



Registration No. 200301015160 (617580-T)  
(Incorporated in Malaysia)

## **Interim Financial Statements**

**Third Quarter Results**  
**Period ended**  
**30 September 2022**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Quarter</u>	<u>Preceding Year Corresponding Quarter</u>
	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>	<b>30 Sep 2022</b>	<b>30 Sep 2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	22,101	5,457	58,872	11,489
Cost of sales	(20,467)	(7,238)	(54,604)	(21,752)
	-----	-----	-----	-----
Gross profit/(loss)	1,634	(1,781)	4,268	(10,263)
Other income	53	2,112	2,755	4,179
Other operating expenses	(1,889)	(1,563)	(17,765)	(3,759)
	-----	-----	-----	-----
Loss from operations	(202)	(1,232)	(10,742)	(9,843)
Finance costs	(90)	3,100	(233)	2,357
	-----	-----	-----	-----
(Loss)/Profit before tax	(292)	1,868	(10,975)	(7,486)
Tax expenses (Note B6)	(676)	(21)	(1,803)	(122)
	-----	-----	-----	-----
(Loss)/Profit for the period	(968)	1,847	(12,778)	(7,608)
	=====	=====	=====	=====
Total Comprehensive (Expense)/ Income for the period	(968)	1,847	(12,778)	(7,608)
	=====	=====	=====	=====
<b>(Loss)/Profit after tax attributable to:</b>				
Owners of the Company	(968)	1,847	(12,778)	(7,608)
	=====	=====	=====	=====
<b>Total Comprehensive (Expense)/ Income attributable to:</b>				
Owners of the Company	(968)	1,847	(12,778)	(7,608)
	=====	=====	=====	=====
<b>(Loss)/Profit per share (Sen)</b>				
Basic (Note B14)	(0.21)	0.46	(2.72)	(1.89)
	=====	=====	=====	=====
Diluted (Note B14)	(0.14)	0.46	(1.82)	(1.89)
	=====	=====	=====	=====

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 30 SEPTEMBER 2022**

	<b>Unaudited</b> <b>30 Sep 2022</b> <b>RM'000</b>	<b>Audited</b> <b>31 Dec 2021</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	29,138	49,473
Right-of-use assets	249	-
Other investments	73	73
	-----	-----
	29,460	49,552
	-----	-----
<b>Current Assets</b>		
Trade receivables	23,139	15,386
Other receivables, deposits and prepayments	780	450
Current tax assets	111	89
Fixed deposits with licensed banks	3,934	3,904
Cash and bank balances	16,829	13,137
	-----	-----
	44,793	32,966
	-----	-----
<b>Total Assets</b>	<b>74,253</b>	<b>82,518</b>
	=====	=====
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	54,491	54,491
Redeemable convertible preference shares	23,300	23,300
Reserves	(130,893)	(118,115)
	-----	-----
<b>Total Equity Attributable to Owners of the Company</b>	<b>(53,102)</b>	<b>(40,324)</b>
Non-controlling interests	2,196	2,196
	-----	-----
	(50,906)	(38,128)
	-----	-----
<b>Non-Current Liabilities</b>		
Amount owing to related companies	59,582	58,253
Lease liability	243	-
Provision for retirement benefits	1,550	1,609
Deferred taxation	4,461	4,461
	-----	-----
	65,836	64,323
	-----	-----

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2022 – CONTINUED**

	<u>Unaudited</u> <b>30 Sep 2022</b> RM'000	<u>Audited</u> <b>31 Dec 2021</b> RM'000
<b>Current Liabilities</b>		
Trade payables	19,590	15,882
Other payables and accruals	31,660	32,179
Short-term borrowings (Note B10)	7,000	7,000
Lease liability	10	-
Provision for retirement benefits	367	425
Current tax liabilities	696	837
	-----	-----
	59,323	56,323
	-----	-----
<b>Total Liabilities</b>	125,159	120,646
	-----	-----
<b>Total Equity and Liabilities</b>	74,253	82,518
	=====	=====
Net Assets per Ordinary Share		
Attributable to Owners of the Company (RM)	(0.11)	(0.09)
	=====	=====

