

**Condensed consolidated statement of financial position**

As At 30 September 2022

	At 30 September 2022 RM'000 (unaudited)	At 31 March 2022 RM'000 (Audited)
<b>Assets</b>		
Property, plant and equipment	14,387	13,323
Investment properties	85,935	86,488
Inventories	3,878	3,878
Investment in associates	1,729	1,639
Investment in joint ventures	3,459	3,456
Deferred tax assets	17	114
<b>Total non-current assets</b>	<b>109,405</b>	<b>108,898</b>
Inventories	4,946	6,613
Trade and other receivables	256,511	273,224
Contract assets	24,158	31,610
Tax recoverable	1,074	895
Cash and cash equivalents	17,116	17,886
<b>Total current assets</b>	<b>303,805</b>	<b>330,228</b>
<b>Total assets</b>	<b>413,210</b>	<b>439,126</b>
<b>Equity</b>		
Share capital	122,338	122,338
Translation reserve	7	7
Retained earnings	94,790	99,337
<b>Total equity attributable to owners of the Company</b>	<b>217,135</b>	<b>221,682</b>
<b>Liabilities</b>		
Borrowings	1,944	2,656
Deferred tax liabilities	479	485
<b>Total non-current liabilities</b>	<b>2,423</b>	<b>3,141</b>
Trade and other payables	121,228	164,732
Contract liabilities	20,405	9,936
Borrowings	51,757	39,436
Current tax payable	262	199
<b>Total current liabilities</b>	<b>193,652</b>	<b>214,303</b>
<b>Total liabilities</b>	<b>196,075</b>	<b>217,444</b>
<b>Total equity and liabilities</b>	<b>413,210</b>	<b>439,126</b>
<b>Net assets per share (RM)</b>	<b>2.1791</b>	<b>2.2247</b>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the period ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.)

**Condensed consolidated statement of profit or loss and other comprehensive income**  
For the financial period ended 30 September 2022

	Current 6 months ended 30 September		Cumulative 6 months ended 30 September 2022
	2022 RM'000	2021 RM'000	2022 RM'000
Revenue	25,366	46,216	44,151
Cost of sales	(24,110)	(43,774)	(42,105)
<b>Gross profit</b>	1,256	2,442	2,046
Other income	398	224	1,421
Administrative and other operating expenses	(3,866)	(3,096)	(7,465)
<b>Results from operating activities</b>	(2,212)	(430)	(3,998)
Interest income	978	93	1,435
Interest expense	(785)	(679)	(1,601)
Net interest income/(expenses)	193	(586)	(166)
Share of profit of equity-accounted investments, net of tax	45	100	93
<b>Net loss before tax</b>	(1,974)	(916)	(4,071)
Taxation	(230)	(332)	(476)
<b>Net loss after tax</b>	(2,204)	(1,248)	(4,547)
<b>Other comprehensive income, net of tax</b>			
<b>Items that are or may be reclassified subsequently to loss</b>			
Foreign currency translation	-	-	-
<b>Total other comprehensive income for the period, net of tax</b>	-	-	-
<b>Total comprehensive expenses for the period</b>	(2,204)	(1,248)	(4,547)
<b>Loss per share attributable to ordinary shareholders</b>			
EPS - Basic (sen)	(2.21)	(1.25)	(4.56)
EPS - Diluted (sen)	N/A	N/A	N/A

On 27 August 2021, Knusford Berhad ("KB" or the "Company") announced the change of financial year end from 31 December 2021 to 31 March 2022. The current reporting financial period will be for a period of 6 months, made up from 1 April 2022 to 30 September 2022. As such, there are no comparative figures for the cumulative preceding year corresponding periods.

(The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the period ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.)



