

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022**

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	CURRENT YEAR	PRECEDING YEAR	CHANGES	CURRENT YEAR	PRECEDING YEAR	CHANGES
	QUARTER	CORRESPONDING	(AMOUNT / %)	TO DATE	CORRESPONDING	(AMOUNT / %)
	30 June 2022	30 June 2021	RM'000	30 June 2022	30 June 2021	RM'000
	RM'000	RM'000		RM'000	RM'000	
Revenue	19,988	22,131	(2,143) / -10%	37,780	42,106	(4,326) / -10%
Contract Expenses	(17,396)	(19,871)		(33,440)	(37,750)	
Gross Profit	2,592	2,260	332 / 15%	4,340	4,356	(16) / 0%
Other Operating Income	775	34		1,212	404	
	3,367	2,294		5,552	4,760	
Administrative Expenses	(2,437)	(1,628)		(5,928)	(3,420)	
Other Expenses	(4,396)	(306)		(6,847)	(610)	
Finance Costs	(240)	(266)		(490)	(549)	
Net Impairment Losses on Financial Assets and Contract Assets	-	-		-	-	
(Loss) / Profit Before Taxation	(3,706)	94	(3,800) / -4043%	(7,713)	181	(7,894) / -4361%
Income Tax Expense	(765)	13		(1,487)	27	
(Loss) / Profit After Taxation	(4,471)	107	(4,578) / -4279%	(9,200)	208	(9,408) / -4523%
Other Comprehensive Income	-	-		-	-	
Total Comprehensive (Expenses) / Income For The Financial Period	(4,471)	107		(9,200)	208	
(Loss) / Profit After Taxation Attributable To :-						
Owners of the Company	(4,551)	186	(4,737) / -2547%	(9,209)	437	(9,646) / -2207%
Non-controlling interests	80	(79)		9	(229)	
	(4,471)	107		(9,200)	208	
Total Comprehensive (Expenses) / Income Attributable To :-						
Owner of the Company	(4,551)	186	(4,737) / -2547%	(9,209)	437	(9,646) / -2207%
Non-Controlling Interests	80	(79)		9	(229)	
	(4,471)	107		(9,200)	208	
Weighted average number of shares in issue ('000)	1,512,119	153,201		1,512,119	153,201	
(Loss) / Profit per share attributable to the equity holders of the Company (sen)						
- Basic	(0.30)	0.12		(0.61)	0.29	
- Diluted	(0.30)	0.12		(0.61)	0.29	

Notes:-

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Pasukhas Group Berhad and its subsidiaries ("Group") for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

PASUKHAS GROUP BERHAD Registration No.: 200501009342 (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022

	UNAUDITED AS AT END OF CURRENT QUARTER 30 June 2022 RM'000	AUDITED AS AT 31 Dec 2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	22,387	24,998
Investment properties	5,490	5,559
Right-of-use assets	1,127	1,320
Deferred tax assets	1,655	1,655
Other investments	30,088	18,560
	<u>60,747</u>	<u>52,092</u>
CURRENT ASSETS		
Inventories	30,948	30,318
Contract assets	27,304	21,835
Trade receivables	18,242	14,072
Other receivables, deposits and prepayments	51,804	32,382
Current tax assets	73	604
Fixed deposits with licensed banks	3,367	4,163
Money market instruments	8,468	60,063
Cash and bank balances	8,987	10,377
	<u>149,193</u>	<u>173,814</u>
TOTAL ASSETS	<u>209,940</u>	<u>225,906</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	224,233	212,914
Warrant reserves	35,067	35,067
Merger deficit	(10,500)	(10,500)
Fair value reserve	17	17
Foreign exchange translation reserve	(2)	(1)
Accumulated lossess	(81,917)	(72,170)
	<u>166,898</u>	<u>165,327</u>
NON-CONTROLLING INTERESTS	<u>(607)</u>	<u>(324)</u>
TOTAL EQUITY	<u>166,291</u>	<u>165,003</u>
NON-CURRENT LIABILITIES		
Lease liabilities	857	1,024
Islamic medium term notes	11,023	12,472
Deferred tax liabilities	453	474
	<u>12,333</u>	<u>13,970</u>
CURRENT LIABILITIES		
Trade payables	19,090	18,171
Other payables and accruals	7,437	23,913
Lease liabilities	340	347
Islamic medium term notes	1,398	1,298
Bank overdrafts	3,051	3,204
	<u>31,316</u>	<u>46,933</u>
TOTAL LIABILITIES	<u>43,649</u>	<u>60,903</u>
TOTAL EQUITY AND LIABILITIES	<u>209,940</u>	<u>225,906</u>
Net assets per share (RM)	<u>0.11</u>	<u>0.12</u>