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	<b>Current Year to Date 30 Sep 2022 RM'000</b>	<b>Preceding Year Corresponding Period 30 Sep 2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(10,975)	(7,486)
Adjustments for:		
Depreciation of property, plant and equipment	7,429	10,087
Depreciation of right-of-use assets	11	106
Amortisation of investment property	-	1
Finance cost	230	(2,361)
Finance charges on lease liability	3	4
Loss/(Gain) on disposal of property, plant and equipment	11,178	(169)
Provision for retirement benefits	-	944
Reversal of impairment loss on receivables	(107)	-
Interest income	(139)	(1)
	-----	-----
Operating profit before working capital changes	7,630	1,125
Increase in trade and other receivables	(7,976)	(5,288)
Increase in trade and other payables	3,189	4,766
Changes in related companies balances	1,329	5,115
	-----	-----
<b>CASH FLOWS FROM OPERATIONS</b>	<b>4,172</b>	<b>5,718</b>
Interest paid	(230)	(1,254)
Tax paid	(1,966)	(127)
Retirement benefits paid	(117)	-
	-----	-----
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,859</b>	<b>4,337</b>
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7)	(670)
Interest received	139	1
Proceeds from disposal of property, plant and equipment	1,735	546
	-----	-----
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>	<b>1,867</b>	<b>(123)</b>
	-----	-----
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Net repayment of borrowings	-	(3,839)
Net repayment of lease liabilities	(4)	(75)
	-----	-----
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(4)</b>	<b>(3,914)</b>
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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOWS STATEMENT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 – CONTINUED**

	<b>Current Year to Date 30 Sep 2022 RM'000</b>	<b>Preceding Year Corresponding Period 30 Sep 2021 RM'000</b>
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,722	300
CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD	17,041	4,703
	-----	-----
CASH AND CASH EQUIVALENT AS AT END OF PERIOD	20,763	5,003
	=====	=====

Cash and cash equivalents included in the cash flows statement comprise of the followings:

	<b>30 Sep 2022 RM'000</b>	<b>30 Sep 2021 RM'000</b>
Fixed deposits with licensed banks	3,934	3,747
Cash and bank balances	16,829	1,256
	-----	-----
	20,763	5,003
	=====	=====

Fixed deposits with licensed banks are pledged as security for borrowings as disclosed in Note B10.

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	<-----Non-Distributable----->					Distributable	Total Attributable to Owners of the Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Redeemable Convertible Preference Share RM'000	Capital Reserve RM'000	Merger Deficit RM'000	Other Reserves RM'000				
<b>As at 1 January 2022</b>	54,491	23,300	23,563	(52,991)	(95)	(88,592)	(40,324)	2,196	(38,128)
Loss for the period	-	-	-	-	-	(12,778)	(12,778)	-	(12,778)
<b>As at 30 September 2022</b>	54,491	23,300	23,563	(52,991)	(95)	(101,370)	(53,102)	2,196	(50,906)
<b>As at 1 January 2021</b>	47,791	-	23,563	(52,991)	(95)	(83,301)	(65,033)	2,196	(62,837)
Loss for the period	-	-	-	-	-	(7,608)	(7,608)	-	(7,608)
<b>As at 30 September 2021</b>	47,791	-	23,563	(52,991)	(95)	(90,909)	(72,641)	2,196	(70,445)

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and accompanying explanatory notes attached to the interim financial statements.

**A. EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134**
**A1. Basis of Preparation**
**Statement of compliance**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

**Significant accounting policies**

- (a) The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the preparation of the financial statements of the Group for the financial year ended 31 December 2021.
- (b) The Group has not applied in advance the following accounting standards and 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>MFRSs and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
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
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
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 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024



**A2. Auditors' Report on the Preceding Annual Financial Statements**

The auditors' report of the Company for the financial year ended 31 December 2021 was not subject to any qualification.

**A3. Seasonality or Cyclicity Factors**

The Group's operations are not subject to any significant seasonal or cyclical factors.

**A4. Unusual Items Due to Their Nature, Size or Incidence**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the quarter under review.

