

**PASUKHAS GROUP BERHAD** Registration No.: 200501009342 (686389-A)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIXTH (6TH) QUARTER ENDED 30 JUNE 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	CUMULATIVE
	30 June 2023	30 June 2022	18 MONTHS	YEAR
	RM'000	RM'000	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	15,954	N/A	146,495	N/A
Contract Expenses	(16,960)	N/A	(134,939)	N/A
Gross (Loss)/Profit	(1,006)	N/A	11,556	N/A
Other Operating Income	131	N/A	2,197	N/A
	(875)	N/A	13,753	N/A
Administrative Expenses	(2,007)	N/A	(15,269)	N/A
Other Expenses	(2,395)	N/A	(15,290)	N/A
Finance Costs	(236)	N/A	(1,452)	N/A
Net Impairment Losses on Financial Assets and Contract Assets	(1,737)	N/A	(1,737)	N/A
Loss Before Taxation	(7,250)	N/A	(19,995)	N/A
Income Tax Expense	(1,675)	N/A	(3,131)	N/A
Loss After Taxation	(8,925)	N/A	(23,126)	N/A
Other Comprehensive Income	-	N/A	-	N/A
Total Comprehensive Expenses For The Financial Period	(8,925)	N/A	(23,126)	N/A
Loss After Taxation Attributable To :-				
Owners of the Company	(8,436)	N/A	(22,841)	N/A
Non-controlling interests	(489)	N/A	(285)	N/A
	(8,925)	N/A	(23,126)	N/A
Total Comprehensive Expenses Attributable To :-				
Owner of the Company	(8,436)	N/A	(22,841)	N/A
Non-Controlling Interests	(489)	N/A	(285)	N/A
	(8,925)	N/A	(23,126)	N/A
Weighted average number of shares in issue ('000)	184,398	N/A	184,398	N/A
Loss per share attributable to the equity holders of the Company (sen)				
- Basic	(4.57)	N/A	(12.39)	N/A
- Diluted	(4.57)	N/A	(12.39)	N/A

**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.

As announced on 30 December 2022, the financial year end has been changed from 31 December to 30 June. As such, there will be no comparative financial information available for the preceding year corresponding period.

**PASUKHAS GROUP BERHAD** Registration No.: 200501009342 (686389-A)  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE SIXTH (6TH) QUARTER ENDED 30 JUNE 2023**

	<b>UNAUDITED AS AT END OF CURRENT QUARTER 30 June 2023 RM'000</b>	<b>AUDITED AS AT 31 Dec 2021 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	21,149	24,998
Investment properties	12,625	5,559
Right-of-use assets	1,373	1,320
Deferred tax assets	-	1,655
Other investments	24,032	18,560
	<u>59,179</u>	<u>52,092</u>
<b>CURRENT ASSETS</b>		
Inventories	31,058	30,318
Contract assets	45,221	21,835
Trade receivables	17,219	14,072
Other receivables, deposits and prepayments	26,999	32,382
Current tax assets	52	604
Fixed deposits with licensed banks	6,117	4,163
Money market instruments	25	60,063
Cash and bank balances	7,606	10,377
	<u>134,297</u>	<u>173,814</u>
<b>TOTAL ASSETS</b>	<u>193,476</u>	<u>225,906</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
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	(3)	(1)
Accumulated lossess	(95,549)	(72,170)
	<u>153,265</u>	<u>165,327</u>
<b>NON-CONTROLLING INTERESTS</b>	<u>(901)</u>	<u>(324)</u>
<b>TOTAL EQUITY</b>	<u>152,364</u>	<u>165,003</u>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	1,113	1,024
Islamic medium term notes	9,525	12,472
Deferred tax liabilities	411	474
	<u>11,049</u>	<u>13,970</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	20,561	18,171
Other payables and accruals	4,863	23,913
Lease liabilities	366	347
Islamic medium term notes	1,498	1,298
Bank overdrafts	2,775	3,204
	<u>30,063</u>	<u>46,933</u>
<b>TOTAL LIABILITIES</b>	<u>41,112</u>	<u>60,903</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>193,476</u>	<u>225,906</u>
Net assets per share (RM)	<u>0.83</u>	<u>0.12</u>

**Notes:-**

The comparative figures in the consolidated statement of financial position are presented as if the reorganisation had been affected from the beginning of the earliest period presented. Please refer to Note 1 Basis of Preparation.