**Condensed consolidated statement of changes in equity**

For the financial period ended 30 September 2022

	Attributable to owners of the Company			Total RM'000
	Non-distributable Share capital RM'000	Translation Reserve RM'000	Distributable Retained profits RM'000	
<b>At 1 April 2022 (Audited)</b>	122,338	7	99,337	221,682
Total comprehensive loss for the period	-	-	(4,547)	(4,547)
<b>At 30 September 2022 (Unaudited)</b>	<u>122,338</u>	<u>7</u>	<u>94,790</u>	<u>217,135</u>
<b>At 1 January 2021 (Audited)</b>	122,338	5	104,407	226,750
Total comprehensive loss for the period	-	2	(5,070)	(5,068)
<b>At 31 March 2022 (Audited)</b>	<u>122,338</u>	<u>7</u>	<u>99,337</u>	<u>221,682</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the period ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed consolidated statement of cash flows**  
**For the financial period ended 30 September 2022**

	<b>Current period to date 30 September 2022 RM'000 (unaudited)</b>
<b><i>Cash flows from operating activities</i></b>	
Loss before tax	(4,071)
Adjustments for:	
Depreciation of property, plant and equipment	1,294
Depreciation of investment property	553
Net loss on impairment of financial instrument and contract assets	307
Gain on disposal of plant and equipment	(1,076)
Impairment loss on property, plant and equipment	2
Share of profit of equity-accounted investments, net of tax	(93)
Interest expense	1,601
Interest income	(1,435)
Operating loss before changes in working capital	<u>(2,918)</u>
Changes in working capital:	
Inventories	1,667
Receivables, deposits and prepayments	23,858
Payables and accruals	(33,035)
Cash used in operations	<u>(10,428)</u>
Income taxes paid	(501)
Interest paid	(1,484)
Interest received	1,435
<b>Net cash used in operating activities</b>	<u>(10,978)</u>
<b><i>Cash flows from investing activities</i></b>	
Acquisition of property, plant and equipment	(1,948)
Sales proceeds from disposal of plant and equipment	960
<b>Net cash used in investing activities</b>	<u>(988)</u>
<b><i>Cash flows from financing activities</i></b>	
Interest paid	(117)
Net proceeds from borrowings	13,007
Repayment of finance lease liabilities	(1,694)
<b>Net cash generated from financing activities</b>	<u>11,196</u>
<b>Net decrease in cash and cash equivalents</b>	(770)
<b>Cash and cash equivalents at beginning of financial period</b>	17,886
<b>Cash and cash equivalents at end of financial period</b>	<u>17,116</u>
Cash & bank balance	11,111
Deposits with licensed banks (excluding deposits pledged)	6,005
	<u>17,116</u>

**(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the period ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.)**

## Notes to the interim financial report – 30 September 2022

### A1 Basis of preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting in Malaysia, IAS 34: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The condensed consolidated interim financial statements are unaudited and should be read in conjunction with the audited financial statements for the financial period ended 31 March 2022.

### A2 Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial period ended 31 March 2022 except for the following:

#### *Amendments effective for annual periods beginning on or after 1 January 2022*

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

#### *Amendments effective for annual periods beginning on or after 1 January 2023*

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

#### *Amendments effective for annual periods beginning on or after a date yet to be confirmed*

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the amendments is not expected to have any material financial impacts to the current and prior period financial statements of the Group.

### A3 Auditors’ report

There was no qualification on the audited financial statements for the financial period ended 31 March 2022.

#### A4 Seasonal or cyclical factors

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

#### A5 Unusual items due to their nature, size or incidence

There were no unusual items for the period ended 30 September 2022.

#### A6 Changes in estimates

Not applicable.

#### A7 Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and period ended 30 September 2022.

#### A8 Dividends paid

No dividend was paid for the current quarter and period ended 30 September 2022.

#### A9 Segmental information

Segmental information is presented in respect of the Group's business segment. Inter-segment pricing is determined based on negotiated terms.

