

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | CURRENT YEAR QUARTER 31/12/2023 RM '000 | PRECEDING YEAR QUARTER 31/12/2022 RM '000 | CURRENT YEAR TO DATE 31/12/2023 RM '000 | PRECEDING YEAR TO DATE 31/12/2022 RM '000 |
| Revenue | 48,442 | 63,985 | 227,807 | 275,842 |
| Interest income | 348 | 364 | 1,831 | 1,224 |
| Impairment losses on financial assets | - | (30) | - | (30) |
| Operating expenses | (60,319) | (62,131) | (243,586) | (277,487) |
| Other income | (1,171) | (2,682) | 5,450 | 3,884 |
| Finance costs | (870) | (596) | (2,836) | (1,707) |
| Share of associates' loss | (123) | (428) | (2,083) | (565) |
| Share of joint venture's loss | (50) | (21) | (162) | (99) |
| (Loss)/Profit before tax (Note 18) | (13,743) | (1,539) | (13,579) | 1,062 |
| Tax expense | (948) | (1,466) | (2,663) | (5,350) |
| Loss for the period/financial year | (14,691) | (3,005) | (16,242) | (4,288) |
| Loss for the period/financial year attributable to: | | | | |
| Owners of the Company | (14,675) | (3,003) | (16,102) | (4,282) |
| Non-controlling interests | (16) | (2) | (140) | (6) |
| | (14,691) | (3,005) | (16,242) | (4,288) |
| Loss per share (sen): | | | | |
| (a) Basic | (5.22) | (1.07) | (5.73) | (1.53) |
| (b) Diluted | (5.22) | (1.07) | (5.73) | (1.53) |

(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 YEAR ENDED 31 DECEMBER 2023**

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | CURRENT YEAR QUARTER 31/12/2023 RM '000 | PRECEDING YEAR QUARTER 31/12/2022 RM '000 | CURRENT YEAR TO DATE 31/12/2023 RM '000 | PRECEDING YEAR TO DATE 31/12/2022 RM '000 |
| Loss for the period/financial year | (14,691) | (3,005) | (16,242) | (4,288) |
| Other comprehensive income: | | | | |
| Item that may be reclassified subsequently to profit or loss: | | | | |
| - Currency translation differences for foreign operations | 444 | (1,635) | 750 | (2,473) |
| - Share of associate's other comprehensive income | 237 | (231) | 479 | (430) |
| - Remeasurement of defined benefit liability | - | - | 765 | - |
| Total other comprehensive income for the period/financial year | 681 | (1,866) | 1,994 | (2,903) |
| Comprehensive income for the period/financial year | (14,010) | (4,871) | (14,248) | (7,191) |
| Comprehensive income for the period/financial year attributable to: | | | | |
| Owners of the Company | (13,994) | (4,869) | (14,108) | (7,185) |
| Non-controlling interests | (16) | (2) | (140) | (6) |
| | (14,010) | (4,871) | (14,248) | (7,191) |