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 SIXTH (6TH) QUARTER ENDED 30 JUNE 2023

	<----- Share Capital	Employee Share Option Reserve	Non-Distributable		Warrant Reserve	-----> Foreign Exchange Translation Reserve	Distributable Accumulated Losses	Attributable to Owners of the Company	Non- Controlling Interests	Total Equity
	RM'000	RM'000	Merger Deficit	Fair Value Reserve	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Current period to date ended 30 June 2023</b>										
<b>Balance at 1 January 2022 (Audited)</b>	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	-	-	-	-	-	-	(22,841)	(22,841)	(285)	(23,126)
Contributions by and distributions to owners of the Company:-										
- Foreign exchange translation differences	-	-	-	-	-	(2)	-	(2)	-	(2)
- Issuance of shares upon exercise of ESOS	11,319	-	-	-	-	-	-	11,319	-	11,319
- Acquisition of a subsidiary	-	-	-	-	-	-	(538)	(538)	(292)	(830)
<b>Balance at 30 June 2023 (Unaudited)</b>	<u>224,233</u>	<u>-</u>	<u>(10,500)</u>	<u>17</u>	<u>35,067</u>	<u>(3)</u>	<u>(95,549)</u>	<u>153,265</u>	<u>(901)</u>	<u>152,364</u>
<b>Preceding period to date ended 31 December 2021</b>										
<b>Balance at 1 January 2021 (Audited)</b>	117,501	4,129	(10,500)	17	-	(1)	(54,922)	56,224	1,799	58,023
Loss after taxation / Total comprehensive expenses for the financial period	-	-	-	-	-	-	(19,248)	(19,248)	(2,123)	(21,371)
Contributions by and distributions to owners of the Company:-										
- Issuance of shares upon exercise of ESOS	23,824	-	-	-	-	-	-	23,824	-	23,824
- Private Placement	4,421	-	-	-	-	-	-	4,421	-	4,421
- Recognition of share option expenses	-	1,718	-	-	-	-	-	1,718	-	1,718
- Transfer to share capital for ESOS exercised	3,847	(3,847)	-	-	-	-	-	-	-	-
- ESOS lapsed	-	(2,000)	-	-	-	-	2,000	-	-	-
- Issuance of right shares with warrant	63,843	-	-	-	35,356	-	-	99,199	-	99,199
- Recognition of right share with warrant expenses	(522)	-	-	-	(289)	-	-	(811)	-	(811)
<b>Balance at 31 December 2021 (Audited)</b>	<u>212,914</u>	<u>-</u>	<u>(10,500)</u>	<u>17</u>	<u>35,067</u>	<u>(1)</u>	<u>(72,170)</u>	<u>165,327</u>	<u>(324)</u>	<u>165,003</u>

**Notes:-**

The comparative figures in the consolidated statement of changes in equity are presented as if the reorganisation had been affected from the beginning of the earliest period presented. Please refer to Note 1 Basis of Preparation.

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 SIXTH (6TH) QUARTER ENDED 30 JUNE 2023**

	UNAUDITED CURRENT PERIOD TO DATE 30 June 2023 RM'000	AUDITED PRECEDING PERIOD TO DATE 31 Dec 2021 RM'000
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Loss before taxation	(19,995)	(21,708)
<b>Adjustments for:-</b>		
Amortisation of transaction costs capitalised	153	102
Depreciation of plant and equipment	3,859	2,418
Depreciation of investment properties	271	138
Depreciation of right-of-use assets	660	462
Gain on disposal of plant and equipment	(67)	(1)
Share options to employees	1,513	1,767
Impairment loss on trade receivables and contract assets	1,736	4,734
Impairment loss on investment properties	-	3,005
Interest expense	1,297	1,468
Interest income	(368)	(699)
Inventories written down	-	405
Loss on disposal of of right-of-use assets	-	65
Loss on disposal of other investment	-	61
Fair value loss on investment in quoted shares	12,967	8,531
Unrealised gain on foreign exchange	(10)	(2)
Reversal of impairment loss on trade receivables	-	(100)
<b>Operating profit before working capital changes</b>	<b>2,016</b>	<b>646</b>
Increase in inventories	(740)	(1,521)
Net increase in contract	(23,387)	(15,533)
Increase in trade and other receivables	1,573	(22,606)
(Decrease)/Increase in trade and other payables	(16,649)	2,174
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>	<b>(37,187)</b>	<b>(36,840)</b>
Interest paid	(1,296)	(1,468)
Income tax Paid	(987)	(786)
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>(39,470)</b>	<b>(39,094)</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	368	699
Purchase of Investment property	(8,825)	-
Purchase of right of use assets	46	(52)
Purchase of plant and equipment	(1,031)	(1,950)
Withdrawal of fixed deposits pledged and/or with maturity period more than 3 months	-	(1,884)
Additional investment in an existing subsidiary	(830)	-
Proceeds from disposal of right of use assets	-	400
Proceeds from disposal of plant and equipment	1,500	10
Proceeds from disposal of other properties	-	417
Purchase of other investments	(18,439)	(27,516)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(27,211)</b>	<b>(29,876)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of employees' share options	9,806	23,774
Proceeds from issuance of share right with warrant	-	98,388
Proceeds from private placements	-	4,421
Net repayment of bankers' acceptances	-	(796)
Repayment of lease liabilities	(649)	(513)
Net repayment of Islamic medium term notes	(2,900)	(1,300)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>6,257</b>	<b>123,974</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(60,424)</b>	<b>55,004</b>
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>	<b>(2)</b>	<b>1</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<b>71,399</b>	<b>14,509</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>10,973</b>	<b>69,514</b>