#### Current quarter ("2Q 2023") against preceding year corresponding quarter ("3Q 2022")

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	30 September 2022 Revenue	30 September 2021 Revenue	Amount	%
	RM'000	RM'000	RM'000	
Trading	12,538	10,648	1,890	17.7
Property development	571	1,833	(1,262)	(68.8)
Construction	12,770	37,035	(24,265)	(65.5)
Investment property	738	800	(62)	(7.8)
Other services	371	1,429	(1,058)	(74.0)
	26,988	51,745	(24,757)	(47.8)
Inter-segment elimination	(1,622)	(5,529)	3,907	70.7
	25,366	46,216	(20,850)	(45.1)

**A9 Segmental information (continued)**

**Current quarter (“2Q 2023”) against preceding year corresponding quarter (“3Q 2022”) (continued)**

	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	
	30 September 2022 Profit/(Loss) before tax	30 September 2021 Profit/(Loss) before tax	Amount	%
	RM'000	RM'000	RM'000	
Trading	(589)	(140)	(449)	(320.7)
Property development	100	356	(256)	(71.9)
Construction	(1,273)	(305)	(968)	(317.4)
Investment property	203	(81)	284	350.6
Other services	(106)	191	(297)	(155.5)
	(1,665)	21	(1,686)	(8,028.6)
Interest income	978	93	885	951.6
Interest expense	(785)	(679)	(106)	(15.6)
Share of profit of equity-accounted investments	45	100	(55)	(55.0)
Unallocated other expenses	(547)	(451)	(96)	(21.3)
	(1,974)	(916)	(1,058)	(115.5)

**Current period to date (“YTD 2023”)**

	6 months ended	Changes	
	30 September 2022 Revenue	Amount	%
	RM'000	RM'000	
Trading	24,525	N/A	N/A
Property development	2,399	N/A	N/A
Construction	17,819	N/A	N/A
Investment Property	1,508	N/A	N/A
Other services	696	N/A	N/A
	46,947	N/A	N/A
Inter-segment elimination	(2,796)	N/A	N/A
	44,151	N/A	N/A

**A9 Segmental information (continued)**
**Current period to date (“YTD 2023”) (continued)**

	6 months ended	Changes	
	30 September 2022 Profit/(Loss) before tax	Amount	%
	RM'000	RM'000	
Trading	(843)	N/A	N/A
Property development	330	N/A	N/A
Construction	(3,089)	N/A	N/A
Investment Property	480	N/A	N/A
Other services	(75)	N/A	N/A
	(3,197)	N/A	N/A
Interest income	1,435	N/A	N/A
Interest expense	(1,601)	N/A	N/A
Share of profit of equity- accounted investments	93	N/A	N/A
Unallocated other expenses	(801)	N/A	N/A
	(4,071)	N/A	N/A

N/A: There are no comparative figures for the cumulative preceding year corresponding period.

**A10 Valuation of property, plant and equipment**

There was no amendment to the valuation of property & plant and equipment brought forward to the current quarter as compared with the previous year annual financial statements.

**A11 Event subsequent to the balance sheet date**

There was no material event subsequent to the balance sheet date except for the corporate proposals as disclosed in Note B6.

**A12 Changes in composition of the Group**

There was no change in the composition of the Group for the current quarter and period ended 30 September 2022.

**A13 Commitments**

Capital expenditure commitments: -

**As at 30 September 2022**  
**RM'000**

*Property, plant and equipment*  
Contracted but not provided for

53,240



#### A14 Changes in contingent liabilities

The Group has no contingent liabilities except for the following: -

**As at 30 September 2022**  
**RM'000**

Guarantees and contingencies relating to the borrowings of subsidiaries (unsecured)

20,548  
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#### A15 Significant Related Party Transactions

The Group has significant related party transactions with companies in which certain directors of the Company have interest, as follows: -

