

GUH HOLDINGS BERHAD (Registration No. 196101000062 (4104-W))**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED 31 MARCH 2023**

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 31/03/2023 RM '000	PRECEDING YEAR QUARTER 31/03/2022 RM '000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 31/03/2023 RM '000	PRECEDING YEAR TO DATE 31/03/2022 RM '000
Revenue	54,453	68,271	54,453	68,271
Interest income	493	282	493	282
Operating expenses	(60,285)	(69,705)	(60,285)	(69,705)
Other income	3,147	1,287	3,147	1,287
Finance costs	(575)	(263)	(575)	(263)
Share of associates' loss	(389)	(50)	(389)	(50)
Share of joint venture's loss	(33)	(25)	(33)	(25)
Loss before tax (Note 18)	(3,189)	(203)	(3,189)	(203)
Tax expense	(373)	(1,101)	(373)	(1,101)
Loss for the period	(3,562)	(1,304)	(3,562)	(1,304)
Loss for the period attributable to:				
Owners of the Company	(3,549)	(1,305)	(3,549)	(1,305)
Non-controlling interests	(13)	1	(13)	1
Loss per share (sen):				
(a) Basic	(1.27)	(0.47)	(1.27)	(0.47)
(b) Diluted	(1.27)	(0.47)	(1.27)	(0.47)

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)

GUH HOLDINGS BERHAD (Registration No. 196101000062 (4104-W))**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2023**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2023 RM '000	PRECEDING YEAR QUARTER 31/03/2022 RM '000	CURRENT YEAR TO DATE 31/03/2023 RM '000	PRECEDING YEAR TO DATE 31/03/2022 RM '000
Loss for the period	(3,562)	(1,304)	(3,562)	(1,304)
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss:				
- Currency translation differences for foreign operations	887	827	887	827
- Share of associate's other comprehensive income	109	(156)	109	(156)
- Remeasurement of defined benefit asset	618	-	618	-
Total other comprehensive income for the period	1,614	671	1,614	671
Comprehensive income for the period	(1,948)	(633)	(1,948)	(633)
Comprehensive income for the period attributable to:				
Owners of the Company	(1,935)	(634)	(1,935)	(634)
Non-controlling interests	(13)	1	(13)	1
	(1,948)	(633)	(1,948)	(633)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)

GUH HOLDINGS BERHAD (Registration No. 196101000062 (4104-W))

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	AS AT 31/03/2023 RM '000	AS AT 31/12/2022 RM '000
Non-Current Assets		
Property, Plant and Equipment	103,702	104,994
Investment Properties	39,665	39,907
Right-of-use Assets	24,748	24,606
Investments in Associates	11,862	11,058
Investment in Joint Venture	20,935	20,968
Other Investments	3,627	6,043
Inventories	168,746	167,459
Prepayments	1,352	1,393
Provisional Goodwill	1,321	-
Deferred Tax Assets	864	962
	<u>376,822</u>	<u>377,390</u>
Current Assets		
Inventories	85,712	94,617
Biological Assets	149	146
Contract Costs	283	372
Contract Assets	5,619	5,698
Receivables	45,559	38,291
Derivatives	171	9
Prepayments	7,117	1,405
Current Tax Assets	3,573	2,609
Cash and Cash Equivalents	82,136	90,329
	<u>230,319</u>	<u>233,476</u>
Current Liabilities		
Contract Liabilities	4,786	5,555
Payables	49,611	46,513
Loans and Borrowings	18,966	25,291
Lease Liabilities	255	215
Financial Guarantee Contract	4,507	4,507
Current Tax Liabilities	1,507	1,470
	<u>79,632</u>	<u>83,551</u>
Net Current Assets	150,687	149,925
Non-Current Liabilities		
Deferred Tax Liabilities	8,216	8,232
Deferred Income	735	-
Loans and Borrowings	28,882	27,561
Lease Liabilities	266	167
Retirement Benefits	8,426	8,824
	<u>46,525</u>	<u>44,784</u>
Net Assets	480,984	482,531
Equity		
Share Capital	279,084	279,084
Treasury Shares	(148)	(148)
Reserves	201,750	203,620
Equity Attributable to Owners of the Company	480,686	482,556
Non-controlling Interests	298	(25)
Total Equity	480,984	482,531
Net Assets per Share Attributable to Owners of the Company (RM)	1.72	1.72