Notes:-

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOR THE FIRST (2ND) QUARTER ENDED 30TH JUNE 2022

	<----->		Non-Distributable			----->				
	Share Capital	Employee Share Option Reserve	Merger Deficit	Fair Value Reserve	Warrant Reserve	Foreign Exchange Translation Reserve	Distributable Accumulated Losses	Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Current period to date ended 30 June 2022</u>										
Balance at 1 January 2022 (Audited)	212,914	-	(10,500)	17	35,067	(1)	(72,170)	165,327	(324)	165,003
Loss after taxation / Total comprehensive expenses for the financial period	-	-	-	-	-	-	(9,209)	(9,209)	9	(9,200)
Contributions by and distributions to owners of the Company:-										
- Foreign exchange translation differences	-	-	-	-	-	(1)	-	(1)	-	(1)
- Issuance of shares upon exercise of ESOS	11,319	-	-	-	-	-	-	11,319	-	11,319
- Acquisition of a subsidiary	-	-	-	-	-	-	(538)	(538)	(292)	(830)
Balance at 31 March 2022 (Unaudited)	224,233	-	(10,500)	17	35,067	(2)	(81,917)	166,898	(607)	166,291
<u>Preceding period to date ended 30 June 2021</u>										
Balance at 1 January 2021 (Audited)	117,501	4,129	(10,500)	17	-	(1)	(54,922)	56,224	1,799	58,023
Profit / (Loss) after taxation / Total comprehensive income / (expenses) for the financial period	-	-	-	-	-	-	437	437	(229)	208
Contributions by and distributions to owners of the Company:-										
- Issuance of shares upon exercise of ESOS	23,404	-	-	-	-	-	-	23,404	-	23,404
- Recognition of share option expenses	-	(282)	-	-	-	-	-	(282)	-	(282)
- Transfer to share capital for ESOS exercised	3,847	(3,847)	-	-	-	-	-	-	-	-
Balance at 30 June 2021 (Unaudited)	144,752	-	(10,500)	17	-	(1)	(54,485)	79,783	1,570	81,353

Notes:-

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

PASUKHAS GROUP BERHAD Registration No.: 200501009342 (686389-A)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022