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

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

| | AS AT 31/12/2023 RM '000 | AS AT 31/12/2022 RM '000 |
|--|--------------------------------|--------------------------------|
| Non-Current Assets | | |
| Property, Plant and Equipment | 104,095 | 104,994 |
| Investment Properties | 38,940 | 39,907 |
| Right-of-use Assets | 24,483 | 24,606 |
| Investments in Associates | 10,538 | 11,058 |
| Investment in Joint Venture | 20,806 | 20,968 |
| Other Investments | 3,064 | 6,043 |
| Inventories | 174,019 | 167,459 |
| Prepayments | 1,227 | 1,393 |
| Provisional Goodwill | 1,392 | - |
| Deferred Tax Assets | 1,062 | 962 |
| Lease Assets | 7 | - |
| | <u>379,633</u> | <u>377,390</u> |
| Current Assets | | |
| Inventories | 89,741 | 94,617 |
| Biological Assets | 134 | 146 |
| Contract Costs | 1,171 | 372 |
| Contract Assets | 6,059 | 5,698 |
| Receivables | 34,958 | 38,291 |
| Derivatives | 152 | 9 |
| Prepayments | 609 | 1,405 |
| Assets Held for Sales | 8 | - |
| Current Tax Assets | 2,857 | 2,609 |
| Lease Assets | 73 | - |
| Cash and Cash Equivalents | 80,707 | 90,329 |
| | <u>216,469</u> | <u>233,476</u> |
| Current Liabilities | | |
| Contract Liabilities | 5,096 | 5,555 |
| Payables | 42,537 | 46,513 |
| Loans and Borrowings | 14,756 | 25,291 |
| Lease Liabilities | 353 | 215 |
| Financial Guarantee Contract | 4,507 | 4,507 |
| Current Tax Liabilities | 1,578 | 1,470 |
| | <u>68,827</u> | <u>83,551</u> |
| Net Current Assets | <u>147,642</u> | <u>149,925</u> |
| Non-Current Liabilities | | |
| Deferred Tax Liabilities | 8,288 | 8,232 |
| Deferred Income | 671 | - |
| Loans and Borrowings | 42,439 | 27,561 |
| Lease Liabilities | 627 | 167 |
| Retirement Benefits | 6,585 | 8,824 |
| | <u>58,610</u> | <u>44,784</u> |
| Net Assets | <u>468,665</u> | <u>482,531</u> |
| Equity | | |
| Share Capital | 279,596 | 279,084 |
| Treasury Shares | - | (148) |
| Reserves | 188,946 | 203,620 |
| Equity Attributable to Owners of the Company | <u>468,542</u> | <u>482,556</u> |
| Non-controlling Interests | 123 | (25) |
| Total Equity | <u>468,665</u> | <u>482,531</u> |
| Net Assets per Share Attributable to Owners of the Company (RM) | <u>1.67</u> | <u>1.72</u> |

(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 YEAR ENDED 31 DECEMBER 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) | |
| Acquisition of subsidiary | - | - | - | - | - | - | - | 288 | 288 |
| Currency translation differences for foreign operations | - | - | - | - | 750 | - | 750 | - | 750 |
| Share of associate's other comprehensive income | - | - | - | - | 479 | - | 479 | - | 479 |
| Remeasurement of defined benefit liability | - | - | - | - | - | 765 | 765 | - | 765 |
| Total other comprehensive income for the financial year | - | - | - | - | 1,229 | 765 | 1,994 | - | 1,994 |
| Loss for the financial year | - | - | - | - | - | (16,102) | (16,102) | (140) | (16,242) |
| Comprehensive income for the financial year | - | - | - | - | 1,229 | (15,337) | (14,108) | (140) | (14,248) |
| Reissue of treasury shares | - | 148 | - | - | - | (86) | 62 | - | 62 |
| Share-based payments | - | - | 32 | - | - | - | 32 | - | 32 |
| Issue of shares pursuant to Share Grant Plan | 512 | - | (512) | - | - | - | - | - | - |
| Total transactions with owners | 512 | 148 | (480) | - | - | (86) | 94 | - | 94 |
| At 31/12/2023 | 279,596 | - | 511 | 13,960 | 39,844 | 134,631 | 468,542 | 123 | 468,665 |
| 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 | - | - | - | - | (2,473) | - | (2,473) | - | (2,473) |
| Share of associate's other comprehensive income | - | - | - | - | (430) | - | (430) | - | (430) |
| Total other comprehensive income for the financial year | - | - | - | - | (2,903) | - | (2,903) | - | (2,903) |
| Loss for the financial year | - | - | - | - | - | (4,282) | (4,282) | (6) | (4,288) |
| Comprehensive income for the financial year | - | - | - | - | (2,903) | (4,282) | (7,185) | (6) | (7,191) |
| Share-based payments | - | - | 507 | - | - | - | 507 | - | 507 |
| Issue of shares pursuant to Share Grant Plan | 1,092 | - | (1,092) | - | - | - | - | - | - |
| Total transactions with owners | 1,092 | - | (585) | - | - | - | 507 | - | 507 |
| At 31/12/2022 | 279,084 | (148) | 991 | 13,960 | 38,615 | 150,054 | 482,556 | (25) | 482,531 |