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2023**

	<u>Non-Distributable</u>			<u>Distributable</u>		Equity attributable to owners of the Company RM '000	Non-controlling interests RM '000	Total equity RM '000	
	Share capital RM '000	Treasury shares RM '000	Employees' share grant scheme reserve RM '000	Capital reserve * RM '000	Currency translation reserve RM '000				Retained profits RM '000
At 01/01/2023	279,084	(148)	991	13,960	38,615	150,054	482,556	(25)	482,531
Acquisition of subsidiary	-	-	-	-	-	-	-	336	336
Currency translation differences for foreign operations	-	-	-	-	887	-	887	-	887
Share of associate's other comprehensive income	-	-	-	-	109	-	109	-	109
Remeasurement of defined benefit asset	-	-	-	-	-	618	618	-	618
Total other comprehensive income for the period	-	-	-	-	996	618	1,614	-	1,614
Loss for the period	-	-	-	-	-	(3,549)	(3,549)	(13)	(3,562)
Comprehensive income for the period	-	-	-	-	996	(2,931)	(1,935)	(13)	(1,948)
Share-based payments (representing total transactions with owners)	-	-	65	-	-	-	65	-	65
At 31/03/2023	279,084	(148)	1,056	13,960	39,611	147,123	480,686	298	480,984
At 01/01/2022	277,992	(148)	1,576	13,960	41,518	154,336	489,234	(19)	489,215
Currency translation differences for foreign operations	-	-	-	-	827	-	827	-	827
Share of associate's other comprehensive income	-	-	-	-	(156)	-	(156)	-	(156)
Total other comprehensive income for the period	-	-	-	-	671	-	671	-	671
Loss for the period	-	-	-	-	-	(1,303)	(1,303)	(1)	(1,304)
Comprehensive income for the period	-	-	-	-	671	(1,303)	(632)	(1)	(633)
Share-based payments	-	-	91	-	-	-	91	-	91
Issue of shares pursuant to Share Grant Plan	1,092	-	(1,092)	-	-	-	-	-	-
Total transactions with owners	1,092	-	(1,001)	-	-	-	91	-	91
At 31/03/2022	279,084	(148)	575	13,960	42,189	153,033	488,693	(20)	488,673

* This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2023**

	CURRENT YEAR TO DATE 31/03/2023 RM '000	CURRENT YEAR TO DATE 31/03/2022 RM '000
Cash flows from operating activities		
Loss before tax	(3,189)	(203)
Adjustments for:		
Amortisation of financial guarantee contract	-	(488)
Amortisation of deferred income	(121)	-
Depreciation	3,879	3,835
Dividend income	(18)	(8)
Fair value changes in biological assets	(3)	(109)
Fair value (gains)/losses on financial instruments	(2,017)	1,312
Interest expense	575	263
Interest income	(493)	(282)
Inventories written down	201	46
Loss on disposal of property, plant and equipment	193	53
Provision for retirement benefits	220	194
Property, plant and equipment written off	10	-
Reversal of inventories written down	(1,385)	(126)
Share of associates' loss	389	50
Share of joint venture's loss	33	25
Share-based payments	65	92
Unrealised gain on foreign exchange	(546)	(398)
Operating (loss)/profit before working capital changes	(2,207)	4,256
Changes in:		
Contract costs	89	(211)
Contract assets	79	(1,823)
Deferred income	856	-
Derivatives	9	-
Inventories	9,104	1,761
Receivables	(6,180)	(5,002)
Prepayments	(5,604)	(4,115)
Contract liabilities	(769)	923
Payables	2,347	(3,052)
Cash generated used in operations	(2,276)	(7,263)
Tax paid	(1,257)	(2,925)
Tax refunded	-	23
	(1,257)	(2,902)
Net cash used in operating activities	(3,533)	(10,165)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,821)	(2,927)
Acquisition of subsidiary, net of cash acquired	(1,089)	-
Additions of investment properties	-	(844)
Additions of other investments	-	(8,728)
Dividend received	18	8
Interest and fund distributions received	498	293
Proceeds from disposal of other investments	4,256	-
Proceeds from disposal of property, plant and equipment	23	2
Subscription for shares in associate	(1,084)	(280)
Net cash from/(used in) investing activities	801	(12,476)
Cash flows from financing activities		
Drawdown of term loans	1,193	-
(Decrease)/Increase in short-term loans and borrowings (net)	(5,659)	9,929
Interest paid	(575)	(292)
Payment of lease liabilities	(72)	(81)
Repayment of term loans	(661)	(371)
Net cash (used in)/from financing activities	(5,774)	9,185
Currency translation differences	313	497
Net decrease in cash and cash equivalents	(8,193)	(12,959)
Cash and cash equivalents brought forward	90,309	83,942
Cash and cash equivalents carried forward	82,116	70,983
Note:		
Cash and cash equivalents	82,136	71,003
Term deposits pledged as security	(20)	(20)
	82,116	70,983