	UNAUDITED CURRENT PERIOD TO DATE 30 June 2022 RM'000	UNAUDITED PRECEDING PERIOD TO DATE 30 June 2021 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(7,713)	181
Adjustments for:-		
Amortisation of transaction costs capitalised	51	51
Depreciation of plant and equipment	1,259	1,149
Depreciation of investment properties	69	96
Depreciation of right-of-use assets	194	245
Gain on disposal of right-of-use assets	-	(134)
Gain on disposal of plant and equipment	(67)	(4)
Share options to employees	1,513	(283)
Interest expense	439	518
Interest income	(325)	(95)
Fair value loss on investment in quoted shares	6,200	-
Unrealised gain on foreign exchange	(1)	(2)
Operating profit before working capital changes	1,619	1,722
Increase in inventories	(630)	-
Net increase in contract	(5,471)	(5,343)
Increase in trade and other receivables	(23,593)	(11,280)
Decrease in trade and other payables	(15,557)	(2,261)
CASH FLOWS FOR OPERATING ACTIVITIES	(43,632)	(17,162)
Interest paid	(438)	(518)
Income tax Paid	(976)	-
NET CASH FOR OPERATING ACTIVITIES	(45,046)	(17,680)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	325	95
Purchase of plant and equipment	(82)	(409)
Additional investment in an existing subsidiary	(830)	-
Proceeds from disposal of plant and equipment	1,500	4
Purchase of other investments	(17,727)	-
NET CASH FOR INVESTING ACTIVITIES	(16,814)	(310)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of employees' share options	9,806	23,404
Net repayment of bankers' acceptances	-	(796)
Repayment of lease liabilities	(175)	(192)
Net repayment of Islamic medium term notes	(1,400)	(1,300)
NET CASH FROM FINANCING ACTIVITIES	8,231	21,116
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(53,629)	3,126
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	1	2
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	71,399	14,509
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	17,771	17,637

Notes:-

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 : INTERIM FINANCIAL REPORTING****A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134 : Interim Financial Reporting in Malaysia and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The unaudited Condensed Consolidated Interim Financial Statements should be read in conjunction with the audited consolidated financial statements of the Group for the financial year ended 31 December 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

A2. Changes in Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021.

The Group adopted the following new Accounting Standards, Amendments and IC Interpretations:-

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 : Interest Rate Benchmark Reform - Phase 2

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial period.

MFRS and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

A3. Auditor's Report on Preceding Annual Financial Statements

There were no audit qualification to the annual audited financial statements of the Group for the financial year ended 31 December 2021.

A4. Seasonal or Cyclical Factors

The business operations of the Group were not significantly affected by seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter and financial year-to-date under review.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A6. Material Changes in Estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the current financial quarter under review and financial year-to-date.

A7. Changes in Debts and Equity Securities

There were no issuances, cancellations or repayments of debt and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares for the current financial quarter under review and financial year-to-date, except for the following:-

- (i) Issuance of new ordinary shares pursuant to the employees' share option scheme ("ESOS"):-

	Individual Quarter 3 Months Ended 30.06.2022		Cumulative Quarter 6 Months Ended 30.06.2022	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Exercise of Share options	117,926	2,270	496,426	9,806

- (ii) Conversion of Warrants to Ordinary Shares

During the current quarter, there was no conversion of warrants to ordinary shares. As at 29 August 2022, 578,896,755 warrants remained unexercised and warrants expiry date is on 15 July 2024.

A8. Dividend

There were no dividends declared or paid during the financial year to date under review.

A9. Segmental Information

The segmental revenue and results for the financial year-to-date under review are as follows:-

Revenue by Operating Segments

	M&E Engineering Services	Manufacturing of LV switchboards	Civil Engineering and Construction Services	Trading of Transformer and Steam Coal	Rental Income	Energy Utilities Services and Power Generation	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue							
External revenue	1,429	1,307	32,650	-	-	2,394	37,780
Inter-segment revenue	-	-	-	-	-	-	-
Total segment revenue	1,429	1,307	32,650	-	-	2,394	37,780
Segment result	139	9	2,870	-	-	1,322	4,340
Other operating income							1,212
Administrative expenses							(5,928)
Other expenses							(6,847)
Finance costs							(490)
Tax expense							(1,487)
Loss after taxation							(9,200)

All the business segments are held by subsidiaries, thus the Group's contract expenses, operating expenses, income taxes, assets and liabilities are managed on a group basis and are not allocated to operating segments.

Revenue by Geographical Markets

	Current Year To Date 30 June 2022	
	RM'000	%
Malaysia	37,780	100
	37,780	100

A10. Valuation of Plant and Equipment

There was no valuation of plant and equipment in the current financial quarter under review.

