



PRIVASIA TECHNOLOGY BERHAD

200801023769 (825092-U)

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated
Interim Financial Statements
for the 4th Quarter Ended 31 December 2023**

PRIVASIA TECHNOLOGY BHD 200801023769 (825092-U)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Interim Financial Statements

Unaudited Condensed Consolidated Statement of Financial Position as at 31 December 2023

	<u>Note</u>	As At 31 December 2023	As at 31 December 2022
		RM	RM
ASSETS			
Non-current assets			
Property, plant and equipment		13,688,950	14,625,359
Investment property		1,963,405	1,990,000
Goodwill	8	27,885,234	31,888,234
Other intangible assets		7,040,745	7,336,785
Deferred tax assets		300,000	300,000
Total non-current assets		<u>50,878,334</u>	<u>56,140,378</u>
Current assets			
Inventories		-	176,223
Current tax assets		544,578	647,224
Trade receivables		8,522,782	9,526,190
Other receivables, deposits and prepayments		32,702,328	8,710,021
Contract assets		18,109,998	7,870,867
Deposits, cash and bank balances		5,879,037	6,108,598
Total current assets		<u>65,758,722</u>	<u>33,039,123</u>
TOTAL ASSETS		<u>116,637,056</u>	<u>89,179,501</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		62,630,042	62,630,042
Exchange reserve		-	(58,114)
Accumulated losses		(1,912,331)	(2,581,908)
		<u>60,717,711</u>	<u>59,990,020</u>
Non-controlling interests		(877,618)	(587,128)
TOTAL EQUITY		<u>59,840,093</u>	<u>59,402,892</u>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	9	4,533,083	4,838,918
Deferred tax liabilities		-	203,506
Total non-current liabilities		<u>4,533,083</u>	<u>5,042,424</u>
Current liabilities			
Loans and borrowings	9	9,145,076	8,157,598
Trade payables		8,281,473	6,155,559
Other payables and accruals		33,673,313	8,859,748
Contract liabilities		1,162,776	1,560,750
Current tax liabilities		1,242	530
Total current liabilities		<u>52,263,879</u>	<u>24,734,185</u>
TOTAL LIABILITIES		<u>56,796,963</u>	<u>29,776,609</u>
TOTAL EQUITY AND LIABILITIES		<u>116,637,056</u>	<u>89,179,501</u>
Net assets per share (RM)		<u>0.10</u>	<u>0.10</u>

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the notes to the unaudited condensed consolidated interim financial statements.

PRIVASIA TECHNOLOGY BHD 200801023769 (825092-U)

(Incorporated In Malaysia)

Unaudited Condensed Consolidated Interim Financial Statements

Unaudited condensed consolidated statement of profit or loss and other comprehensive income
for the financial period ended 31 December 2023

	<i>Note</i>	Current Year Three months ended 31 December 2023	Preceding Year Three months ended 31 December 2022	Year-to-date 31 December 2023	Year-to-date 31 December 2022
		RM	RM	RM	RM
Revenue		35,832,505	14,176,032	115,206,097	40,323,473
Cost of sales		(28,997,393)	(7,278,746)	(93,679,723)	(26,686,705)
Gross profit		<u>6,835,112</u>	<u>6,897,286</u>	<u>21,526,374</u>	<u>13,636,768</u>
Other income		206,563	63,547	340,400	435,852
Other expenses		<u>(3,498,302)</u>	<u>(3,726,871)</u>	<u>(14,766,341)</u>	<u>(13,061,460)</u>
Operating income before impairment		3,543,373	3,233,961	7,100,433	1,011,159
Net reversal of impairment losses on financial instruments		(1,340,322)	(1,509,756)	(2,079,915)	(1,459,411)
Impairment of goodwill	8	(4,003,000)	-	(4,003,000)	-
Results from operation after impairment		<u>(1,799,949)</u>	<u>1,724,205</u>	<u>1,017,518</u>	<u>(448,252)</u>
Finance costs		(170,841)	(203,535)	(842,458)	(723,559)
Share of result of an associate		(1)	-	(1)	(30,000)
(Loss)/Profit before taxation	25	<u>(1,970,791)</u>	<u>1,520,670</u>	<u>175,059</u>	<u>(1,201,811)</u>
Income tax credit/(expense)	19	202,819	149,386	201,283	(95,794)
Net (loss)/income for the period		<u>(1,767,972)</u>	<u>1,670,056</u>	<u>376,342</u>	<u>(1,297,605)</u>
Exchange differences on translation of foreign operation		88,914	(9,650)	(41,094)	(40,094)
Reclassification adjustment for the cumulative exchange gain on translation of financial statements of foreign operation transferred to profit or loss upon disposal of subsidiary		-	-	99,208	-
Total comprehensive (loss)/income for the period		<u>(1,679,058)</u>	<u>1,660,406</u>	<u>434,456</u>	<u>(1,337,699)</u>
(Loss)/Income attributable to:					
Owners of the Company		(1,686,910)	1,826,358	669,577	(836,017)
Non-controlling interests		(81,062)	(156,302)	(293,235)	(461,588)
Net (loss)/income for the period		<u>(1,767,972)</u>	<u>1,670,056</u>	<u>376,342</u>	<u>(1,297,605)</u>
Total comprehensive (loss)/income for the period					
Owners of the Company		(1,597,996)	1,816,708	727,691	(876,111)
Non-controlling interests		(81,062)	(156,302)	(293,235)	(461,588)
Total comprehensive (loss)/income for the period		<u>(1,679,058)</u>	<u>1,660,406</u>	<u>434,456</u>	<u>(1,337,699)</u>
Earnings per share attributable to owners of the Company (sen)					
- Basic	26	<u>(0.27)</u>	<u>0.30</u>	<u>0.11</u>	<u>(0.14)</u>
- Diluted	26	<u>(0.27)</u>	<u>0.30</u>	<u>0.11</u>	<u>(0.14)</u>

