



PRIVASIA TECHNOLOGY BERHAD

200801023769 (825092-U)

(Incorporated In Malaysia)

**Unaudited Condensed Consolidated
Interim Financial Statements
for the 1st Quarter Ended 31 March 2024**

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 March 2024

	<u>Note</u>	As At 31 March 2024 RM	As at 31 December 2023 RM
ASSETS			
Non-current assets			
Property, plant and equipment		13,419,237	13,688,887
Investment property		1,956,756	1,963,404
Goodwill	8	27,885,234	27,885,234
Other intangible assets		6,958,421	7,005,285
Deferred tax assets		300,000	300,000
Other receivable		257,677	257,677
Total non-current assets		50,777,325	51,100,487
Current assets			
Inventories		-	-
Current tax assets		545,973	545,974
Trade receivables		12,345,970	8,602,981
Other receivables, deposits and prepayments		28,616,617	28,744,570
Contract assets		21,250,944	18,284,465
Contract costs		4,555,413	3,736,451
Deposits, cash and bank balances		4,280,620	5,881,315
Total current assets		71,595,537	65,795,756
TOTAL ASSETS		122,372,862	116,896,243
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		62,630,042	62,630,042
Exchange reserve		-	-
Accumulated losses		(1,224,221)	(1,880,660)
		61,405,821	60,749,382
Non-controlling interests		(942,158)	(883,985)
TOTAL EQUITY		60,463,663	59,865,397
LIABILITIES			
Non-current liabilities			
Loans and borrowings	9	4,695,803	4,783,848
Other payable		1,087,903	1,087,903
Total non-current liabilities		5,783,706	5,871,751
Current liabilities			
Loans and borrowings	9	8,495,688	8,894,312
Trade payables		15,262,501	6,773,624
Other payables and accruals		31,174,624	33,243,895
Contract liabilities		1,190,043	2,244,627
Current tax liabilities		2,636	2,637
Total current liabilities		56,125,493	51,159,095
TOTAL LIABILITIES		61,909,199	57,030,846
TOTAL EQUITY AND LIABILITIES		122,372,862	116,896,243
Net assets per share (RM)		0.10	0.10

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 March 2024**

	<u>Note</u>	Current year Three months ended 31 March 2024	Preceding year Three months ended 31 March 2023	Year-to-date 31 March 2024	Year-to-date 31 March 2023
		RM	RM	RM	RM
Revenue		15,641,110	10,459,927	15,641,110	10,459,927
Cost of sales		(11,158,623)	(5,894,392)	(11,158,623)	(5,894,392)
Gross profit		<u>4,482,488</u>	<u>4,565,535</u>	<u>4,482,488</u>	<u>4,565,535</u>
Other income		39,313	16,168	39,313	16,168
Other expenses		(3,722,365)	(3,532,509)	(3,722,365)	(3,532,509)
Operating profit		799,435	1,049,195	799,435	1,049,195
Finance income		28,168	31,287	28,168	31,287
Finance costs		(229,337)	(216,564)	(229,337)	(216,564)
Profit before tax	25	<u>598,266</u>	<u>863,917</u>	<u>598,266</u>	<u>863,917</u>
Income tax expense	19	-	-	-	-
Net profit for the period		<u>598,266</u>	<u>863,917</u>	<u>598,266</u>	<u>863,917</u>
Exchange differences on translation of foreign operation		-	(7,617)	-	(7,617)
Total comprehensive income for the period		<u>598,266</u>	<u>856,300</u>	<u>598,266</u>	<u>856,300</u>
Prifit/(Loss) attributable to:					
Owners of the Company		656,439	950,745	656,439	950,745
Non-controlling interests		(58,173)	(86,828)	(58,173)	(86,828)
		<u>598,266</u>	<u>863,917</u>	<u>598,266</u>	<u>863,917</u>
Total comprehensive income/(loss) attributable to:					
Owners of the Company		656,439	943,129	656,439	943,129
Non-controlling interests		(58,173)	(86,828)	(58,173)	(86,828)
		<u>598,266</u>	<u>856,300</u>	<u>598,266</u>	<u>856,300</u>
Earnings per share attributable to owners of the Company (sen)					
- Basic	26	<u>0.11</u>	<u>0.15</u>	<u>0.11</u>	<u>0.15</u>
- Diluted	26	<u>0.11</u>	<u>0.15</u>	<u>0.11</u>	<u>0.15</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 2023	62,630,042	(58,114)	(3,026,349)	59,545,579	(587,128)	58,958,451
Total comprehensive loss for the period	-	(7,617)	950,745	943,129	(86,828)	856,300
Transfer on disposal of a subsidiary, representing total transaction with owners	-	-	-	-	-	-
At 31 March 2023	<u>62,630,042</u>	<u>(65,731)</u>	<u>(2,075,604)</u>	<u>60,488,708</u>	<u>(673,956)</u>	<u>59,814,751</u>
At 1 January 2024	62,630,042	-	(1,880,660)	60,749,382	(883,985)	59,865,397
Total comprehensive loss for the period	-	-	656,439	656,439	(58,173)	598,266
Changes in ownership interest in a subsidiary	-	-	-	-	-	-
Reclassified to profit or loss upon disposal of subsidiary	-	-	-	-	-	-
At 31 March 2024	<u>62,630,042</u>	<u>-</u>	<u>(1,224,221)</u>	<u>61,405,821</u>	<u>(942,158)</u>	<u>60,463,663</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 statements of cash flows for the financial period ended 31 March 2024**