A11. Subsequent Material Events

Save as disclosed below and elsewhere in the interim financial report, there were no material events subsequent to the end of the financial period up to the date of this report:-

- (a) On 1 June 2022, the Company announced the termination of the Proposed Acquisition of 60% Equity Interest in PT Berkah Bumi Luluh (Now known as PT Berkah Bumi Leluhur) by Pasukhas Products Sdn Bhd ("PPSB"), a wholly-owned subsidiary of PGB as PPSB opined that coal business was not viable to be carried out as this stage.
- (b) On 15 June 2022, the Company announced that the Company has on 15 July 2022, received a notice in writing dated 14 July 2022 from Messrs. Crowe Malaysia PLT ("Crowe") on their resignation as Auditors of the Company. Pursuant to Section 281(2) of the Companies Act 2016, the term of office of Crowe will end on 14 July 2022. The resignation of Crowe is on a voluntary basis, as the Company could not reach a consensus on the proposed audit fees.
- (c) On 18 August 2022, the Company announced that Messrs. UHY has given their consent to act as Auditors of the Company pursuant to Section 264(5) of the Companies Act 2016 via their letter dated 18 August 2022 and has been appointed as the Auditors of the Company with effect from 18 August 2022.

A12. Changes in the Composition of the Group

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

A13. Contingent Assets or Liabilities

Save as disclosed below, there were no contingent assets or contingent liabilities since the last audited financial statements of the Group for the financial year ended 31 December 2021:-

	Current Quarter Ended 30 June 2022 RM'000	Preceding Financial Year Ended 31 Dec 2021 RM'000
Contingent Liability		
- Bank guarantee issued	3,116	1,000

A14. Capital Commitments

The Group does not have any material capital commitments in respect of plant and equipment as at the end of the current financial quarter under review.

A15. Capital Expenditure

There were no major additions and disposals of the plant and equipment during the current financial quarter under review.

A16. Related Party Transactions

Save as disclosed below, there were no related party transactions for the current financial quarter under review and financial year-to-date:-

	Current Quarter Ended 30 June 2022 RM'000	Cumulative Year-To-Date 30 June 2022 RM'000
Nature of transaction		
Contract Income	1,789	1,789
	<u>1,789</u>	<u>1,789</u>

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

The Group recorded a revenue of RM19.988 million for the current financial quarter under review as compared to RM22.131 million in the preceding corresponding quarter representing a decrease of RM2.143 million or 9.68%. The decrease was mainly due to decrease in revenue contributed from Civil Engineering and Construction Services. The Group's revenue was derived solely from Malaysia.

The Group recorded a gross profit of RM2.592 million as compared to a gross profit of RM2.260 million in the corresponding quarter of the preceding year.

The Civil Engineering and Construction Services segment provided the largest contribution of RM2.870 million or 66.13% to the Group with a revenue of RM32.650 million or 86.42%. Further information is disclosed in Note A9.

The Group recorded a negative cash flow for operating activities of RM43.632 million and negative net cash flow for operating activities of RM45.046 million after adjusting for interest and income tax paid due to increase in contract assets. The decrease in cash and cash equivalents are mainly due to purchase of other investment.

B2. Comparison with Preceding Quarter's Results

	Current Quarter 30 June 2022 RM'000	Preceding Quarter 31 Mar 2022 RM'000	Variance RM'000
Revenue	19,988	17,792	2,196
Loss before tax	(3,706)	(4,007)	301

Revenue of the Group increased from RM17.792 million to RM19.988 million amounting to RM2.196 million or 12.34% for the current financial quarter as compared to immediate preceding financial quarter mainly due to increase of revenue contributed from Civil Engineering and Construction Services. The Group reported a net loss before tax of RM3.706 million for the current financial quarter as compared to a net loss before tax of RM4.007 million in the immediate preceding quarter mainly due to impairment loss of financial and contract assets and fair value loss on quoted investments in current and the preceding quarter.