**A5. Material Change in Estimates**

There were no significant changes in estimates that have a material effect on the results for the quarter.

**A6. Debt and Equity Securities**

There were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellation, shares held as treasury shares and resale of treasury shares for the quarter under review.

**A7. Dividend Paid**

There was no dividend paid during the quarter under review.

**A8. Segmental Reporting**

**(a) Primary reporting format – business segment**

**Current Quarter**

	<b>Public Transportation Services RM'000</b>	<b>Construction works RM'000</b>	<b>Others RM'000</b>	<b>Consolidated RM'000</b>
<b>As at 30 Sep 2022</b>				
Revenue				
- sales to external parties	10,557	11,544	-	22,101
Segment results	(2,737)	2,545	(10)	(202)
Finance costs				(90)
Loss before taxation				(292)

**A8. Segmental Reporting – continued**
**(a) Primary reporting format – business segment (continued)**
**Preceding Quarter**

	Public Transportation Services RM'000	Construction works RM'000	Others RM'000	Consolidated RM'000
<b>As at 30 Jun 2022</b>				
Revenue				
- sales to external parties	8,355	11,745	-	20,100
Segment results	(14,063)	2,664	(21)	(11,420)
Finance costs				(72)
Loss before taxation				(11,492)

**Preceding Year Corresponding Quarter**

	Public Transportation Services RM'000	Construction works RM'000	Others RM'000	Consolidated RM'000
<b>As at 30 Sep 2021</b>				
Revenue				
- sales to external parties	5,457	-	-	5,457
Segment results	(1,228)	-	(4)	(1,232)
Finance costs				3,100
Profit before taxation				1,868

**(b) Secondary reporting format – geographical segment**

Geographical segment information is not applicable as the operations of the Group are substantially carried out in Malaysia.

**A9. Valuation of Property, Plant and Equipment**

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

**A10. Material Events Subsequent to the End of the Quarter Under Review**

There was no material event subsequent to the end of the quarter that require disclosure or adjustments to the unaudited interim financial statements.

**A11. Changes in the Composition of the Group**

There are no material changes in the composition of the Group for the current financial period ended 30 September 2022.

**A12. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter under review.

**A13. Capital Commitments**

There were no material capital commitments during the quarter under review.

**A14. Related Party Transactions**

Significant transactions between the Company and related parties are as follows:

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep</u> <u>2022</u> <u>RM'000</u>	<u>30 Sep</u> <u>2021</u> <u>RM'000</u>	<u>30 Sep</u> <u>2022</u> <u>RM'000</u>	<u>30 Sep</u> <u>2021</u> <u>RM'000</u>
<b>Penultimate holding company</b>				
- Secretarial services	-	-	-	26
<b>Immediate holding company</b>				
- Rental of premises	-	18	-	162
<b>Related parties</b>				
- Rental of workshop / depo	-	-	-	59
- Purchase of tyres	47	-	47	160
- Bus insurance services	-	-	-	2
- Bus repair services	269	-	794	-
- Management fees	11	-	22	-
- Rental of office	4	-	4	-
	=====	=====	=====	=====

The directors are of the opinion that all the above transactions have been entered into the normal course of business and have been established on negotiated terms which the directors are satisfied as not being detrimental to the Group and the Company.

**B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS**
**B1. Review of Group's Results for the Quarter Ended 30 September 2022**
**Quarter Ended 30 September 2022 compared to Quarter Ended 30 September 2021**

	3 months ended 30 Sep 2022 RM'000	3 months ended 30 Sep 2021 RM'000	Changes	
			RM'000	%
<b>Revenue</b>				
- Public transportation services	10,557	5,457	5,100	93.5
- Construction work	11,544	-	11,544	N/A
	----- 22,101 =====	----- 5,457 =====	16,644	305.0
<b>(Loss)/Profit before tax</b>				
Public transportation services	(2,827)	1,872	(4,699)	(251.0)
Construction work	2,545	-	2,545	N/A
Others	(10)	(4)	6	150.0
	----- (292) =====	----- 1,868 =====	(2,160)	(115.6)

The Group achieved an increase in revenue of RM22.1 million for the quarter under review as compared to RM5.5 million in the corresponding quarter of the preceding financial period. The higher revenue was mainly contributed by the new construction division.