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2023**

1. Basis of Preparation

The interim financial report has been prepared in accordance with requirements of MFRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2022.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the year ended 31 December 2022 except for the adoption of the following MFRS:

	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

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

2. Audit Report

The preceding annual financial statements of the Group were reported on without any qualification.

3. Seasonal or Cyclical Factors

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

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and period ended 31 March 2023.

5. Changes in Estimates

There were no changes in the estimates that have a material effect in the current year quarter and period ended 31 March 2023.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current year quarter and period ended 31 March 2023.

7. Dividend Paid

No dividend was paid during the current year quarter and period ended 31 March 2023.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2023

8. **Segmental Reporting**

Analysis by activity	Electronic	Properties		Utilities	Unallocated Non-Operating Segments RM '000	Group RM '000
	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000		
Revenue						
Total revenue	47,042	5,200	366	1,453	2,706	56,767
Intersegment revenue	-	-	-	(779)	(1,535)	(2,314)
External revenue	47,042	5,200	366	674	1,171	54,453
Results						
Segment results	(3,272)	703	(60)	(900)	844	(2,685)
Interest income	341	103	-	-	49	493
Interest expense	(199)	(104)	-	(3)	(269)	(575)
Share of associates' loss	-	-	-	-	(389)	(389)
Share of joint venture's loss	-	-	-	-	(33)	(33)
(Loss)/Profit before tax	(3,130)	702	(60)	(903)	202	(3,189)
Tax income/(expense)	10	(248)	-	-	(135)	(373)
(Loss)/Profit for the period	(3,120)	454	(60)	(903)	67	(3,562)
Assets						
Segment assets	218,098	259,102	18,131	16,142	58,434	569,907
Investments in associates	-	-	-	-	11,862	11,862
Investment in joint venture	-	-	-	-	20,935	20,935
Income tax assets	2,050	2,215	136	31	5	4,437
Total assets	220,148	261,317	18,267	16,173	91,236	607,141
Liabilities						
Segment liabilities	28,371	13,333	58	10,731	15,572	68,065
Loans and borrowings	15,292	9,283	-	1,000	22,273	47,848
Lease liabilities	-	240	-	135	146	521
Income tax liabilities	8,733	45	-	-	945	9,723
Total liabilities	52,396	22,901	58	11,866	38,936	126,157

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2023**

9. Subsequent Material Events

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements other than the following:

On 11 April 2023, the Company announced that it has granted and vested 1,088,939 new ordinary shares to the eligible persons upon satisfaction of the vesting conditions pursuant to Company's Share Grant Plan (SGP) and is administered in accordance with its by-laws by the SGP committee at the weighted average fair value of RM0.47 per share.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 31 March 2023 other than the following:

On 4 January 2023, the Company announced that its wholly-owned subsidiary, GUH Capital Sdn. Bhd., has completed the acquisition of 5,500 ordinary shares in Star Wheels Electronic Sdn. Bhd. ("SWE") and subscription of 5,000 new ordinary shares in SWE for a cash consideration of RM1,100,000.00 and RM1,000,000.00 respectively. As a result, SWE is a 70% owned subsidiary of the Company.

11. Contingent Liabilities or Contingent Assets

The Group has no contingent liabilities and contingent assets as at the end of the current year quarter or last annual reporting date.