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the notes to the unaudited condensed consolidated interim financial statements.

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

Non-distributable

<-----Distributable----->

	Share capital	Exchange reserve	Retained earnings /(Accumulated losses)	Sub-total	Non- controlling interests	Total equity
	RM	RM	RM	RM	RM	RM
At 1 January 2022	62,630,042	(18,020)	(1,678,344)	60,933,678	(928,435)	60,005,243
Total comprehensive loss for the period, restated	-	(40,094)	(836,017)	(876,111)	(461,588)	(1,337,699)
Changes in ownership interest in a subsidiary	-	-	(67,547)	(67,547)	802,895	735,348
At 31 December 2022, restated	<u>62,630,042</u>	<u>(58,114)</u>	<u>(2,581,908)</u>	<u>59,990,020</u>	<u>(587,128)</u>	<u>59,402,892</u>
At 1 January 2023	62,630,042	(58,114)	(2,581,908)	59,990,020	(587,128)	59,402,892
Total comprehensive loss for the period	-	(41,094)	669,577	628,483	(293,235)	335,248
Changes in ownership interest in a subsidiary	-	-	-	-	2,745	2,745
Reclassified to profit or loss upon disposal of subsidiary	-	99,208	-	99,208	-	99,208
At 31 December 2023	<u>62,630,042</u>	<u>-</u>	<u>(1,912,331)</u>	<u>60,717,711</u>	<u>(877,618)</u>	<u>59,840,093</u>

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the notes to the unaudited condensed consolidated interim financial statements.

PRIVASIA TECHNOLOGY BHD 200801023769 (825092-U)*(Incorporated In Malaysia)***Unaudited Condensed Consolidated Interim Financial Statements****Unaudited condensed consolidated statement of cash flows for the financial period ended 31 December 2023**

	Year ended 31 December 2023	Year ended 31 December 2022
	RM	RM
Cash flow from operating activities		
Profit/(Loss) before taxation	175,059	(1,201,811)
<i>Adjustments for:</i>		
Amortisation of intangible assets	870,513	1,010,935
Depreciation of investment property	26,596	26,596
Depreciation of property, plant and equipment	1,431,863	1,292,528
Derecognition of property, plant and equipment	-	(4,043)
Gain on disposal of property, plant and equipment	5,999	(106,018)
Bad debts written off	2,085,114	-
Impairment loss on trade receivables	796,534	460,558
Loss on disposal of investment	(212,864)	-
Impairment loss on contract assets	1,095,341	1,067,107
Impairment loss on goodwill	4,003,000	-
Interest expense	842,458	723,559
Interest income	(116,565)	(110,442)
Inventories written down	174,823	239,344
Property, plant and equipment written off	10	5
Reversal of impairment loss on trade receivables	(2,224,562)	(68,254)
Reversal of impairment loss on investment property	-	(190,639)
Waiver of debt from a trade payable	(10,949)	(200,629)
Share of result of an associate	1	30,000
Unrealised loss on foreign exchange	34,644	52,230
Operating profit before changes in working capital	8,977,015	3,021,026
Change in inventories	1,400	62,322
Change in trade and other receivables	(23,645,984)	(6,478,421)
Change in contract assets	(11,334,472)	(3,228,935)
Change in trade and other payables	28,021,469	4,337,156
Change in contract liabilities	(397,974)	251,372
Net cash generated from/(used in) operations	1,621,454	(2,035,480)
Tax paid	103,132	(525,134)
Interest paid	(841,746)	(464,468)
Interest received	116,565	110,442
Net cash generated from/(used in) operating activities	999,405	(2,914,640)
Cash flows from investing activities		
Proceeds from disposal of property plant and equipment	-	108,259
Acquisition of an associate, net of cash	-	(30,000)
Disposal of subsidiary	10,000	-
Addition investment in subsidiaries	-	(2)
Addition of intangible assets	(536,918)	(1,145,820)
Advances to an associate	-	(159,567)
Purchase of property, plant and equipment	(650,611)	(214,804)
Net cash used in investing activities	(1,177,529)	(1,441,934)