**6 months ended**  
**30 September 2022**  
**RM'000**

**With companies in which certain Directors of the Company, have interests:**

Ekovest Berhad and its subsidiaries, jointly controlled and associate companies	17,291
Iskandar Waterfront City Berhad and its subsidiaries, jointly controlled and associate companies	3,223
Iskandar Waterfront Holdings Sdn Bhd and its subsidiaries, jointly controlled and associate companies	994
PLS Plantations Berhad and its subsidiaries, jointly controlled and associate companies	2,614 =====

#### B1 Detailed analysis of the performance of all operating segment of the Group in 2Q 2023

**Current quarter (“2Q 2023”) against preceding year corresponding quarter (“3Q 2022”)**

	Individual Period		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%
	30 September 2022 RM'000	30 September 2021 RM'000	RM'000	
Revenue	25,366	46,216	(20,850)	(45.1)
Gross profit	1,256	2,442	(1,186)	(48.6)
Result from operating activities	(2,212)	(430)	(1,782)	(414.4)
Share of profit of equity-accounted investments, net of tax	45	100	(55)	(55.0)
Net loss before tax	(1,974)	(916)	(1,058)	(115.5)
Net loss after tax	(2,204)	(1,248)	(956)	(76.6)
Loss attributable to Owners of the Company	(2,204)	(1,248)	(956)	(76.6)

**B1 Detailed analysis of the performance of all operating segment of the Group in 2Q 2023 (continued)**

**Current quarter (“2Q 2023”) against preceding year corresponding quarter (“3Q 2022”) (continued)**

For 2Q 2023, the Group registered a revenue of RM25.366 million and loss before tax of RM1.974 million as compared to revenue of RM46.216 million and loss before tax of RM0.916 million reported in 3Q 2022. The lower revenue and higher loss before tax reported was mainly due to lower sales recorded by the construction segment.

The performance of the respective operating business sector for the 2Q 2023 under review as compared to the 3Q 2022 is analysed as follows:

Trading

The revenue increased by RM1.890 million or 17.7% to RM12.538 million as compared to RM10.648 million in 3Q 2022. Despite the increase in revenue in 2Q 2023, the sector reported a higher loss before tax of RM0.589 million in 2Q 2023 as compared against loss before tax of RM0.140 million in 3Q 2022 which was mainly due to higher product mix with lower profit margin recorded in 2Q 2023 and recognition of net impairment loss on trade receivables of RM0.384 million in 2Q 2023.

Property development

Revenue for 2Q 2023 has decreased by RM1.262 million to RM0.571 million as compared to the 3Q 2022 of RM1.833 million mainly due to lesser completed units sold in 2Q 2023. Accordingly, the profit before tax decreased by RM0.256 million to RM0.100 million in 2Q 2023 as compared to RM0.356 million in 3Q 2022.

Construction

The construction sector registered a lower revenue of RM12.770 million in 2Q 2023 as compared to RM37.035 million in 3Q 2022 which was mainly due to slower work progress resulted from shortage of labour.

The sector recorded a loss before tax of RM1.273 million in the 2Q 2023 as compared to a loss before tax of RM0.305 million in the 3Q 2022 mainly due to decrease in revenue.

Investment property

The sector recorded a slightly lower revenue of RM0.738 million in 2Q 2023 as compared to RM0.800 million in 3Q 2022. Despite the lower revenue recorded, the sector reported a higher profit before tax of RM0.203 million as compared to a loss before tax of RM0.081 million in 3Q 2022 mainly due to lower overhead incurred in 2Q 2023.

Other services

In 2Q 2023, revenue decreased from RM1.429 million to RM0.371 million as compared to 3Q 2022 mainly due to lower income contribution from the landscape maintenance work. As a result of the decrease in revenue, this sector reported a loss before tax of RM0.106 million as compared to profit before tax of RM0.191 million in 3Q 2022.