12. Significant Related Party Transactions

Significant transactions with related parties during the period ended 31 March 2023 are as follows:

	31/03/2023 RM '000
Purchase of goods from other related parties (a)	3,217
Acquisition of property, plant and equipment from other related parties (a)	42
Receiving of services from other related party (a)	54
Rental charged by other related party (a)	28
Rental charged to other related party (a)	45
Sale of goods to other related party (a)	964
Rendering of services to joint venture	131
Subscription of shares in associate	1,084

(a) Being companies in which certain directors have substantial financial interests

13. Review of the Performance

Operating Segment	Current Year Quarter 31/03/2023 RM '000	Preceding Year Quarter 31/03/2022 RM '000	Changes RM '000	Current Year To Date 31/03/2023 RM '000	Preceding Year To Date 31/03/2022 RM '000	Changes RM '000
Revenue						
Electronic						
- Manufacture of printed circuit boards	47,042	56,556	(9,514)	47,042	56,556	(9,514)
Properties						
- Property development	5,200	6,996	(1,796)	5,200	6,996	(1,796)
- Cultivation of oil palm	366	492	(126)	366	492	(126)
Utilities						
- Water and wastewater treatment	674	3,367	(2,693)	674	3,367	(2,693)
Unallocated non-operating segments	1,171	860	311	1,171	860	311
Total	54,453	68,271	(13,818)	54,453	68,271	(13,818)
(Loss)/Profit before tax						
Electronic						
- Manufacture of printed circuit boards	(3,130)	1,334	(4,464)	(3,130)	1,334	(4,464)
Properties						
- Property development	702	1,047	(345)	702	1,047	(345)
- Cultivation of oil palm	(60)	92	(152)	(60)	92	(152)
Utilities						
- Water and wastewater treatment	(903)	(890)	(13)	(903)	(890)	(13)
- Unallocated non-operating segments	202	(1,786)	1,988	202	(1,786)	1,988
Total	(3,189)	(203)	(2,986)	(3,189)	(203)	(2,986)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2023**

13. Review of the Performance (cont'd)

The Group recorded a higher loss before tax of RM 3.2 million for the current year quarter ended 31 March 2023 compared to RM 0.2 million for the preceding year quarter mainly due to lower contribution from Electronic and Properties Divisions which was partly offset by gain on fair value adjustment of other investments.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 March 2023 compared to the preceding year quarter is as follows:

i) Manufacture of printed circuit boards

The loss before tax of RM 3.1 million was in contrast to a profit before tax of RM 1.3 million mainly due to lower contribution from Malaysia operation as a result of unfavourable sales mix and higher utility cost following electricity tariff hike effective January 2023.

ii) Property development

The profit before tax decreased to RM 0.7 million from RM 1.0 million in line with lower property units sold.

iii) Cultivation of oil palm

The loss before tax of RM 0.06 million was in contrast to a profit before tax of RM 0.09 million mainly due to lower CPO prices.

iv) Water and wastewater treatment

Loss before tax was almost the same at RM 0.9 million.

v) Unallocated non-operating segments

The profit before tax of RM 0.2 million was in contrast to a loss before tax of RM 1.8 million mainly due to gain on fair value adjustment of other investments.

14. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

	Current Year Quarter 31/03/2023 RM'000	Immediate Preceding Quarter 31/12/2022 RM'000	Changes RM'000
Revenue	54,453	63,985	(9,532)
Loss Before Tax	(3,189)	(1,539)	(1,650)

As compared to the immediate preceding quarter, the Group's loss before tax increased to RM 3.2 million from RM 1.5 million mainly due to lower contribution from Electronic and Properties Divisions which was partly offset by gain on fair value adjustment of other investments.

15. Prospects for 2023

The demands for electronic products are declining, hence, we foresee Year 2023 will be a challenging year for the Electronic Division.

The Property Division will be launching new products in 2nd half of Year 2023, as the property market have improved post COVID-19.

The Utilities Division foresees 2023 will be a challenging year, as the market conditions remains competitive.

The Group foresees that 2023 will be a challenging year for the Electronic and Utilities Division.

16. Variance from Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2023**

17. Revenue

The revenue is disaggregated by major products or services as follows:

Current Year To Date 31/03/2023						
Segment	Electronic	Properties		Utilities	Others	Group RM '000
Major products / Services	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000	Other Income RM '000	
<u>Timing of revenue recognition</u>						
Services transferred over time	-	4,062	-	674	-	4,736
Products transferred at a point in time	47,042	1,138	366	-	-	48,546
Income not within the scope of MFRS 15	-	-	-	-	1,171	1,171
	47,042	5,200	366	674	1,171	54,453

18. Profit/(Loss) Before Tax

	Current Year Quarter 31/03/2023 RM'000	Current Year To Date 31/03/2023 RM'000
Loss before tax is arrived at after charging:		
- Interest expense	575	575
- Depreciation	3,879	3,879
- Inventories written down	201	201
- Loss on disposal of property, plant and equipment	193	193
- Property, plant and equipment written off	10	10
- Loss on foreign exchange - realised	216	216
and crediting:		
- Amortisation of deferred income	121	121
- Interest income	493	493
- Dividend income	18	18
- Gain on foreign exchange - unrealised	546	546
- Fair value gains on financial instruments	2,017	2,017
- Fair value changes in biological assets	3	3
- Reversal of inventories written down	1,385	1,385