PRIVASIA TECHNOLOGY BHD 200801023769 (825092-U)*(Incorporated In Malaysia)***Unaudited Condensed Consolidated Interim Financial Statements****Unaudited condensed consolidated statement of cash flows for the financial period ended 31 December 2023**

	Year ended 31 December 2023	Year ended 31 December 2022
	RM	RM
Cash flows from financing activities		
Placement of pledged deposits	(83,228)	(59,922)
Proceeds from trade facilities	834,368	1,058,635
Repayment of lease liabilities	(319,697)	(52,555)
Repayment of hire purchase	-	(206,840)
Repayment of term loans	(663,774)	(1,143,809)
Interest paid	(712)	(259,091)
Subscription of shares by non-controlling interest in a subsidiary	-	290,909
Net cash used in financing activities	<u>(233,043)</u>	<u>(372,673)</u>
Net decrease in cash and cash equivalent	(411,168)	(4,729,247)
Cash and cash equivalents at the beginning of the period	(589,944)	4,179,434
Exchange rate adjustment	(41,094)	(40,131)
Cash and cash equivalents at the end of the period	<u><u>(1,042,206)</u></u>	<u><u>(589,944)</u></u>
Cash and cash equivalents at the end of the financial period comprised the following:		
Fixed deposits	5,206,185	5,575,201
Cash and bank balances	<u>672,852</u>	<u>533,397</u>
	5,879,037	6,108,598
Less: Pledged deposits with licensed banks	(3,510,533)	(3,427,305)
Bank overdrafts	<u>(3,410,710)</u>	<u>(3,271,237)</u>
Cash and cash equivalent as presented in the condensed consolidated statement of cash flows	<u><u>(1,042,206)</u></u>	<u><u>(589,944)</u></u>

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the notes to the unaudited condensed consolidated interim financial statements.

A. NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market and the Malaysian Financial Reporting Standard (MFRS) 134 Interim Financial Reporting, which is in compliance with the International Accounting Standard (IAS) 34, Interim Financial Reporting.

The unaudited condensed consolidated interim financial statements have been reviewed by the auditors in accordance with ISRE 2410.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the latest audited financial statements of Privasia Technology Berhad ("the Company") and its subsidiaries ("Group") for the financial year ended ("FYE") 31 December 2022 and are available upon request from the Company's registered office at No. 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The notes to these unaudited condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group for the financial period ended 31 December 2023.

2 Significant accounting policies

Unless otherwise stated, the accounting policies applied by the Group in these unaudited condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2022.

3 Estimates

There were no material changes in the estimates of amount reported in prior financial periods which would have a material effect in the financial period under review.

4 Seasonal and cyclical factors

The results of the Group were not materially affected by any significant seasonal and cyclical factors during the financial period under review.

5 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review.

6 Issuances, cancellations, repurchases, resale and repayment of debt and equity securities

There was no issuance, cancellation, repurchase, resale or repayment of debt securities and equity securities during the financial period under review.

7 Dividend

There were no dividends declared/recommended and paid to the shareholders by the Company during the financial period under review.

8 Goodwill

	Group	
	31 December 2023	31 December 2022
	RM	RM
At 1 January	31,888,234	31,888,234
Less: Impairment loss	(4,003,000)	-
At 31 December	<u>27,885,234</u>	<u>31,888,234</u>

During the reverse takeover exercise in 2009, a goodwill was recognised as a result of acquisitions through business combinations. Subsequent to that in financial year 2011, the total goodwill for the IT segment was realigned and allocated to Privasia Sdn. Bhd. as it was the main operating Cash Generating Unit of the segment during that period.