	Year ended 31 March 2024	Year ended 31 March 2023
	RM	RM
Cash flow from operating activities		
Profit before taxation	598,266	863,917
<i>Adjustments for:</i>		
Amortisation of intangible assets	178,605	235,956
Depreciation of investment property	6,648	6,649
Depreciation of property, plant and equipment	304,934	343,843
Gain on disposal of property, plant and equipment	3,142	-
Interest expense	229,337	216,564
Interest income	(28,168)	(31,287)
Unrealised loss on foreign exchange	24,092	5,927
Operating profit before changes in working capital	1,316,856	1,641,569
Changes in working capital:		
Inventories	-	1,397
Trade and other receivables	(3,529,083)	(1,398,709)
Contract assets	(2,966,479)	1,099,637
Contract costs	(818,962)	(456,554)
Trade and other payables	6,727,823	(403,469)
Contract liabilities	(1,054,584)	(339,305)
Net cash (used in)/generated from operations	(324,429)	144,566
Tax paid	-	(70,368)
Interest paid	(229,337)	(216,564)
Interest received	28,168	31,287
Net cash used in operating activities	(525,598)	(111,079)

PRIVASIA TECHNOLOGY BHD 200801023769 (825092-U)*(Incorporated In Malaysia)***Unaudited Condensed Consolidated Interim Financial Statements****Unaudited condensed consolidated statements of cash flows for the financial period ended 31 March 2024**

	Year ended 31 March 2024 RM	Year ended 31 March 2023 RM
Cash flows from investing activities		
Addition of intangible assets	(131,743)	97,672
Advances to an associate	(85,953)	-
Purchase of property, plant and equipment	(39,850)	(336,518)
Net cash used in investing activities	<u>(257,546)</u>	<u>(238,846)</u>
Cash flows from financing activities		
Changes in pledged deposits	(20,630)	(19,216)
Proceeds from trade facilities	(474,592)	387,721
Payments of lease liabilities	(109,604)	(113,206)
Repayments of hire purchase	(867)	-
Repayments of term loans	(169,315)	(165,512)
Advances from an associate	29,516	-
Net cash (used in)/generated from financing activities	<u>(745,492)</u>	<u>89,787</u>
Net decrease in cash and cash equivalents	(1,528,636)	(260,138)
Cash and cash equivalents at the beginning of the period	(1,039,930)	(589,944)
Exchange rate adjustment	-	(7,617)
Cash and cash equivalents at the end of the period	<u>(2,568,566)</u>	<u>(857,699)</u>
Cash and cash equivalents at the end of the financial period comprised the following:		
Fixed deposits	3,719,028	4,972,280
Cash and bank balances	561,592	882,340
Deposits, cash and bank balances as reported in the SOFP	<u>4,280,620</u>	<u>5,854,620</u>
Less:		
Deposits pledged as security	(3,531,164)	(3,446,521)
Bank overdrafts	<u>(3,318,022)</u>	<u>(3,265,798)</u>
Cash and cash equivalents as reported in the condensed consolidated statements of cash flows	<u>(2,568,566)</u>	<u>(857,699)</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 2023 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 2023.