* 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 YEAR ENDED 31 DECEMBER 2023

| | CURRENT YEAR TO DATE 31/12/2023 RM '000 | PRECEDING YEAR TO DATE 31/12/2022 RM '000 |
|--|---|---|
| Cash flows from operating activities | | |
| (Loss)/Profit before tax | (13,579) | 1,062 |
| Adjustments for: | | |
| Amortisation of financial guarantee contract | - | (183) |
| Amortisation of deferred income | (186) | - |
| Bad debt written off | 8 | - |
| Depreciation | 15,811 | 15,316 |
| Dividend income | (64) | (101) |
| Fair value changes in biological assets | 12 | 79 |
| Fair value (gains)/losses on financial instruments | (2,183) | 2,638 |
| Impairment losses on financial assets | - | 30 |
| Interest expense | 2,836 | 1,707 |
| Interest income | (1,831) | (1,224) |
| Inventories written down | 561 | 453 |
| Goodwill written off | 5 | - |
| Gain on disposal of associate | - | (19) |
| Loss/(Gain) on disposal of property, plant and equipment | 322 | (76) |
| Gain on disposal of right-of-use assets | (54) | - |
| Provision for retirement benefits | 1,031 | 776 |
| Property, plant and equipment written off | 10 | - |
| Reversal of inventories written down | (309) | (373) |
| Share-based payments | 32 | 507 |
| Share of associates' loss | 2,083 | 565 |
| Share of joint venture's loss | 162 | 99 |
| Unrealised gain on foreign exchange | (437) | (801) |
| Operating profit before working capital changes | 4,230 | 20,455 |
| Changes in: | | |
| Contract costs | (799) | (372) |
| Contract assets | (361) | (946) |
| Derivatives | 9 | - |
| Inventories | (1,632) | 8,971 |
| Receivables | 2,733 | 13,766 |
| Prepayments | 1,010 | (859) |
| Contract liabilities | (459) | (678) |
| Payables | (4,159) | (14,214) |
| Cash generated from operations | 572 | 26,123 |
| Retirement benefits paid | (2,505) | - |
| Tax paid | (3,114) | (7,734) |
| Tax refunded | 148 | 23 |
| | (5,471) | (7,711) |
| Net cash (used in)/from operating activities | (4,899) | 18,412 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (14,149) | (14,619) |
| Acquisition of right-of-use assets | (190) | (11) |
| Acquisition of intangible asset | (5) | - |
| Acquisition of subsidiary, net of cash acquired | (1,087) | - |
| Additions of investment properties | - | (542) |
| Additions of other investments | - | (8,728) |
| Dividend received | 64 | 122 |
| Government grant received | 857 | - |
| Interest and fund distributions received | 1,866 | 1,262 |
| Proceeds from disposal of associate | - | 1,186 |
| Proceeds from disposal of other investments | 4,975 | - |
| Proceeds from disposal of property, plant and equipment | 1,907 | 457 |
| Proceeds from disposal of right-of-use assets | 708 | - |
| Subscription for shares in associate | (1,084) | (5,937) |
| Net cash used in investing activities | (6,138) | (26,810) |
| Cash flows from financing activities | | |
| Drawdown of term loans | 20,141 | 4,999 |
| (Decrease)/Increase in short-term loans and borrowings (net) | (12,209) | 13,149 |
| Interest paid | (2,816) | (1,710) |
| Payment of lease liabilities | (986) | (281) |
| Repayment of term loans | (3,197) | (1,387) |
| Reissue of treasury shares | 62 | - |
| Net cash from financing activities | 995 | 14,770 |
| Currency translation differences | 420 | (5) |
| Net (decrease)/increase in cash and cash equivalents | (9,622) | 6,367 |
| Cash and cash equivalents brought forward | 90,309 | 83,942 |
| Cash and cash equivalents carried forward | 80,687 | 90,309 |
| Note: | | |
| Cash and cash equivalents | 80,707 | 90,329 |
| Term deposits pledged as security | (20) | (20) |
| | 80,687 | 90,309 |

(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 YEAR ENDED 31 DECEMBER 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 year ended 31 December 2023.

5. Changes in Estimates

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

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current year quarter and year ended 31 December 2023 other than the following:

a) Share Grant Plan

On 10 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.