B3. Prospects

The Malaysian economy grew by 5.0% in the first quarter of 2022 (4Q 2021: 3.6%). Growth was supported mainly by higher domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the labour market and continued policy support. In addition, strong external demand, amid the continued upcycle in global technology, provided a further lift to growth. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered an increase of 3.9% (4Q 2021: 4.6%).

During the quarter, domestic demand expanded by 4.4% (4Q 2021: 1.9%). Growth was supported by higher consumption and improvement in investment activities amid the normalisation of economic activity. On the external front, demand for Malaysia's exports, particularly for electrical and electronics products, remained strong.

As at the LPD, the Group's outstanding construction order book stood strong at about RM100 million.

During the period the Company is pleased to announce the acceptance of the following letter of awards:

- (a) On 30 May 2022, the Company announced that Pasukhas Sdn Bhd, a wholly-owned subsidiary, had on 26 May 2022 accepted a letter of award from Exyte Malaysia Sdn Bhd, for the substructure and superstructure works of K10 general warehouse for AT&S Malaysia Construction Project Phase 1, Kulim Kedah, Malaysia with a contract value of RM31.164 million.
- (b) On 26 July 2022, the Company announced that Pasukhas Sdn Bhd, a wholly-owned subsidiary of the Company, had accepted a letter of confirmation of award from Salcon Engineering Berhad, for the execution and completion of electrical works including cabling, earthing, external lighting and equipment installation for Water Treatment Plant Telibong II, Tamparuli with a sub-contract sum of RM11.340 million.
- (c) On 11 August 2022, the Company announced that Pasukhas Construction Sdn Bhd, a wholly-owned subsidiary of the Company, had accepted a letter of award from Exyte Malaysia Sdn Bhd, for the concrete substructure works for head building of Dexcom Malaysia Factory 3 Project, Penang with a contract value of RM 7.084 million.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B3. Prospects (Continued)

On the property development front, the Group has entered into a joint venture agreement with Yayasan to undertake a mixed development project located at Jalan Tun Razak, Kuala Lumpur with an estimated gross development value of RM338.0 million.

The Board believe that with the continuous growth in the Energy Utilities Services and Power Generation segment will contribute positively to the financial performance of the Group. The Renewable Energy, i.e. energy utilities services and power generation business, with the long term stable income stream derived from the energy utilities services continue to contribute positively to long term revenue and profits of the Group.

On top of the above, the Group will kick start its development project and expand into River Sand Extraction cum Trading segment in the near future.

The COVID-19 pandemic has adversely impacted the overall economy across the globe and the Group is not spared from the negative effects of the pandemic. However, as the COVID-19 pandemic gradually subsides and with the relaxation of containment measures including the reopening of international borders, the global economy is expected to gradually recover in the near future. Following this, growth in the construction and property development segment are expected to rebound, driven by resumption of business activities in the country.

Moving forward, the Group will be continuously expending efforts to secure more contracts for its civil engineering and construction as well as M&E engineering services segments. To this end, the Group aims to work with various property developers and project owners in Malaysia to secure additional M&E contracts for commercial high-rise buildings, mixed development and other specialised projects.

Premised on the above and after considering the overview of the Malaysian economy as well as the construction and property market in the longer term, the Board remains cautiously optimistic of the future prospects of the Group.

B4. Taxation

	Current Quarter Ended 30 June 2022 RM'000	Cumulative Period-To-Date 30 June 2022 RM'000
<u>Current tax expenses:</u>		
- for the financial year	(776)	(1,509)
<u>Deferred tax expense:</u>		
- for the financial year	11	22
Current Tax for the current financial period	<u>(765)</u>	<u>(1,487)</u>

The statutory tax rate for the current financial year is 24%.

B5. Profit Forecast and Profit Guarantee

The Group has not issued any profit forecast or profit guarantee during the current financial quarter under review.

B6. Status of Corporate Proposals

There were no corporate proposal pending completion as at the date of issuance of this interim report.