**B1 Detailed analysis of the performance of all operating segment of the Group in 2Q 2023 (continued)**
**Current period to date (“YTD 2023”)**

	Cumulative Period	Changes	
	Current Period To-Date	Amount	%
	30 September 2022 RM'000	RM'000	
Revenue	44,151	N/A	N/A
Gross profit	2,046	N/A	N/A
Result from operating activities	(3,998)	N/A	N/A
Share of profit of equity-accounted investments, net of tax	93	N/A	N/A
Loss before tax	(4,071)	N/A	N/A
Loss after tax	(4,547)	N/A	N/A
Loss attributable to Owners of the Company	(4,547)	N/A	N/A

N/A : There are no comparative figures for the cumulative preceding year corresponding periods.

**B2 Comparison with preceding quarter results**
**Current quarter (“2Q 2023”) against preceding quarter (“1Q 2023”)**

	Current Quarter	Preceding Quarter	Changes	
	30 September 2022	30 June 2022	Amount	%
	RM'000	RM'000	RM'000	
Revenue	25,366	18,785	6,581	35.0
Gross profit	1,256	790	466	59.0
Result from operating activities	(2,212)	(1,786)	(426)	(23.9)
Share of profit of equity-accounted investments, net of tax	45	48	(3)	(6.3)
Net loss before tax	(1,974)	(2,097)	123	5.9
Net loss after tax	(2,204)	(2,343)	139	5.9
Loss attributable to Owners of the Company	(2,204)	(2,343)	139	5.9

The Group reported higher revenue of RM25.366 million in 2Q 2023 as compared to RM18.785 million in 1Q 2023, this was mainly due to higher construction activities and billings in construction segment. Accordingly, the Group recorded a lower loss before tax of RM1.974 million in 2Q 2023 as compared to loss before tax of RM2.097 million in 1Q 2023.

### B3 Prospects

The Board expects the economic outlook to remain challenging in near term amid the shortage of labour, the resurgence of COVID-19 variants, inflation, rising interest rate and supply chain disruptions, which are affecting the construction industry. Given the uncertain business environment, we expect our financial performance for the financial year ending 31 March 2023 to be adversely impacted.

The Board is mindful of the competition and operation risk that could impact on its financial results and will continue to take all proactive measures to ensure the existing business remains sustainable, resilient and focused on delivering and completing all its projects in hand within the budgeted cost and on agreed time frame.

The Group adopts a cautious outlook on the recovery of the property and construction industries and will continue to pursue potential business opportunities to replenish its order book.

As at 30 September 2022, the Group's order book for construction sector stood at RM339 million.

### B4 Variance of actual profit from forecast profit / profit guarantee

Not applicable.

### B5 Taxation

	<b>Current quarter ended 30 September 2022 RM '000</b>	<b>6 months ended 30 September 2022 RM '000</b>
Income tax		
Current provision	236	385
Deferred tax	(6)	91
	230	476

The Group's effective tax rate for the financial period ended 30 September 2022 was higher than the prima facie tax rate mainly due to the losses incurred by certain subsidiaries and disallowable expenses.

### B6 Status of corporate proposals

- On 22 July 2022, a wholly-owned subsidiary of the Company, Knusford Resources Sdn Bhd ("KRSB") has entered into a conditional Sale and Purchase Agreement ("SPA") with Success Straits Sdn Bhd ("SSSB"), a wholly-owned subsidiary of Iskandar Waterfront City Berhad ("IWCB"), a related company for the proposed acquisition of a parcel of freehold vacant land held under Geran Hakmilik No. 90571, Lot No. 726, Mukim of Pulai, District of Johor Bahru, State of Johor ("Subject Property") at the purchase consideration of RM53,240,000.00 ("Proposed Acquisition").

The Purchase Consideration will be satisfied via a settlement arrangement, wherein a total amount of RM50,764,575.38, being the sum due and payable by IWCB and its subsidiaries (collectively, the "IWCB Group") to the Company and its subsidiaries (collectively, the "Knusford Group" or the "Group") ("Settlement Sum") shall be set-off against the Purchase Consideration. Meanwhile, the remaining balance of RM2,475,424.62 ("Differential Amount") will be satisfied entirely in cash.