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 March 2024	31 December 2023
	RM	RM
At beginning of period	27,885,234	31,888,234
Less: Impairment loss	-	(4,003,000)
At end of period	<u>27,885,234</u>	<u>27,885,234</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 FYE 2023, 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 March 2024	31 December 2023
	RM	RM
Non-current		
Term loan	4,050,563	4,412,857
Lease liabilities	607,117	335,566
Hire purchase payable	38,124	35,425
	<u>4,695,803</u>	<u>4,783,848</u>

Current	RM	RM
Term loan	948,300	755,321
Lease liabilities	133,458	154,213
Hire purchase payable	-	3,566
Trade facilities	4,095,908	4,570,501
Bank overdrafts	3,318,022	3,410,711
	<u>8,495,688</u>	<u>8,894,312</u>
Total	<u>13,191,491</u>	<u>13,678,160</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 March 2024 is as follows:

	Investment Holdings RM	IT RM	ICT RM	SAT RM	Elimination RM	Total RM
Total segment revenue	-	6,094,932	1,014,268	8,568,510	(36,600)	15,641,110
Gross profit	-	1,011,754	150,014	3,320,720	-	4,482,488
Other income	-	75,144	392	2,200	(38,423)	39,313
Other expenses	(480,750)	(1,893,153)	(218,166)	(1,168,719)	38,423	(3,722,365)
Impairment of goodwill					-	-
Net reversal of impairment losses on financial instruments	1,036,185	-	35,808	10,000	(1,081,993)	-
Results from operations	<u>555,435</u>	<u>(806,255)</u>	<u>(31,952)</u>	<u>2,164,201</u>	<u>(1,081,993)</u>	<u>799,435</u>
Finance income						28,168
Finance costs						(229,337)
Net profit for the period						<u><u>598,266</u></u>
Segment assets	49,666,950	72,374,485	10,788,925	50,149,516	(60,607,014)	<u><u>122,372,862</u></u>
Segment liabilities	30,662,483	32,120,886	11,237,264	32,835,731	(44,947,164)	<u><u>61,909,199</u></u>

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

There were no changes in composition of the group.

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 2023.

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

First Quarter Review

Revenue has remained strong as the Group reported a total of RM15.64 million in the first quarter ended 31 March 2024 (1Q24) as compared to RM10.46 million in the corresponding quarter in 2023 (1Q23). This was primarily due to the increase in revenue from SAT segment in line with the Group's expectation for the year.

The Information Technology ("IT") segment revenue stood at RM6.09 million compared to revenue of RM6.31 million in 1Q23. The reduction in revenue resulted in a higher operating loss of RM0.81 million as compared to an operating loss of RM0.61 million in 1Q23. The higher revenue in 1Q23 was mainly contributed by a one-off billing for the network contract in that quarter.

Information Communication Technology ("ICT") segment revenue dropped from RM1.45 million to RM1.01 million in 1Q24. The decrease in current quarter revenue resulted in an operating loss of RM0.07 million in contrast to an operating profit of RM0.08 million in 1Q23. The lower revenue is attributed to the reduction in Outside Plant (OSP) and Site Management Project (SMP) projects in 1Q24.

The Satellite-Based Services ("SAT") segment revenue increased significantly to RM8.57 million in the current quarter, as compared to RM2.74 million in 1Q23. Additionally, the segment recorded an operating profit of RM2.16 million, an increase from the RM1.94 million operating profit in 1Q23. The growth in revenue is driven by progress billings related to Point of Presence (POP2) project. However, the marginal increase in profit is attributable to lower gross profit margin for current quarter billings.