On 2 January 2024, the Company announced the award of shares in the Company under the Restricted Stock Units (RSU) and Performance Stock Units (PSU) of the Company's SGP. A total of 11,597,702 SGP Grants were offered to the selected eligible executive directors and employees of GUH and its subsidiary companies (excluding subsidiaries that are dormant), of which 1,388,946 SGP Grants were offered to the executive director of GUH.

b) Treasury Shares

On 19 June 2023, the Company resold 115,264 ordinary shares of its shares from the open market for a total consideration of approximately RM 0.06 million. These shares were being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

c) Bonus Issue of Warrants

On 3 July 2023, 140,676,879 Warrants issued pursuant to a bonus issue of Warrants on the basis of 1 Warrant for every 2 existing ordinary shares in the Company ("Proposed Bonus Issue of Warrants") were listed and quoted on the Main Market of Bursa Securities, marking the completion of the Proposed Bonus Issue of Warrants.

As at 31 December 2023, there is no conversion of warrants to ordinary shares.

7. Dividend Paid

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 | 183,347 | 27,005 | 780 | 17,592 | 16,712 | 245,436 |
| Intersegment revenue | (33) | - | - | (5,737) | (11,859) | (17,629) |
| External revenue | 183,314 | 27,005 | 780 | 11,855 | 4,853 | 227,807 |
| Results | | | | | | |
| Segment results | (16,199) | 6,065 | (806) | 2,976 | (2,365) | (10,329) |
| Interest income | 1,138 | 372 | - | 54 | 267 | 1,831 |
| Interest expense | (1,187) | (538) | - | (27) | (1,084) | (2,836) |
| Share of associates' loss | - | - | - | - | (2,083) | (2,083) |
| Share of joint venture's loss | - | - | - | - | (162) | (162) |
| (Loss)/Profit before tax | (16,248) | 5,899 | (806) | 3,003 | (5,427) | (13,579) |
| Tax expense | (261) | (1,840) | - | (21) | (541) | (2,663) |
| (Loss)/Profit for the period | (16,509) | 4,059 | (806) | 2,982 | (5,968) | (16,242) |
| Assets | | | | | | |
| Segment assets | 202,558 | 267,452 | 17,983 | 16,912 | 55,854 | 560,759 |
| Investments in associates | - | - | - | - | 10,538 | 10,538 |
| Investment in joint venture | - | - | - | - | 20,806 | 20,806 |
| Lease assets | - | - | - | - | 80 | 80 |
| Income tax assets | 2,562 | 1,317 | 25 | - | 15 | 3,919 |
| Total assets | 205,120 | 268,769 | 18,008 | 16,912 | 87,293 | 596,102 |
| Liabilities | | | | | | |
| Segment liabilities | 21,757 | 15,655 | 57 | 7,822 | 14,105 | 59,396 |
| Loans and borrowings | 24,698 | 11,625 | - | - | 20,872 | 57,195 |
| Lease liabilities | - | 110 | - | 109 | 761 | 980 |
| Income tax liabilities | 8,867 | 45 | - | 3 | 951 | 9,866 |
| Total liabilities | 55,322 | 27,435 | 57 | 7,934 | 36,689 | 127,437 |
| | | | | | | |

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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.

10. **Changes in the Composition of the Group**

There were no changes in the composition of the Group during the year ended 31 December 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 year ended 31 December 2023 are as follows:

| | 31/12/2023 RM '000 |
|---|-----------------------|
| Purchase of goods from other related parties (a) | 12,078 |
| Acquisition of property, plant and equipment from other related parties (a) | 130 |
| Receiving of services from other related parties (a) | 231 |
| Rental charged by other related party (a) | 114 |
| Rental charged to other related party (a) | 181 |
| Sale of goods to other related party (a) | 3,071 |
| Rendering of services to joint venture | 425 |
| Subscription of shares in associate | 1,084 |
| | 1,084 |