**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.

<b>MFRS and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
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.

**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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**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 30.6.2023		Cumulative Quarter 18 Months Ended 30.6.2023	
	No. of shares '000	RM'000	No. of shares '000	RM'000
Exercise of Share options	-	-	117,926	2,270

- (ii) Conversion of Warrants to Ordinary Shares

During the current quarter, there was no conversion of warrants to ordinary shares. As at 22 August 2023, 578,660,588 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
<b>Revenue</b>							
External revenue	12,755	124	123,263	-	-	10,353	146,495
Inter-segment revenue	-	-	-	-	-	-	-
Total segment revenue	12,755	124	123,263	-	-	10,353	146,495
<b>Segment result</b>	1,301	(220)	6,303	-	-	4,172	11,556
Other operating income							2,197
Administrative expenses							(15,269)
Other expenses							(15,290)
Finance costs							(1,452)
Net Impairment Losses on Financial Assets and Contract Assets							(1,737)
Tax expense							(3,131)
Loss after taxation							(23,126)

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 2023	
	RM'000	%
Malaysia	146,495	100
	146,495	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**

There was no material event subsequent to the end of the financial quarter ended 30 June 2023 that has not been reflected in this interim financial statements.

**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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**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 2023 RM'000	Preceding Financial Year Ended 31 Dec 2021 RM'000
<b>Contingent Liability</b>		
- Bank guarantee issued	5,015	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 2023 RM'000	Cumulative Year-To-Date 30 June 2023 RM'000
<b>Nature of transaction</b>		
Contract Income	204	1,979
	<u>204</u>	<u>1,979</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 RM15.954 million and a gross loss of RM1.006 million for the current financial quarter. The Civil Engineering and Construction Services segment is the main contribution to the revenue. The Group's revenue was derived solely from Malaysia. There is no preceding year corresponding period comparison due to the change in financial year end from 31 December to 30 June as announced on 30 December 2022.

The Civil Engineering and Construction Services segment provided the largest contribution of RM6.303 million or 54.54% to the Group with a revenue of RM123.209 million or 84.14%. Further information is disclosed in Note A9.

The Group recorded a negative cash flow for operating activities of RM37.187 million and negative net cash flow for operating activities of RM39.470 million after adjusting for interest and income tax paid due to increase in contract assets, trade and other receivables and decrease in trade and other payables. 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 2023 RM'000	Preceding Quarter 31 March 2023 RM'000	Variance RM'000
Revenue	15,954	28,576	(12,622)
Loss before tax	(7,250)	(2,649)	(4,601)

Revenue of the Group decreased from RM28.576 million to RM15.954 million amounting to RM12.622 million or 44.17% for the current financial quarter as compared to immediate preceding financial quarter mainly due to decrease of revenue contributed from Civil Engineering and Construction Services. The Group reported a net loss before tax of RM7.245 million for the current financial quarter as compared to a net loss before tax of RM2.649 million in the immediate preceding quarter mainly due to decrease in contribution from Civil Engineering and Construction Services segment compared to previous quarter.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**B3. Prospects**

Malaysia's economy continues to build on the momentum of economic recovery, delivering even faster growth of 14.2% in the third quarter of 2022 (Q3 2022) compared to 8.9% in the second quarter and 5% in the first quarter. The strong GDP growth was contributed by robust domestic and external demand as well as improved labour market. This is also driven by encouraging performance in all economic sectors primarily the services and manufacturing sectors. In addition, this growth is supported by the implementation of Budget 2022 measures as well as the spill over effect from the transition to the endemic phase which resulted in more vigorous economic and social activities. Overall, the GDP expanded by 9.3% during the first nine months of 2022.

