceding year to date ended 31 Dec 2022
Net profit/(loss) for the period attributable to equity holders (RM'000) Basic	1,615	(31,845)	162	(39,727)
Weighted average number of ordinary shares in issue ('000)	446,284	417,621	446,284	439,643
Basic EPS (sen)	0.362	(7.625)	0.036	(9.036)
Diluted				
Weighted average number of ordinary shares in issue ('000)	446,284	417,621	446,284	439,643
Effect of dilution: share options and convertible warrants ('000)	256	(1,626)	256	578
Adjusted weighted average number of ordinary shares				
in issue and issuable ('000)	446,540	415,995	446,540	440,221
Diluted EPS (sen)	0.362	(7.655)	0.036	(9.024)

BY ORDER OF THE BOARD SOLUTION GROUP BERHAD