B7. Status of Utilisation of Proceeds

On 17 March 2021, the Company proposed to undertake the following:-

- (a) Proposed Share Consolidation involving the consolidation of every 10 existing ordinary shares in the Company into 1 ("Consolidated Shares"). As at 29 March 2021, being the latest practicable date prior to the date of this report, the issued share capital of the Company comprises 1,653,990,732 shares. Pursuant to the Proposed Share Consolidation, the 1,653,990,732 shares will be consolidated into 165,399,073 Consolidated Shares.
- (b) Proposed renounceable rights issue of up to 992,394,438 new Shares ("Rights Shares") together with up to 578,896,755 free detachable warrants in the Company ("Warrants A") on the basis of 12 Rights Shares together with 7 free Warrants A for every 2 existing Consolidated Shares held by the entitled shareholders on an entitlement date to be determined.

With the completion of the Private Placement on 21 July 2020, the Company has raised a total proceeds of RM99.199 million, which is expected to be utilised in the following manner:-

Purpose	Proposed	Amount	Amount	Timeframe for Utilisation upon Listing Date
	Amount RM'000	Utilised RM'000	Unutilised RM'000	
Development of Yayasan Project	66,683	-	66,683	Within 24 months
Financing of the Factory Project	31,816	31,816	-	Within 12 months
Estimated expenses for the Corporate Exercise	700	700	-	Immediate
	<u>99,199</u>	<u>32,516</u>	<u>66,683</u>	

B8. Group Borrowings and Debt Securities

The total borrowings of the Group as at 31 March 2022 are as follows:-

	Short Term	Long Term	Total
	RM'000	RM'000	borrowings RM'000
As at 2nd Quarter ended 30 June 2022			
Secured			
Lease liabilities	340	857	1,197
Islamic medium term notes	1,398	11,023	12,421
	<u>1,738</u>	<u>11,880</u>	<u>13,618</u>
As at 2nd Quarter ended 30 June 2021			
Secured			
Lease liabilities	350	1,261	1,611
Islamic medium term notes	1,298	12,421	13,719
	<u>1,648</u>	<u>13,682</u>	<u>15,330</u>

All borrowings of the Group are denominated in Ringgit Malaysia.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

B9. Material Litigation

There were no material litigation, involving the Group since the date of the last annual statement of financial position of the Group as at 31 December 2021 up to the date of this interim report, except for the following:-

(i) In the matter of an adjudication between Pasukhas Sdn Bhd ("PSB" or "Claimant") and Empire Multiple Sdn Bhd ("EMSB" or "Respondent")

On 6 February 2018, the wholly-owned subsidiary of the Company, Pasukhas Sdn Bhd ("PSB" or "Claimant") had served 1 Payment Claim under Section 5 of the Construction Industry Payment & Adjudication Act 2012 ("CIPAA") against Empire Multiple Sdn Bhd ("EMSB" or "Respondent"), claiming total amount of RM6,332,275.63 ("CIPAA Payment Claim") being outstanding sum due and owing by EMSB.

The CIPAA Payment Claim is related to the project known as "Sub-contract for the Supply of Materials, Labour, Machineries, Equipment & Tools for Structural Works Only for Construction & Completion of Apartment Housing Scheme which includes : (1) Apartment Block A (14 Storey) (i) 13 Storey (130 Units) Apartment (ii) 1 Storey Carpark (iii) 1 unit electrical Sub-station (2) Apartment Block B (14 Storey) (i) 13 Storey (130 units) Apartment (ii) 1 Storey Carpark (3) 1 Storey Club House and Swimming Pool (4) Guard House On lot 208397, 69040, 69041, 69042 and 69043, Taman Bintang, Bandaraya Ipoh, Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan for Messrs Empire Multiple.

PSB had on 28 February 2018 instituted adjudication proceedings under the CIPAA against EMSB and both parties have been unable to agree on an adjudicator to determine the dispute.