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

13. **Review of the Performance**

| Operating Segment | Current Year Quarter 31/12/2023 RM '000 | Preceding Year Quarter 31/12/2022 RM '000 | Changes RM '000 | Current Year To Date 31/12/2023 RM '000 | Preceding Year To Date 31/12/2022 RM '000 | Changes RM '000 |
|---|---|---|--------------------|---|---|--------------------|
| Revenue | | | | | | |
| Electronic | | | | | | |
| - Manufacture of printed circuit boards | 42,158 | 47,805 | (5,647) | 183,314 | 213,885 | (30,571) |
| Properties | | | | | | |
| - Property development | 3,129 | 13,037 | (9,908) | 27,005 | 46,129 | (19,124) |
| - Cultivation of oil palm | 195 | 375 | (180) | 780 | 1,602 | (822) |
| Utilities | | | | | | |
| - Water and wastewater treatment | 1,495 | 1,844 | (349) | 11,855 | 10,676 | 1,179 |
| Unallocated non-operating segments | 1,465 | 924 | 541 | 4,853 | 3,550 | 1,303 |
| Total | 48,442 | 63,985 | (15,543) | 227,807 | 275,842 | (48,035) |
| (Loss)/Profit before tax | | | | | | |
| Electronic | | | | | | |
| - Manufacture of printed circuit boards | (11,776) | (1,368) | (10,408) | (16,248) | 362 | (16,610) |
| Properties | | | | | | |
| - Property development | 33 | 3,025 | (2,992) | 5,899 | 10,075 | (4,176) |
| - Cultivation of oil palm | (128) | (151) | 23 | (806) | (324) | (482) |
| Utilities | | | | | | |
| - Water and wastewater treatment | (812) | (549) | (263) | 3,003 | (2,950) | 5,953 |
| Unallocated non-operating segments | (1,060) | (2,496) | 1,436 | (5,427) | (6,101) | 674 |
| Total | (13,743) | (1,539) | (12,204) | (13,579) | 1,062 | (14,641) |

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. **Review of the Performance (cont'd)**

a) Current Year Quarter vs Preceding Year Quarter

The Group recorded a loss before tax of RM 13.7 million for the current year quarter ended 31 December 2023 compared to a loss before tax of RM 1.5 million for the preceding year quarter mainly due to lower contribution from Electronic and Properties Divisions.

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

i) **Manufacture of printed circuit boards**

The loss before tax increased to RM 11.8 million from RM 1.4 million mainly due to increase in one-off professional fee from oversea operation.

ii) **Property development**

The profit before tax decreased to RM 0.03 million from RM 3.0 million in line with lower property units sold.

iii) **Cultivation of oil palm**

The loss before tax was almost the same at RM 0.1 million.

iv) **Water and wastewater treatment**

The loss before tax increased to RM 0.8 million from RM 0.5 million mainly due to lower percentage of completion for water projects partly offset with lower administrative expenses.

v) **Unallocated non-operating segments**

The loss before tax decreased to RM 1.1 million from RM 2.5 million mainly due to reversal of amortisation of financial guarantee contract in preceding year quarter.

b) Current Year To Date vs Preceding Year To Date

For the year ended 31 December 2023, the Group recorded a loss before tax of RM 13.6 million compared to a profit before tax of RM 1.1 million for the preceding year to date mainly due to negative contribution from Electronic Division and lower contribution from Properties Division which was partly offset by positive contribution from Utilities Division.

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

i) **Manufacture of printed circuit boards**

The loss before tax of RM 16.2 million was in contrast to a profit before tax of RM 0.4 million mainly due to increase in one-off professional fee from oversea operation and lower contribution from Malaysia operation as a result of unfavourable sales mix.

ii) **Property development**

The profit before tax decreased to RM 5.9 million from RM 10.1 million in line with lower property units sold.

iii) **Cultivation of oil palm**

The loss before tax increased to RM 0.8 million from RM 0.3 million mainly due to lower FFB output and CPO prices.

iv) **Water and wastewater treatment**

The profit before tax of RM 3.0 million was in contrast to a loss before tax of RM 3.0 million mainly due to higher percentage of completion for water projects coupled with lower administrative expenses.

v) **Unallocated non-operating segments**

The loss before tax decreased to RM 5.4 million from RM 6.1 million mainly due to gain on fair value adjustment of other investments partly offset by share of associates' loss.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

| | Current Year Quarter 31/12/2023 | Immediate Preceding Quarter 30/09/2023 | Changes |
|--------------------------|------------------------------------|---|----------|
| | RM'000 | RM'000 | RM'000 |
| Revenue | 48,442 | 68,052 | (19,610) |
| (Loss)/Profit Before Tax | (13,743) | 5,591 | (19,334) |

As compared to the immediate preceding quarter, the Group's loss before tax of RM 13.7 million was in contrast to a profit before tax of RM 5.6 million mainly due to lower contribution from Electronic, Utilities and Properties Divisions.