Despite the higher revenue generated, the Group had reported a loss before tax of RM0.3 million for the quarter under review as compared to a profit before tax of RM1.9 million in the corresponding quarter of the preceding financial period mainly due to the reversal of interest expenses in the corresponding quarter of the preceding financial period. Also, the resumption of the express bus division had led to a loss of RM2.22 million for the quarter under review.

**B1. Review of Group's Results for the Quarter Ended 30 September 2022 (Cont'd)**
**Nine Months Ended 30 September 2022 compared to Nine Months Ended 30 September 2021**

	9 months ended 30 Sep 2022 RM'000	9 months ended 30 Sep 2021 RM'000	Changes	
			RM'000	%
<b>Revenue</b>				
- Public transportation services	27,436	11,481	15,955	139.0
- Construction work	31,436	-	31,436	N/A
- Others	-	8	(8)	(100.0)
	----- 58,872 =====	----- 11,489 =====	47,383	412.4
<b>(Loss)/Profit before tax</b>				
Public transportation services	(18,178)	(7,469)	10,709	143.4
Construction work	7,240	-	7,240	N/A
Others	(37)	(17)	20	117.6
	----- (10,975) =====	----- (7,486) =====	3,489	46.6

The Group's revenue for the nine months ended 30 September 2022 of RM58.9 million was higher by RM47.4 million as compared to RM11.5 million in the preceding financial period. The higher revenue mainly resulted from the contribution from the new construction division, resumption of the express bus division progressively and improvement of the stage bus division.

The loss before tax was higher by 46.6% or RM3.5 million to RM11.0 million for the financial period ended 30 September 2022 from RM7.5 million in the preceding financial period. This was mainly impacted by the one-off loss on disposal of buses amounting to RM11.4 million during the financial period. Also, the profit generated by construction division amounting to RM7.2 million was net off by the losses incurred by transportation division.

**B2. Variation of Results Against Preceding Quarter**

	3 months ended 30 Sep 2022 RM'000	3 months ended 30 Jun 2022 RM'000	Changes	
			RM'000	%
<b>Revenue</b>				
- Public transportation services	10,557	8,355	2,202	26.4
- Construction work	11,544	11,745	(201)	(1.7)
	----- 22,101 =====	----- 20,100 =====	2,001	10.0
<b>(Loss)/Profit before tax</b>				
Public transportation services	(2,827)	(14,135)	(11,308)	(80.0)
Construction work	2,545	2,664	(119)	(4.5)
Others	(10)	(21)	(11)	(52.4)
	----- (292) =====	----- (11,492) =====	(11,200)	(97.5)

Against the preceding quarter, the Group's revenue has increased by 10.0% from RM20.1 million to RM22.1 million which mainly contributed by the public transportation division as the express bus division are progressively resume more route after easing of movement restrictions. The Group loss before tax have reduced from RM11.5 million to RM0.3 million for the quarter under review as there was one-off loss on disposal of buses amounting to RM11.4 million in express bus division in the preceding quarter.

**B3. Prospects of the Group**

During the quarter under review, the Group secured another two new projects, i.e Bandar Meru Raya apartment project amounting to RM110 million, and PR1MA Kuala Lipis project amounting to RM41 million. The construction division has continuously contributed positively to the Group and as such, the Management will continue to focus on construction division moving forward on top of its current Public Transportation Services.

The local real estate construction market is forecast to expand from RM23.52 billion in 2022 to RM29.03 billion in 2026, at a CAGR of 4.8% over the forecast period. Within the residential property market, residential properties with prices of below RM300,001 per unit were the most popular type of property in 2021, accounting for 37.0% of the total transaction volume in the Malaysian property market. Residential properties at this price range are expected to remain dominant in the near future particularly with the efforts from the Malaysian Government to push for more availability of affordable housing.