The Group reported a drop in profit before tax ("PBT") and profit after tax ("PAT") to RM0.60 million as compared to PBT and PAT of RM0.86 million for the same period last year. Despite the improved revenue, the Group reported a drop in profitability attributable to increase in direct costs.

Comparison with Immediate preceding quarter

	Current Quarter	Immediate
	31 March 2024	Preceding Quarter
	RM	31 December 2023
	RM	RM
Group Result		
Revenue	15,641,110	35,819,101
Gross profit	4,482,488	7,838,179
Operating income before impairment of goodwill	799,435	4,027,268
Impairment of goodwill	-	(4,003,000)
(Loss)/Profit before interest and taxation	799,435	(1,806,394)
(Loss)/Profit before taxation	598,266	(1,945,491)
(Loss)/Profit after taxation	598,266	(1,742,669)
(Loss)/Profit attributable to owners of the company	656,439	(1,655,236)

In the current quarter under review, the Group reported a revenue of RM15.64 million, reduction from the immediate preceding quarter's revenue of RM35.82 million. However, the Group's profit before tax ("PBT") increased to RM0.60 million in the current quarter, from an operating loss of RM1.95 million in the immediate preceding quarter. The higher revenue in the immediate preceding quarter is primarily attributed to project consultancy fees related to POP2 project, whereas the operating loss in the immediate preceding quarter is attributable to goodwill impairment of RM4.0 million.

17 Future prospects

As the Group embraces the complexities and opportunities in the digital age, we are poised to adopt forward looking strategies to harness the full potential of technology and drive sustainable profit growth. This requires investing in innovation and essential digital infrastructure and prioritising the development of digital skills among our workforce.

Looking ahead, we are dedicated to our growth objectives and will continually monitor and enhance our digitalization efficiency to meet the demands of tomorrow's market. Positioned strategically, we expect to continue the upward momentum in 2024. Our priority remains maximizing our value proposition by enhancing our existing expertise and cultivating new competencies to stay at the forefront of the industry.

Furthermore, the Group is committed to strategic partnerships with leading digital solution companies, laying a robust foundation to seize upcoming market opportunities and bolster our presence in the IT business segments. With the accelerating trend of digital transformation, we are well-positioned to capitalize on this momentum and cater to the evolving needs of our customers, ensuring sustained success in the future.

We remain committed to fulfilling our order book, which currently stands at approximately RM308.30 million. We will persist in meeting industry demands and seizing opportunities in the technology space to enhance our future performance.

18 Variance on profit forecast

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

19 Income tax expense

	Current quarter ended		Cumulative quarter ended	
	31 March		31 March	
	2024	2023	2024	2023
	RM	RM	RM	RM
Current tax				
- Current year	-	-	-	-
- Prior year	-	-	-	-
Deferred tax				
Origination and reversal of temporary differences	-	-	-	-

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

- a) On 16 February 2024, the Company proposed to undertake the private placement of up to 61,402,002 new ordinary shares in PRIVASIA Technology, representing up to 10% of the total number of issued shares of Privasia Technology to third party investor(s). Bursa had, vide its letter dated 22 March 2024, approved the listing and quotation of up to 61,402,002 Placement shares.

The private placement was completed on 28 May 2024 following the listing of and the quotation of:

(i) On 18 April 2024, first tranche of the Private Placement had been completed following the listing of and quotation for the 24,560,800 placement shares at an issue price RM0.0900 each and raised RM2,210,472 in the ACE Market of Bursa Malaysia Securities Berhad.

(ii) On 3 May 2024, second tranche of the Private Placement had been completed following the listing of and quotation for the 18,420,600 placement shares at an issue price RM0.0929 each and raised RM1,711,274 in the ACE Market of Bursa Malaysia Securities Berhad.

(iii) On 13 May 2024, third tranche of the Private Placement had been completed following the listing of and quotation for the 12,280,400 placement shares at an issue price RM0.0879 each and raised RM1,079,447 in the ACE Market of Bursa Malaysia Securities Berhad.