19. Taxation

Taxation comprises:

	Current Year Quarter 31/03/2023 RM '000	Current Year To Date 31/03/2023 RM '000
Income tax	(291)	(291)
Deferred tax	(82)	(82)
	<u>(373)</u>	<u>(373)</u>

The Group's effective tax rates differ from the statutory tax rate mainly because:

- (i) certain income and expenses which are not taxable and allowable;
- (ii) utilisation of reinvestment allowances by certain subsidiary; and
- (iii) differential tax rates for certain subsidiaries.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2023**

20. **Status of Corporate Proposals**

Bonus Issue of Warrants

On 28 March 2023, the Company proposes to undertake the proposed bonus issue of up to 140,680,120 Warrants on the basis of 1 Warrant for every 2 shares held by the shareholders of the Company whose names appear in the Company's Record of Depositors on the entitlement date to be determined and announced later.

21. **Group Borrowings and Debt Securities**

The details of the Group borrowings and debt securities are as follows:

	As at 31/03/2023 RM'000	As at 31/03/2022 RM'000
Secured		
Short-term loans	2,674	1,099
Long-term loans	28,882	25,785
Revolving credit	1,000	3,000
Unsecured		
Revolving credit	11,000	3,000
Trust receipts	4,292	12,719
	<u>47,848</u>	<u>45,603</u>
Disclosed as:-		
- Current liabilities	18,966	19,818
- Non-current liabilities	28,882	25,785
	<u>47,848</u>	<u>45,603</u>

The effective interest rates of loans and borrowings as at 31 March 2023 ranged from 3.50% to 6.22% (31 March 2022 : 1.44% to 3.69%) per annum.

Currency exposure profile of group borrowings and debt securities were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Malaysia Ringgit	32,556	11,000	43,556
Unites States Dollar	-	4,292	4,292
	<u>32,556</u>	<u>15,292</u>	<u>47,848</u>

Compared to the period ended 31 March 2022, the Group's borrowings increased to RM 47.8 million from RM 45.6 million mainly due to increase in term loans and revolving credits for working capital purposes which were partly offset by repayment of foreign currency trust receipts.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 31 MARCH 2023**

22. Financial Instruments

a) Derivatives

The Group has entered into forward exchange contracts to hedge its foreign currency payables and borrowings from exposure to the fluctuations in foreign exchange rates.

The details of forward exchange contracts as at 31 March 2023 are as follows:

Forward Exchange Contracts	Contract Value (RM'000)	Fair Value (RM'000)
US Dollar - Less than 1 year	9,011	171

The Group is not exposed to any significant credit, market and liquidity risks in respect of the above forward exchange contracts. In addition, there were no changes to the Group's financial risk management objective, its related policies and processes in the current year quarter and period ended 31 March 2023.

b) Gains/(Losses) arising from Fair Value Changes of Financial Liabilities

There were no gains/(losses) arising from fair value changes of financial liabilities for the current year quarter and period ended 31 March 2023.

c) Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:

- i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- iii) Level 3 - unobservable inputs for the asset or liability.

The fair value measurement of financial instruments at the end of the reporting period are as follows:

i) Other investments

	31/03/2023 RM '000
Shares quoted in Malaysia - at fair value	3,627

The fair values of quoted investments are directly measured using their unadjusted closing prices at 31 March 2023 in active markets (i.e. Level 1).

ii) Other financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

There were no transfers between Level 1 and Level 2 during the period ended 31 March 2023.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
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23. Material Litigation

There was no material litigation against the Group as at 31 March 2023 other than the following:

(a) Adjudication between Teknoserv Engineering Sdn Bhd ("TESB") against JAKS Sdn Bhd and KACC Construction Sdn Bhd

Our Company's wholly-owned subsidiary, TESB previously initiated adjudication proceedings against the unincorporated joint venture known as "JKJV" (whose members comprise JAKS Sdn Bhd and KACC Construction Sdn Bhd) under the Construction Industry Payment & Adjudication Act 2012 on 18 August 2022. The adjudication decision was delivered by the Learned Adjudicator on 23 December 2022 in favour of TESB wherein JKJV was ordered to pay TESB the following within 14 days from the award date (i.e.: 6 January 2023):