Accordingly, in line with the construction and property development segment trend going forward, the Group intends to focus on exploring opportunities in residential developments in the interim, including, amongst others, residential developments for affordable housing such as semi-detached, terrace houses and apartments. This strategy is expected to augur well for the Group given that the market for affordable homes continues to dominate the Malaysian residential property segment which is also in line with the Group's key construction strength and expertise as well as the composition of the Group's current on-going projects.

**B3. Prospects of the Group – continued**

Under the Stage Bus Service Transformation (SBST) Programme, the year 2021 was the seventh year that Cityliner undertook the bus operations. We are optimistic that the momentum from the significant improvements achieved since 2021 will continue and grow in 2022 and beyond. The Group is also in constant discussion with Agensi Pengangkutan Darat Awam (APAD) to make this programme more sustainable for the operator(s) so the success can be replicated for the rest of the country. Cityliner, as the pioneer and main operator under the programme, will be well-placed to offer its services in the event the authorities decide to expand the programme coverage.

**B4. Profit Forecast**

The Group did not publish any profit forecast during the quarter.

**B5. Explanation Note on Profit Forecast**

Not Applicable.

**B6. Tax Expense**

Tax expense comprises of the followings:

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep</u> <u>2022</u> <u>RM'000</u>	<u>30 Sep</u> <u>2021</u> <u>RM'000</u>	<u>30 Sep</u> <u>2022</u> <u>RM'000</u>	<u>30 Sep</u> <u>2021</u> <u>RM'000</u>
In respect of the current period:				
Income tax	611	-	1,738	-
Under provision in prior years	65	21	65	122
Tax expense	676	21	1,803	122

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period.

**B7. Sale of Unquoted Investments, or Properties**

There was no disposal of unquoted investments, or properties during the quarter.

**B8. Purchase or Disposal of Quoted and Marketable Securities**

There was no purchase or disposal of quoted and marketable securities during the quarter.

**KONSORTIUM TRANSNASIONAL BERHAD**Registration No. 200301015160 (617580-T)  
(Incorporated in Malaysia)**B9. Corporate Proposals**

On 27 September 2022, AmlInvestment Bank Berhad had, on behalf of the Board of Directors of Konsortium Transnasional Berhad (“**KTBB**”) submitted to Bursa Securities a proposed regularisation plan which comprise of the following proposals to regularise its financial condition in accordance with Paragraph 4.2 of PN17 of the Listing Requirements:-

- (a) proposed disposal of 74,996,022 ordinary shares in Park May Berhad (“**PMB**”), representing the entire equity interest in PMB via a conditional share sale agreement dated 27 September 2022 with Nadicorp Holdings Sdn Bhd for a cash consideration of RM1.00;
- (b) proposed reduction of the issued share capital of the Company pursuant to Section 116 of the Companies Act, 2016; and
- (c) proposed private placement of 125,000,000 new KTB Shares, representing approximately 26.61% of the existing number of issued shares of KTB at an issue price of RM0.16 per Placement Share to 14 identified placees via the subscription agreements entered into between KTB and the respective placee on 27 September 2022.

As at the date of this announcement, the proposed regularisation plan is pending the approval from Bursa Securities.

**B10. Borrowings (Secured)**

The Group’s borrowings as at the end of the reporting period are as follows:

	<b>Unaudited</b> <b>30 Sep 2022</b> <b>RM’000</b>	<b>Audited</b> <b>31 Dec 2021</b> <b>RM’000</b>
<b>Short term borrowings:</b>		
Revolving credit	7,000	7,000
	=====	=====

**B11. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at the date of this report.



**B12. Material Litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement except for the following:-

Konsortium Transnasional Berhad and its subsidiaries companies, Transnasional Express Sdn Bhd, Plusliner Sdn Bhd, Syarikat Kenderaan Melayu Kelantan Berhad, Syarikat Rembau Tampin Sdn Bhd, Kenderaan Langkasuka Sdn Bhd and its associated company, MHSB Property Sdn Bhd (hereinafter collectively referred to as “the Plaintiffs”) had jointly served against Tan Chong Industrial Equipment Sdn Bhd (hereinafter referred to as “the Defendant”) on 15th August 2017 with a Writ of Summons and Statement of Claim and an Injunction Application for an alleged unjust enrichment based on a Settlement Agreement entered into by all parties on 4th July 2016.