In the current period, in line with the accounting standards requirements, the Group recognised an impairment loss on goodwill of RM4.0 million as a result of the annual impairment assessment to reflect the economic performance of its subsidiary, Privasia Sdn. Bhd. This impairment exercise is in line with the Group policy of reviewing the economic performance of each segment on a yearly basis and in the previous years the impairment of goodwill has been recognised for the Information and Communication Technology ("ICT") and Satellite-based network services ("SAT") segments.

This assessment was done in line with accounting standard, MFRS 136 Impairment of Assets and based on the Directors' best estimate and prudent judgement.

9 Loans and borrowings

	Group	
	31 December 2023	31 December 2022
	RM	RM
Non-current		
Term loans	4,502,594	5,145,293
Lease liabilities	30,489	(306,375)
	<u>4,533,083</u>	<u>4,838,918</u>
Current	RM	RM
Term loans	665,585	686,656
Lease liabilities	498,281	463,572
Trade facilities	4,570,500	3,736,133
Bank overdrafts	3,410,710	3,271,237
	<u>9,145,076</u>	<u>8,157,598</u>
Total	<u>13,678,159</u>	<u>12,996,516</u>

10 Segmental reporting

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker) reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Group's current reportable segments:

(i) Information Technology ("IT")

IT infrastructure outsourcing, consultancy and systems integration and procurement management.

(ii) Information and Communications Technology ("ICT")

Provision of wireless broadband infrastructure, comprehensive mobile and wireless communications consultancy, and systems development for ICT and mobile solutions providers and enterprises.

(iii) Satellite-based network services ("SAT")

Provision of a broad spectrum of satellite-based network solutions, such as managed network, high speed internet, value-added broadband applications and satellite IP Virtual Private Network for the commercial sector and general public.

(iv) Investment Holding

Investment holding and provision of management services.

Performance is measured based on segment results, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to the other entities that operate within these industries.

The analysis of the Group's operations for the financial period ended 31 December 2023 is as follows:

	Investment Holdings	IT	ICT	SAT	Elimination	Total
	RM	RM	RM	RM	RM	RM
Total segment revenue	-	27,946,257	4,241,467	83,225,784	(207,412)	115,206,097
Gross profit	-	4,710,141	802,147	15,200,066	814,020	21,526,374
Other income	-	381,138	12,942	8,712	(62,391)	340,400
Other expenses	763,163	(10,447,879)	(804,883)	(1,548,750)	(2,727,992)	(14,766,341)
Impairment of goodwill					(4,003,000)	(4,003,000)
Net reversal of impairment losses on financial instruments	2,059,855	775	(1,137,012)	337,678	(3,341,211)	(2,079,915)
Results from operations	2,823,018	(5,355,825)	(1,126,806)	13,997,706	(9,320,574)	1,017,518
Finance costs						(842,458)
Income tax expense						201,283
Share of result of an associate						(1)
Net profit for the period						376,342
Segment assets	51,112,579	76,791,871	11,349,585	42,485,731	(65,102,711)	116,637,056
Segment liabilities	31,414,103	34,346,052	12,441,139	28,218,660	(49,622,991)	56,796,963

11 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the current quarter under review that have not been reflected in this interim financial report.

12 Change in composition of the Group

On 14 November 2023, Privatel Sdn Bhd a subsidiary of the Company had entered into a Sale and Purchase Agreement for the disposal of the entire equity interest held in Privatel (Singapore) Pte Ltd ("PSPL") comprising one ordinary share in PSPL for a cash consideration of RM10,000.

On 1 November 2023, a shareholder of Digital Medtech Solutions Sdn Bhd ("DMS"), an associate of the Company, had transferred 10% of the equity interest held in DMS to the Company for a cash consideration of RM1.

13 Changes in contingent liabilities or contingent assets

There were no material contingent liabilities or contingent assets as at the date of this report.

14 Capital commitments

There were no material capital commitments for the purchase of property, plant and equipment incurred or known to be incurred for the financial period under review.

15 Financial instruments

The Group's financial risk management objectives and policies and risk profile are consistent with those disclosed in the consolidated annual financial statements as at and for the year ended 31 December 2022.

Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables, payables and short-term borrowings are reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial period under review.