(iv) On 28 May 2024, fourth tranche of the Private Placement had been completed following the listing of and quotation for the 6,140,202 placement shares at an issue price RM0.0853 each and raised RM523,759 in the ACE Market of Bursa Malaysia Securities Berhad.

- b) The Company had on 13 March 2024 entered into a Transfer and Shareholders' Agreement ("TSA") with DJava Factory Sdn. Bhd. ("DJF"), DSS Capital Sdn. Bhd. ("DSS"), Mr Allan Kenneth Ang ("Shareholder 1") and Mr Teh Chee Hoe ("Shareholder 2"), for the acquisition of 127,500 Ordinary Shares in DJF equivalent to 51% of the total shareholding interest in DJF held jointly by DSS, Shareholder 1 and Shareholder 2 for a total consideration of RM1,100,000. As of the date of this report the exercise is still in progress.

22 Utilisation of proceeds

Details of utilisation of the Proceeds from the Private Placement Exercise are as follows:

Utilisation Purpose	Proposed Utilisation	Actual utilised todate	Balance unutilised	Expected timeframe for utilisation of proceeds from the date of completion of Private Placement
i) Repayment of bank borrowings	3,000,000	3,000,000	-	Within 6 months
ii) Working Capital	1,224,952	1,015,169	209,783	Within 12 months
iii) Acquisition of 51% equity interest in DJava Factory Sdn Bhd	1,100,000	-	1,100,000	Within 24 months
iv) Estimated expenses in relation to the Proposed Private Placement	200,000	93,182	106,818	Within 1 month
	5,524,952	4,108,351	1,416,601	

Any variation to the actual gross proceeds raised from the private placement will be adjusted to or from the amount allocated for working capital requirement of the Group.

23 Material litigation

On 4 January 2024, Privatel Sdn. Bhd. ("Privatel") a subsidiary of the Company has been served with a sealed Writ and Statement of Claim dated 28 December 2023, by Bay Smart Capital Ventures Sdn Bhd ("BSC") via its solicitors, Messrs KS Lim & Ong. BSC having provided an invoice factoring facility to a contractor of Privatel and secured by a Master Assignment Agreement, is suing Privatel for unpaid invoices, but Privatel's payment to the contractor is contingent upon the end customer's payment, which remains pending due to ongoing job completion by the sub-contractor.

On 4 April 2024, Privatel Sdn. Bhd. ("Privatel") a subsidiary of the Company has been served by hand with a Writ Summon dated 25 March 2024, by MTK Communication Sdn Bhd ("MTKC") via its solicitors, Messrs Yaacob Mentol, Zamani & Associates. However, prior to this Writ Saman, MTKC, through another lawyer H.M. Mokhtar Rudin, Zainiah & Associates, issued a letter of demand to Privatel on 20 January 2023, which Privatel's solicitors responded to denying the claim as the services rendered were not complete, sign off documents were not submitted to support the claim and stressed clearly that this was a back to back payment arrangement. MTKC nor the lawyers have not provided any response to Privatel's solicitors' letter.

As at 24 May 2024 (being a date not earlier than 7 days from the date of issue of this report), the cases are still ongoing, the Company will update as and when there are material developments on the above matter.

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 2023 was not qualified.

25 Profit before tax

	Current quarter ended		Cumulative quarter ended	
	31 March		31 March	
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit for the period is arrived at after charging/ (crediting):				
Amortisation of intangible assets	178,605	235,956	178,605	235,956
Depreciation of investment properties	6,648	6,649	6,648	6,649
Depreciation of property, plant and equipment	304,934	343,843	304,934	343,843
Unrealised loss on foreign exchange	24,092	5,927	24,092	5,927
Gain on disposal of property, plant and equipment	3,142	-	3,142	-
Finance costs	229,337	216,564	229,337	216,564
Finance income	(28,168)	(31,287)	(28,168)	(31,287)

26 Earnings 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		Cumulative quarter ended	
	31 March		31 March	
	2024	2023	2024	2023
Profit/(Loss) attributable to equity holders (RM)	656,439	950,745	656,439	950,745
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)	0.11	0.15	0.11	0.15

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 30 May 2024.