The Settlement Agreement was entered into by the parties for the settlement of the amount outstanding under 64 lease agreements and 87 maintenance agreements in respect of the buses leased from the Defendant. The total amount outstanding under the said agreements are RM32,920,575.06 and RM16,000,000 had been duly settled by the Plaintiffs by the transfer of MHSB Properties Sdn Bhd’s property in Bandar Ampang, Daerah Ulu Langat held under H.S.(D) 87546, PT No. 7929, measuring 95,434 square metre (hereinafter referred to as “the Property”) to the Defendant which were then valued by the Defendant at RM16,000,000.

On 20th June 2017, MHSB Properties Sdn Bhd had received a notice from the Government pursuant to a compulsory acquisition of part of the Property whereby the Government had valued the Property at RM51,362,578.80. Subsequent to the said notice, the Plaintiff had engaged Messrs. D. Henry Valuers Realtor to carry out the valuation on the Property and Messrs. D. Henry Valuers had appraised the value of the Property on 5 August 2017 to be RM55,600,000.

Pursuant thereto, the Plaintiffs are alleging that the Defendant had misrepresented the value of Property prior to the signing of the Settlement Agreement and had made an unjust enrichment from the Settlement Agreement and the Plaintiff are claiming for the payment of RM22,679,424.94 being the difference between the settlement of the outstanding sum of RM32,920,575.06 and the market price of the Property at RM55,600,000.

The Plaintiffs have been advised by its solicitors that the Plaintiffs claim has a basis and may ultimately be proven to be justifiable.

The Plaintiffs have also filed an inter-parte injunction application among others to stop the Defendant from proceeding with the repossession of the buses under the said agreements and from dealing with the Property until the settlement of this case.

The High Court has fixed the matter for hearing of the inter-parte injunction on 27th November 2017 together with the case management for the Plaintiffs’ Statement of Claims. The High Court has also been fixed to be heard the Defendant’s application to strike out the Plaintiffs’ claim against the Defendant on 4th January 2018.

The High Court on the 4th January 2018 had allowed the Defendant’s application to strike out the Plaintiffs’ claim and pursuant thereto, the Plaintiffs’ had filed their Notice of Appeal in respect of the said decision of the High Court on the 9th January 2018. The hearing of the said appeal has been fixed by the Court of Appeal on 15th November 2018.

**B12. Material Litigation – continued**

The Court of Appeal on 15th November 2018 had allowed the Plaintiff's appeal and directed for the case management of the Plaintiff's application to be heard by the High Court on 27th November 2018. The High Court has set the dates of the trial from 10th September 2019 until 13th September 2019. The Defendant has also filed their Notice of Motion for leave to appeal to the Federal Court on 30th November 2018 to appeal against the decision of the Court of Appeal and the said appeal is fixed to be heard on the 23rd July 2019.

On 23rd July 2019, the hearing was postponed for the Defendant to obtain the grounds of decision from the Court of Appeal. The matter was fixed for case management at the Federal Court on 12th November 2019. As the grounds of decision are still pending, the matter is fixed for case management 13th January 2020.

The Plaintiff also filed an application for discovery of the valuation reports and related documents at the High Court and the High Court granted the order for discovery on 11th July 2019. The Defendant has appealed against the said decision for the said discovery. The matter is fixed for case management on 10th December 2019 at the Court of Appeal.

The Defendant also filed an application for stay of proceedings at the High Court pending the leave to appeal to the Federal Court and appeal against the discovery at the Court of Appeal. The High Court granted the stay of proceeding on 5th September 2019. The trial date on 10th September 2019 was vacated due to the stay of proceeding. The matter was then fixed for case management on 28th April 2020 pending the appeals to the Court of Appeal and leave to appeal to the Federal Court to be heard.

The appeal filed by the Defendant against the order for discovery of documents was heard at the Court of Appeal on 29th September 2020 whereby the said court had disallowed the said appeal. In respect of the leave to appeal to the Federal Court, the Defendant's appeal was also disallowed by the Federal Court on 7th October 2020. The High Court has fixed the dates of hearing from 10th March 2021 until 12th March 2021. The hearing of the case at the High Court had commenced on the 10th March 2021 until 12th March 2021 and was continued on the 2nd April 2021 and 14th April 2021. The matter is fixed for case management on 10th June 2021 and thereafter a date for decision shall be fixed by the court.