B. ADDITIONAL INFORMATION REQUIRED PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

16 Review of performance

Fourth Quarter Review

The Group reported a revenue of RM35.83 million in the fourth quarter ended 31 December 2023 (4Q23) as compared to RM14.18 million in the corresponding quarter in 2022 (4Q22). This was mainly due to the increase in revenue from SAT segment in line with the Group's expectation for the year.

The Information Technology ("IT") segment reported a revenue of RM8.13 million compared to revenue of RM8.02 million in 4Q22 and a higher operating loss of RM1.72 million as compared to an operating loss of RM0.13 million in 4Q22. The higher revenue were mainly contributed by a one-off IOT billing for a surveillance installation project during the quarter. Whereas the higher loss in current quarter as compared to the corresponding quarter is mainly attributed to increase in cost of sales.

Information Communication Technology ("ICT") segment revenue dropped from RM1.75 million to RM0.61 million in 4Q23. The decrease in revenue in 4Q23 resulted in an operating loss of RM0.24 million from an operating profit of RM0.25 million in 4Q22. The lower revenue is attributed to drop in Outside Plant (OSP) and Digi Repeater (DRPT) projects. The higher operating loss in current quarter is mainly due to drop in higher margin projects.

The Satellite-Based Services ("SAT") segment revenue increased significantly to RM27.17 million in the current quarter, as compared to RM4.24 million in 4Q22. Additionally, the segment recorded an operating profit of RM5.41 million, a substantial increase from the RM3.18 million operating profit in 4Q22. The growth in revenue is attributed to progress billings related to Point of Presence (POP2) project. The increase in profit is in tandem with the revenue growth.

The Group reported a loss before tax ("LBT") of RM2.00 million and loss after tax ("LAT") of RM1.77 million a drop as compared to a profit before tax ("PBT") of RM1.52 million and profit after tax ("PAT") of RM1.67 million in 4Q22. Despite the growth in revenue, the negative financial performance is attributed to impairment of goodwill of RM4 million during the quarter, Note 8.

Twelve Months Review

For the twelve months ended 31 December 2023, the Group recorded a higher revenue of RM115.21 million, as compared to RM40.32 million in the previous year's twelve months ended 31 December 2022.

Revenue for the IT segment stood at RM27.95 million compared to RM26.64 million in the previous year's twelve months ended 31 December 2022. However, rising cost of sales has resulted in increase in operating losses to RM5.36 million as compared to RM2.76 million in the previous year.

The revenue of ICT segment drop from RM6.38 million to RM4.24 million. Correspondingly the ICT segment recorded a drop in operating profit from RM0.73 million to RM0.01 million in current year.

The SAT division revenue saw an increase from RM7.76 million to RM83.23 million for the period ended 31 December 2023, with an operating profit of RM13.66 million as compared to an operating profit of RM4.32 million in the previous year.

The Group recorded a profit before tax ("PBT") and profit after tax ("PAT") of RM0.18 million and RM0.38 million upon recognising a goodwill impairment of RM4 million, Note 8, as compared to LBT and LAT of RM1.20 million and RM1.30 million respectively against the same period last year. The upturn is attributable to the Group-wide cost saving initiatives and the progress billings of SAT segment's POP2 project.

Comparison with Immediate preceding quarter

	Current Quarter 31 December 2023 RM	Immediate Preceding Quarter 30 September 2023 RM
Group Result		
Revenue	35,832,505	31,744,984
Gross profit	6,835,112	5,286,042
Operating income before impairment of goodwill	2,203,051	-
Impairment of goodwill	(4,003,000)	-
(Loss)/Profit before interest and taxation	(1,799,949)	1,029,262
(Loss)/Profit before taxation	(1,970,791)	790,530
(Loss)/Profit after taxation	(1,767,972)	788,994
(Loss)/Profit attributable to owners of the company	(1,686,910)	843,262

In the current quarter under review, the Group reported a revenue of RM35.83 million, increase from the immediate preceding quarter's revenue of RM31.74 million. Correspondingly, the Group's loss before tax ("LBT") increased to RM2.00 million in the current quarter, a drop of RM2.76 million from the immediate preceding quarter. The higher revenue in current quarter is primarily attributed to a one-off IOT billing for a surveillance installation project during the quarter, and the losses in current quarter is mainly attributable to impairment of goodwill of RM4 million, Note 8.

17 Future prospects

Many prudent measures have been set out to ensure the Group's business continues sustainably, one of which is to strengthen its 3 core businesses which are IT, ICT and SAT.