15. **Prospects for 2024**

The global demands for our electronic products are challenging, hence, we foresee 2024 will be a challenging year for the Electronic Division.

The performance of Property Division to improve in tandem with new launched products in second half of 2023.

The Utilities Division foresees 2024 will be a challenging year, as the market conditions remains competitive.

The Group foresees that 2024 will be a challenging year for the Electronic and Utilities Divisions.

16. **Variance from Profit Forecast and Profit Guarantee**

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

17. **Revenue**

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

| Current Year Quarter 31/12/2023 | | | | | | |
|---|--|---------------------------------|------------------------------------|---|-------------------------|------------------|
| 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 | - | 3,129 | - | 1,495 | - | 4,624 |
| Products transferred at a point in time | 42,158 | - | 195 | - | - | 42,353 |
| Income not within the scope of MFRS 15 | - | - | - | - | 1,465 | 1,465 |
| | 42,158 | 3,129 | 195 | 1,495 | 1,465 | 48,442 |

| Current Year To Date 31/12/2023 | | | | | | |
|---|--|---------------------------------|------------------------------------|---|-------------------------|------------------|
| 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 | - | 24,734 | - | 11,855 | - | 36,589 |
| Products transferred at a point in time | 183,314 | 2,271 | 780 | - | - | 186,365 |
| Income not within the scope of MFRS 15 | - | - | - | - | 4,853 | 4,853 |
| | 183,314 | 27,005 | 780 | 11,855 | 4,853 | 227,807 |

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. Profit/(Loss) Before Tax

| | Current Year Quarter 31/12/2023 RM'000 | Current Year To Date 31/12/2023 RM'000 |
|---|--|--|
| Loss before tax is arrived at after charging: | | |
| - Interest expense | 870 | 2,836 |
| - Depreciation | 4,132 | 15,811 |
| - Inventories written down | 5,449 | 561 |
| - Loss on disposal of property, plant and equipment | 232 | 322 |
| - Property, plant and equipment written off | - | 10 |
| - Loss on foreign exchange - unrealised | 2,001 | - |
| - Fair value changes in biological assets | - | 12 |
| and crediting: | | |
| - Amortisation of deferred income | 22 | 186 |
| - Interest income | 348 | 1,831 |
| - Dividend income | 16 | 64 |
| - Gain on disposal of right-of-use assets | 54 | 54 |
| - Gain on foreign exchange - realised | 226 | 645 |
| - Gain on foreign exchange - unrealised | - | 437 |
| - Fair value gains on financial instruments | 262 | 2,183 |
| - Fair value changes in biological assets | 50 | - |
| - Reversal of inventories written down | - | 309 |

19. Taxation

Taxation comprises:

| | Current Year Quarter 31/12/2023 RM '000 | Current Year To Date 31/12/2023 RM '000 |
|--------------|---|---|
| Income tax | (926) | (2,708) |
| Deferred tax | (22) | 45 |
| | <u>(948)</u> | <u>(2,663)</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 tax incentive by certain subsidiary.

20. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Group Borrowings and Debt Securities

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

| | As at 31/12/2023 RM'000 | As at 31/12/2022 RM'000 |
|---------------------------|-------------------------------|-------------------------------|
| Secured | | |
| Short-term loans | 5,248 | 3,351 |
| Long-term loans | 42,439 | 27,561 |
| Unsecured | | |
| Revolving credit | - | 14,000 |
| Trust receipts | 9,508 | 7,940 |
| | <u>57,195</u> | <u>52,852</u> |
| Disclosed as:- | | |
| - Current liabilities | 14,756 | 25,291 |
| - Non-current liabilities | 42,439 | 27,561 |
| | <u>57,195</u> | <u>52,852</u> |

The effective interest rates of loans and borrowings as at 31 December 2023 ranged from 3.50% to 6.72% (31 December 2022 : 4.06% to 5.96%) 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 | 32,497 | - | 32,497 |
| Unites States Dollar | 15,190 | 9,508 | 24,698 |
| | <u>47,687</u> | <u>9,508</u> | <u>57,195</u> |

Compared to the year ended 31 December 2022, the Group's borrowings increased to RM 57.2 million from RM 52.9 million mainly due to increase in term loans and foreign currency trust receipts partially offset by revolving credits for working capital purposes.