The High Court on 15th July 2021 had allowed the claims of the Plaintiffs against the Defendant and the following judgments were made pursuant thereto:-

That the value of MHSB Properties Sdn Bhd's property ("Seventh Plaintiff") is RM55,600,000 and therefore there was an unjust enrichment of RM22,679,424.94 gained by the Defendant which is to be paid by the Defendant to the Seventh Plaintiff;

that the Defendant is to return to the Plaintiffs the sum of RM877,000 being the compensation paid by the Government of Malaysia to the Defendant for the compulsory acquisition of part of the said property;

that the Defendant is to return back to the Plaintiff the repossessed buses; and

an interest of 5% per annum on the sum of RM22,679,424.94 from the date of judgment (15th July 2021) until full and final settlement is to be paid by the Defendant.

**B12. Material Litigation – continued**

The Defendant on 21st July 2021 had filed their notice of appeal and application for stay of execution against the abovementioned judgments. The Defendant's application for the stay of execution was allowed by the court on 23rd September 2021 and the hearing for the Defendant's appeal is fixed to be heard at the Court of Appeal on 9th May 2022.

The hearing for the Defendant's appeal has been postponed to 9th August 2022, thereafter to 19 October 2022 and further postponed to 23 March 2023.

**B13. Dividend Proposed**

There was no dividend declared or proposed by the Company during the quarter under review.

**B14. Earnings per Share (EPS)**
**Basic earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep</u> <u>2022</u>	<u>30 Sep</u> <u>2021</u>	<u>30 Sep</u> <u>2022</u>	<u>30 Sep</u> <u>2021</u>
(Loss)/Profit attributable to ordinary shareholders (RM'000)	(968)	1,847	(12,778)	(7,608)
Weighted average number of shares in issue ('000)	469,798	402,798	469,798	402,798
Basic EPS (Sen)	(0.21)	0.46	(2.72)	(1.89)

**Diluted earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep</u> <u>2022</u>	<u>30 Sep</u> <u>2021</u>	<u>30 Sep</u> <u>2022</u>	<u>30 Sep</u> <u>2021</u>
(Loss)/Profit attributable to ordinary shareholders (RM'000)	(968)	1,847	(12,778)	(7,608)
Weighted average number of shares in issue ('000)	469,798	402,798	469,798	402,798
Weighted average number of new ordinary shares, assumption on conversion of the remaining:- - RCPS ('000)	233,000	-	233,000	-
	702,798	402,798	702,798	402,798
Diluted EPS (Sen)	(0.14)	0.46	(1.82)	(1.89)

**B15. Notes to the Statement of Comprehensive Income**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>30 Sep</u> <u>2022</u> <u>RM'000</u>	<u>30 Sep</u> <u>2021</u> <u>RM'000</u>	<u>30 Sep</u> <u>2022</u> <u>RM'000</u>	<u>30 Sep</u> <u>2021</u> <u>RM'000</u>
<b>Profit/(Loss) before tax is arrived at after crediting:</b>				
Government assistance	-	-	-	960
Government wage subsidy	4	2,126	2,431	3,154
Interest income	47	-	139	1
Rental income	2	26	2	64
Reversal of impairment loss on receivables	-	-	107	-
<b>and after charging:</b>				
Finance cost	(84)	(513)	(230)	2,361
Finance costs on lease liability	(3)	-	(3)	(4)
Depreciation of property, plant and equipment	(2,052)	(3,258)	(7,429)	(10,087)
Depreciation of right-of-use asset	(11)	(44)	(11)	(106)
Loss on disposal of property plant and equipment	257	179	(11,178)	169
Rental expense	(521)	(30)	(1,945)	(359)
	=====	=====	=====	=====

**B16. Authorised for Issue**

The interim financial statements were authorised for issue by the Board in accordance with a resolution of the Directors on 24 November 2022.