The Group is looking to continue leveraging on our expertise in carrying out technological solutions. The Group, having sustained its profitability continuously, remains committed to its growth objectives and will continue to explore opportunities in the future. It is mindful of the challenges and will continue to monitor and take proactive measures to increase the efficiency of digitalisation. The Group also remains cautiously optimistic on our business prospects and will continue to prioritise and maximise the delivery of our value proposition to customers while enhancing our present expertise and developing new competencies to remain competitive and relevant.

While the immediate near-term industry challenges are expected to persist, the Group will continue to work towards developing a business model that provide new opportunities and revenue streams while enhancing system-wide efficiency. The Group remains aggressive in its venture and will continue to participate in tenders for new projects in the future. The Group is also committed to strengthening our collaborative ties with strategic partners in coming up with solutions to clients.

Despite various challenges, we will continue to deliver on our order book, with the current balance standing approximately at RM310.90 million. We will continue to persevere and meet the demands in the industry for any opportunities in the technology space to boost our future performance. We firmly believe that the market sentiment for digitalisation has not dwindled. Being well positioned, the Group is cautiously optimistic to work on more initiatives in the future.

18 Variance on profit forecast

Not applicable as the Group has not issued any profit forecast.

19 Income tax expense

	Current quarter ended 31 December		Cumulative quarter ended 31 December	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current tax				
- Current year	2,612	(104,785)	2,612	26,060
- Prior year	(1,925)	(134,148)	(389)	(133,772)
	687	(238,933)	2,223	(107,712)
Deferred tax				
Origination and reversal of temporary differences	(203,506)	89,547	(203,506)	203,506
	(202,819)	(149,386)	(201,283)	95,794

20 Unquoted investments and properties

There were no purchases or disposals of unquoted investments and properties during the financial period under review.

21 Status of corporate proposals announced

There were no corporate proposals announced.

22 Off balance sheet financial instruments

As at the reporting date, the Group does not have any off balance sheet financial instruments.

23 Material litigation

There was no material litigation as at the date of this report.

24 Auditor's report on preceding annual financial statements

The auditor's report on the latest audited annual financial statements for the year ended 31 December 2022 was not qualified.

25 (Loss)/Profit before taxation

	Current quarter ended 31 December		Cumulative quarter ended 31 December	
	2023	2022	2023	2022
	RM	RM	RM	RM
Profit/(loss) for the period is arrived at after charging/ (crediting):				
Amortisation of intangible assets	195,969	243,123	870,513	1,010,935
Depreciation of investment properties	6,649	6,649	26,596	26,596
Depreciation of property, plant and equipment	706,548	350,943	1,431,863	1,292,528
Derecognition of property, plant and equipment	-	(4,043)	-	(4,043)
Property, plant and equipment written off	2	5	10	5
Reversal of impairment loss on trade receivables	(2,224,562)	(3,601)	(2,224,562)	(68,254)
Reversal of impairment loss on investment property	-	(190,639)	-	(190,638)
Impairment loss on trade receivables	554,794	446,248	796,534	460,558
Impairment of goodwill	4,003,000	-	4,003,000	-
Impairment loss on contract assets	597,488	1,067,107	1,095,341	1,067,107
Unrealised loss on foreign exchange	(20,539)	63,235	34,644	52,230
Gain on disposal of property, plant and equipment	(750)	34,172	5,999	(106,018)
Loss in disposal of investment	(212,864)	-	(212,864)	-
Bad debts written off	2,085,114	-	2,085,114	-
Waiver of debt from a trade payable	(8,849)	-	(10,949)	(200,629)
Inventories written down	-	239,343	174,823	239,343
Finance costs	170,841	203,535	842,458	723,559
Finance income	(31,725)	(32,335)	(116,565)	(110,442)

26 Earnings/(Loss) per share

(a) Basic and diluted (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit after taxation for the period by the weighted average number of ordinary shares in issue during the period.

	Current quarter ended 31 December		Cumulative quarter ended 31 December	
	2023	2022	2023	2022
	Profit/(Loss) attributable to equity holders (RM)	(1,686,910)	1,826,358	669,577
Weighted average number of ordinary shares in issue (units)	614,020,020	614,020,020	614,020,020	614,020,020
Basic (loss)/earnings per share (sen)	(0.27)	0.30	0.11	(0.14)

27 Authorisation for issue

The unaudited condensed consolidated interim financial statement was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 February 2024.