Construction activity in Malaysia rose 15.7 percent year-on-year in the fourth quarter of 2022 (Q42022), easing sharply from a 23.2 percent expansion in the previous quarter (Q32022). This was the third consecutive period of growth, as output increased faster in the civil engineering sector (20.8 percent vs 14.6 percent in Q3). On the other hand, it slowed in special trade activities (12.7 percent vs 32.2 percent), non-residential buildings (19 percent vs 37.7 percent), and residential buildings (5.3 percent vs 17.8 percent). For the full of 2022, the construction output grew by 8.8 percent, rebounding from a 5 percent drop a year ago (2021).

As at the LPD, the Group's outstanding construction order book stood strong at about RM80 million.

On 31 January 2023, the Company announced that Pasukhas Sdn Bhd, a wholly-owned subsidiary of the Company, had accepted a letter of award from Attractive Venture (JB) Sdn. Bhd., for the engagement and appointment of PSB to design and build the production building, warehouse and 3 storey office at Lot PTD 114164, Mukim Senai, Kulai, Johor Darul Takzim with a contract sum of RM21,000,000.00.

On 13 July 2023, the company has announced that Pasukhas Sdn. Bhd., a wholly-owned subsidiary of the Company, had enter into a Variation Order to Letter of Award dated 26 May 2022 with Exyte Malaysia Sdn. Bhd. for C04F-Sub Structure & Superstructure for K7 and 6 nos Guard Houses with a contract sum of RM11,050,000.00.

On 15 August 2023, the company announced that Pasukhas Sdn Bhd, a wholly-owned subsidiary of the Company, had accepted the Contract Variation Order (VO) to Letter of Award dated 26 May 2022 with Exyte Malaysia Sdn. Bhd. (EMSB) with a contract sum of RM8,186,141.38

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 2023 RM'000	Cumulative Period-To-Date 30 June 2023 RM'000
<b><u>Current tax expenses:</u></b>		
- for the financial year	(1,664)	(3,142)
<b><u>Deferred tax expense:</u></b>		
- for the financial year	(11)	11
Current Tax for the current financial period	<u>(1,675)</u>	<u>(3,131)</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 other than proposed share consolidation of every 10 ordinary shares in the Company into 1 share.

**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 RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Timeframe for Utilisation upon Listing Date
Development of Yayasan Project	66,683	31,231	35,452	Within 24 months
Financing of the Factory Project	31,816	31,816	-	Within 12 months
Estimated expenses for the Corporate Exercise	700	700	-	Immediate
	99,199	63,747	35,452	

**B8. Group Borrowings and Debt Securities**

The total borrowings of the Group as at 30 June 2023 are as follows:-

	Short Term RM'000	Long Term RM'000	Total borrowings RM'000
<b>As at 6th Quarter ended 30 June 2023</b>			
<b>Secured</b>			
Lease liabilities	366	1,113	1,479
Islamic medium term notes	1,498	9,525	11,023
	1,864	10,638	12,502
<b>As at 4th Quarter ended 31 December 2021</b>			
<b>Secured</b>			
Lease liabilities	347	1,024	1,371
Islamic medium term notes	1,298	12,472	13,770
	1,645	13,496	15,141

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)**

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

On 10 August 2022, Pasukhas Sdn Bhd had obtained the winding up order against Empire Multiple Sdn Bhd from the Court.

Further to the case management held on 22 August 2022, the Board of Directors of PASUKHAS wishes to inform that the matter has been withdrawn as it would be redundant after the winding up of Empire Multiple Sdn Bhd.

**(ii) 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 ("EMS" 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 26 September 2023.

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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**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	Preceding Year Corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period To Date
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Loss attributable to the equity holders of the Company (RM'000)	(8,436)	N/A	(22,841)	N/A
Weighted average number of ordinary shares in issue ('000)	184,398	N/A	184,398	N/A
Basic loss per share (sen)	(4.57)	N/A	(12.39)	N/A

- 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	Preceding Year Corresponding Quarter Ended	Current Year To Date	Preceding Year Corresponding Period To Date
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Loss attributable to the equity holders of the Company (RM'000)	(8,436)	N/A	(22,841)	N/A
Weighted average number of ordinary shares in issue ('000)	184,398	N/A	184,398	N/A
Diluted loss per share (sen)	(4.57)	N/A	(12.39)	N/A

Notes: The diluted loss per share for individual and cumulative quarter ended 30 June 2023 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	Cumulative Year-To-Date
	30 June 2023	30 June 2023
	RM'000	RM'000
(a) Interest income	(28)	(368)
(b) Other income	(158)	(1,829)
(c) Interest expense	201	1,297
(d) Depreciation and amortisation	2,156	4,790
(e) Gain on disposal of plant and equipment	-	(67)
(f) Impairment loss on trade receivables and contract assets	1,736	1,736

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 30th August 2023.

By Order of the Board of Directors

WAN THEAN HOE  
CHIEF EXECUTIVE OFFICER