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 December 2023 are as follows:

| Forward Exchange Contracts | Contract Value RM'000 | Fair Value RM'000 |
|----------------------------|--------------------------|----------------------|
| US Dollar | | |
| - Less than 1 year | 12,978 | 152 |

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 year ended 31 December 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 year ended 31 December 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:

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. Financial Instruments (cont'd)

c) Fair Value (cont'd)

i) Other investments

| | 31/12/2023 RM '000 |
|---|-----------------------|
| Shares quoted in Malaysia - at fair value | 3,064 |

The fair values of quoted investments are directly measured using their unadjusted closing prices at 31 December 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 year ended 31 December 2023.

23. Material Litigation

There was no material litigation against the Group as at 31 December 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, TEBB 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 TEBB wherein JKJV was ordered to pay TEBB 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 TEBB on respect of adjudicator's fee and the Asian International Arbitration Centre's fees; and
 - iv) JKJV shall pay to TEBB 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 TEBB pursuant to the Adjudication Decision despite the fact that the deadline to do so had lapsed. Consequently, TEBB 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 TEBB:

- 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, TEBB 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.

TEBB 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 TEBB have been fixed for hearing on 25 August 2023.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

23. Material Litigation (cont'd)

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.

d) Settlement out of court between JKJV and TESB

On 3 July 2023, JKJV and TESB have agreed to mutually settle amicably all claims and disputes whereby TESB shall withdraw and/or discontinue the Adjudication and the Enforcement Application whereas JKJV shall withdraw and/or discontinue the Stay Application, Setting Adise Application and the Arbitration Proceedings, subject to the following salient terms of the Settlement Agreement:

- i) JKJV shall jointly and/or severally pay to TESB the sum of RM9,071,098.78 ("the Settlement Sum") by seven (7) instalment basis with the last and final instalment which shall be paid on or before 31 December 2023 as full and final settlement of all claims and disputes, whether past, present or contingent between the Parties, arising from or out of or that may arise from and/or in connection thereof.
- ii) The entire Settlement Sum shall become immediately due and payable by JKJV to TESB should there be any default in the payment of any one of the instalment payments. JKJV shall pay late interest payment at the rate of 8% per annum from due date of payment to the date of full settlement thereof.
- iii) The Parties have agreed to a mutual termination of the Contract effective from 5 July 2021 upon the execution of the Settlement Agreement and save for the payment of the Settlement Sum by JKJV to TESB, all and each of the Parties shall be fully and completely discharged and released from any further performance of the Sub-Contract and from all obligations and liabilities under and/or arising from the Sub-Contract and/or the Project. None of the Parties shall have any or further claim(s) or cause(s) of action of whatsoever kind, whether in law or in equity, whether known or unknown, whether jointly or separately, against the other or any Party hereto in connection therewith.
- iv) JKJV shall upon the execution of the Settlement Agreement issue to TESB a Final Payment Certificate acceptable to TESB for the final balance payment sum of RM9,071,098.78.

On 4 January 2024, the Company announced that the settlement has been fully completed.

24. Proposed Dividend

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

25. Earnings Per Share

| | Current Year Quarter 31/12/2023 | Current Year To Date 31/12/2023 |
|---|--|--|
| Loss for the period attributable to owners of the Company (RM '000) | (14,675) | (16,102) |
| Number of shares in issue at the beginning of the period ('000) | 281,360 | 280,156 |
| Effect of shares issued pursuant to Share Grant Plan ("SGP") ('000) | - | 817 |
| Effect of reissue of treasury shares ('000) | - | 67 |
| Weighted average number of shares for computing basic loss per share ('000) | 281,360 | 281,040 |
| Number of shares under SGP deemed to have been issued for no consideration ('000) | 1,022 | 1,112 |
| Weighted average number of shares for computing diluted loss per share ('000) | 282,382 | 282,152 |
| Basic loss per share (sen) | (5.22) | (5.73) |
| Diluted loss per share (sen) | * (5.22) | (5.73) |

* The diluted loss per share equals the basic loss per share due to the anti-dilutive effect of the shares under the Company's existing warrants and SGP which have 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 26 February 2024.