- (i) adjudicated sum of RM11,491,322.00;
 - (ii) simple interest at the rate of 5% per annum on the amount of:
 - a. RM2,221,694.23 from 10 August 2021;
 - b. RM8,994,785.07 from 23 November 2021; and
 - c. RM274,842.70 from the date of the adjudication decision;
 - (iii) a sum of RM54,995.69 incurred by TESB on respect of adjudicator's fee and the Asian International Arbitration Centre's fees; and
 - (iv) JKJV shall pay to TESB a sum of RM120,000.00 as party and party costs.
- (collectively referred to as the "Adjudication Decision")

As at 10 January 2023, JKJV has failed to make any payment to TESB pursuant to the Adjudication Decision despite the fact that the deadline to do so had lapsed. Consequently, TESB has filed an Originating Summons in the Kuala Lumpur High Court to enforce the Adjudication Decision on a joint and several basis against members of JKJV ("Enforcement of the Adjudication Decision").

On 17 February 2023, JKJV served the following documents to oppose the aforesaid Enforcement of Adjudication Decision filed by TESB:

- (i) Originating Summons in respect of the Setting Aside of Adjudication Decision;
- (ii) Affidavit in Support in respect of the Setting Aside of Adjudication Decision;
- (iii) Originating Summons in respect of the Stay of Adjudication Decision; and
- (iv) Affidavit in Support in respect of the Stay of Adjudication Decision.

Subsequently, pursuant to the directions of the court, TESB has duly filed the Affidavit in Reply in the Kuala Lumpur High Court in respect of the Enforcement of Adjudication Decision.

(b) Application by JKJV to set aside and stay the Adjudication Decision

JKJV had filed on 16 February 2023 the following applications:

- (i) Application to stay the execution of the Adjudication Decision; and
- (ii) Application to set aside the Adjudication Decision.

TESB will be contesting the said applications and has filed its Affidavit in Reply on 15 March 2023 in respect of the same.

The said applications by JKJV and the application to enforce the Adjudication Decision by TESB have been fixed for hearing on 25 August 2023.

(c) Arbitration between JKJV and TESB

On 27 December 2022, our Company announced that TESB has also received a notice of arbitration from JKJV on 23 December 2022 claiming:

- (i) a declaration that TESB's self-determination of its employment is wrong and unlawful;
 - (ii) general damages arising from the alleged wrongful termination and unlawful self-determination;
 - (iii) loss and damage amounting to RM11,773,250.00;
 - (iv) costs and disbursements;
 - (v) pre-award and post-award interest; and
 - (vi) other reliefs the learned arbitrator deems just and appropriate.
- (collectively referred to as "Notice of Arbitration")

TESB has served its response to the Notice of Arbitration on 20 January 2023.

In essence, TESB's position is that it had performed all of its obligations in accordance with the Sub-Contract Agreement, and that its determination of the Sub-Contract Agreement is valid, justifiable and rightful. Consequently, JKJV is not entitled to the reliefs sought in the Notice of Arbitration. In addition, as TESB is not agreeable to the arbitrator proposed by JKJV, TESB proposes that JKJV makes an application to the Director of Asian International Arbitration Centre ("AIAC") for the appointment of a sole arbitrator in accordance with the rules of the AIAC Arbitration Rules 2021.

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24. **Proposed Dividend**

No dividend has been proposed or declared for the current year quarter ended 31 March 2023.

25. **Earnings Per Share**

	Current Year Quarter 31/03/2023	Current Year To Date 31/03/2023
Loss for the period attributable to owners of the Company (RM '000)	(3,549)	(3,549)
Number of shares in issue as at 1 January ('000)	280,156	280,156
Effect of shares issued pursuant to Share Grant Plan ("SGP") ('000)	-	-
Weighted average number of shares for computing basic loss per share ('000)	280,156	280,156
Number of shares under SGP deemed to have been issued for no consideration ('000)	2,136	2,136
Weighted average number of shares for computing diluted loss per share ('000)	282,292	282,292
Basic loss per share (sen)	(1.27)	(1.27)
Diluted loss per share (sen)	*	(1.27)

* The diluted loss per share equals the basic loss per share due to the anti-dilutive effect of the shares under SGP which has been ignored in calculating the diluted loss per share.

26. **Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 31 May 2023.