On 26 April 2018, PSB had received a letter of acceptance of appointment as adjudicator dated 26 April 2018 from Mr James P Monteiro, the appointed Adjudicator in relation to the Proposed Terms of Appointment to act as Adjudicator under Section 23(1) of the CIPAA.

On 20 Aug 2018, PSB received the Adjudicator Decision pursuant to CIPAA dated 17 August 2018.

The Adjudicator's Decision was as follows:

(a) For the Adjudicated Sum:

- (i) The Respondents shall pay to the Claimant the sum of RM4,799,321.99; and
- (ii) Interest on the sum of RM4,799,321.99 commencing from 6 February 2018 until full settlement at a rate of 5% per annum.

(b) For the Adjudicated Costs:

- (i) The sum of RM40,000.00 as party to party costs within 10 working days from the date of release of the Adjudication Decision;
- (ii) Costs of adjudication which includes Asian International Arbitration Centre's ("AIAC") (previously known as KLRCA) registration of adjudication fee of RM265.00, appointment of adjudicator RM424.00 and administrative costs of RM60,000.00 (and GST if any) within 10 working days; and
- (iii) Interest of 5% per annum on such costs in the event of default until full settlement.

On 20 September 2018, PSB filed an application to enforce the CIPAA decision dated 17 August 2018 at Kuala Lumpur High Court.

On 28 September 2018, EMSB filed an application to stay the enforcement of the CIPAA decision & set aside the CIPAA decision dated 17 August 2018 in Ipoh High Court.

On 8 October 2018, EMSB filed an application to transfer the enforcement proceeding to Ipoh High Court. EMSB's application was dismissed.

PSB filed application to transfer EMSB's setting aside & stay proceeding to Kuala Lumpur High Court. The case management for the application to transfer EMSB's application was on 22 November 2018.

On 12 February 2019, the Kuala Lumpur High Court allowed PSB's application to enforce the CIPAA decision dated 17.8.2018 and dismissed EMSB's application to set aside and stay the CIPAA decision.

On 5 March 2019, EMSB has filed a Notice of Appeal against High Court's decision dated 12 February 2019.

On 7 March 2019, PSB served a winding up notice against EMSB. EMSB have then applied for and obtained an ex-parte injunction against PSB's winding up proceeding on 27 March 2019.

EMSB was given time until 2 April 2019, to pay the adjudicated sum before PSB take a further step to file a winding up petition on EMSB.

Before winding-up proceedings could be commenced, EMSB applied for and obtained an ex parte Fortuna injunction against PSB restraining PSB from presenting the winding-up petition. This ex parte injunction was subsequently affirmed by the learned High Court judge sitting in Ipoh on 27 March 2019.

On 19 June 2019, the Ipoh High Court allowed EMSB's application for a Fortuna Injunction. PSB appealed against the Ipoh High Court's decision. On 9 December 2021, the Ipoh High Court has allowed PSB's appeal in striking off of the fortuna injunction and awarded PSB a RM20,000 subject to allocator.

On 16 February 2022, PSB had filed a winding up petition at the Kuala Lumpur High Court against Empire Multiple Sdn Bhd due to the failure on the part of the Respondent to pay the total sum of RM5,883,829.00 to PSB. The board on 10 August 2022, announced that further to hearing on winding up petition, PSB had obtained the winding up order against EMSB on 10 August 2022.

B9. Material Litigation (Continued)

(ii) In the matter of an adjudication between Pasukhas Sdn Bhd ("PSB" or "Judgement Creditor") and Empire Multiple Sdn Bhd ("EMSB" or "Judgement Debtor") - IPOH HIGH COURT SUIT NO. AA-37J-2-06/2020

On 31 October 2019, PSB filed a Judgment Debtor Summons ("JDS Suit") at the Kuala Lumpur High Court to summon EMSB's directors and officer for examination of EMSB's asset. EMSB has filed an application to transfer the JDS Suit to Ipoh High Court and the application to transfer has been approved during hearing on 16 January 2020.

Further to the case management held on 22 August 2022, the Company announced that the matter has been withdrawn as it would be redundant after the winding up of the Judgment Debtor.

(iii) In the matter of an adjudication between Pasukhas Sdn Bhd ("PSB" or "Plaintiff") vs Empire Multiple Sdn Bhd and 8 others ("Defendants") - Ipoh High Court Suit No. AA-22NCC-7-02/2020

On 14 February 2020, PSB filed a Writ of Summons ("Writ") against EMSB, EMSB's directors and EMSB's auditor at Ipoh High Court. The list of Plaintiff and Defendants as follows:-

Plaintiff

1. Pasukhas Sdn Bhd ("PSB")

Defendants

1. Empire Multiple Sdn Bhd ("EMSB" or "D1")
2. Lee Kong Choong ("D2")
3. Yee Loon Ming ("D3")
4. Tan Chuan Swee ("D4")
5. Ho Seng Loong ("D5")
6. Yee Kok Ching ("D6")
7. Chai Pin Fah ("D7")
8. Phuan Eng Sing ("D8")
9. Messrs Peter Ooi & Co ("D9")

The Plaintiff claiming for, amongst others, that the 2nd to 6th defendants to the suit had carried on the business of EMSB with the intention to defraud PSB.

On 30 March 2020, the 9th defendant filed a counter-claim against PSB claiming, amongst others, for general damages for tort of abuse of process, aggravated damages and exemplary damages.

Further to the hearing held on 4 April 2022, the Board of Directors of PASUKHAS wishes to announce that the Court has allowed PSB's additional affidavit and gave the Defendants 3 weeks to file an affidavit in Reply

The next case management for the fraudulent trading is fixed on 31 October 2022.

The Company will make further announcements on any material development on this matter.

B10. Dividends

There were no dividends declared or paid during the financial year-to-date under review.

B11. Loss Per Share

- i) Basic loss per share is calculated by dividing the loss attributable to the equity holders of the Company by the weighted average number of shares in issue for the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 June 2022	Preceding Year Corresponding Quarter Ended 30 June 2021	Current Year To Date 30 June 2022	Preceding Year Corresponding Period To Date 30 June 2021
(Loss) / Profit attributable to the equity holders of the Company (RM'000)	(4,551)	186	(9,209)	437
Weighted average number of ordinary shares in issue ('000)	1,512,119	153,201	1,512,119	153,201
Basic (loss) / profit per share (sen)	(0.30)	0.12	(0.61)	0.29

- ii) Diluted earnings per share is calculated by dividing the loss for the financial period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period adjusted for potential dilutive ordinary shares from the exercise of warrants.

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 June 2022	Preceding Year Corresponding Quarter Ended 30 June 2021	Current Year To Date 30 June 2022	Preceding Year Corresponding Period To Date 30 June 2021
(Loss) / Profit attributable to the equity holders of the Company (RM'000)	(4,551)	186	(9,209)	437
Weighted average number of ordinary shares in issue ('000)	1,512,119	864,135	1,512,119	864,135
Diluted (loss) / profit per share (sen)	(0.30)	0.02	(0.61)	0.05

Notes: The diluted loss per share for individual and cumulative quarter ended 30 June 2022 is equivalent to the basic loss per share as the Company's warrants had an anti-dilutive effect on the basic loss per share.

B12. Loss for the Period

Loss before taxation is arrived at after charging / (crediting):-

	Current Quarter Ended 30 June 2022 RM'000	Cumulative Year-To-Date 30 June 2022 RM'000
(a) Interest income	(112)	(325)
(b) Other income	(663)	(887)
(c) Interest expense	215	439
(d) Depreciation and amortisation	736	1,522
(e) Gain on disposal of plant and equipment	-	(67)

Other disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

B13. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 August 2022.

By Order of the Board of Directors

WAN THEAN HOE
CHIEF EXECUTIVE OFFICER