In conjunction with the Proposed Acquisition, the Company had on the even date entered into a conditional settlement agreement ("Settlement Agreement") with IWCB to settle the Settlement Sum by way of set-off against the Purchase Consideration for the Proposed Acquisition ("Proposed Settlement").

## **B6 Status of corporate proposals (continued)**

The Proposed Acquisition are conditional upon the following conditions precedents being fulfilled not later than three months from the date of the SPA, or such other date as the parties may mutually agree upon in writing (SPA Cut-Off Date)-:

- i. SSSB having obtained the approval of the shareholders of IWCB at a general meeting for amongst others (1) the disposal of the Subject Property by SSSB in favour of KRSB in accordance with the terms and conditions of the SPA; and (2) the Proposed Settlement in accordance with the terms and conditions of the Settlement Agreement; and
- ii. KRSB having obtained the approval of the shareholders of the Company at a general meeting to be convened for amongst others (1) the acquisition of the Subject Property by KRSB in accordance with the terms and conditions of the SPA; and (2) the Proposed Settlement in accordance with the terms and conditions of the Settlement Agreement.

For details, please refer to the announcement dated 22 July 2022, 7 November 2022 and 23 November 2022 respectively.

At the Extraordinary General Meeting ("EGM") held on 23 November 2022, the shareholders of the Company had approved the resolution in relation to (ii) above.

- 2) On 3 November 2022, the Board has announced that both the Company and IWCB mutually agreed to extend the Expiry date of the Heads Of Agreement ("HOA") for an additional period of six (6) months, commencing from 13 August 2022 until 12 February 2023, subject to any further extension as may be mutually agreed upon by the parties in writing ("Extension"). The Extension will afford the parties more time to finalise the terms and conditions of the Definitive Agreement for the sale and purchase of all that parcel of freehold land held under Geran Hakmilik No. 90585, Lot No. 733, located in the Mukim of Pulau, District of Johor Bahru, State of Johor.

Save for the above, all other terms in the HOA dated 13 May 2022 shall remain unchanged and in full force, and continue to take effect and be binding on the parties to the HOA.

For details, please refer to the announcement dated 13 May 2022 and 3 November 2022 respectively.

- 3) On 28 October 2022, the Board has announced that its wholly-owned subsidiary of the Company, D-Hill Sdn. Bhd., had on 28 October 2022 entered into a sale and purchase agreement ("SPA") with L.K.C Ventures Sdn. Bhd., for the disposal of all that piece of freehold vacant commercial land held under H.S.(D) 165685, PT 41696, Bandar Batu 18, Semenyih, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring 6,630.33 in square meters for a total cash consideration of Ringgit Malaysia: Fourteen Million Six Hundred Thirty Thousand Four Hundred Ninety-Seven and Sen Forty (RM14,630,497.40) only. The Proposed Disposal is expected to be completed by the end of the fourth (4th) quarter of the financial year 2023.

For details, please refer to the announcement dated 28 October 2022 and 1 November 2022 respectively.

**B7 Group borrowings**

	As at 30 September 2022		
	Non-current RM'000	Current RM'000	Total borrowings RM'000
<b>Secured</b>			
Hire purchase liabilities	1,923	2,233	4,156
Lease liabilities	21	17	38
Revolving credits	-	24,507	24,507
<b>Unsecured</b>			
Revolving credits	-	25,000	25,000
	<u>1,944</u>	<u>51,757</u>	<u>53,701</u>

	As at 31 March 2022		
	Non-current RM'000	Current RM'000	Total borrowings RM'000
<b>Secured</b>			
Hire purchase liabilities	2,646	2,925	5,571
Lease liabilities	10	11	21
Revolving credits	-	11,500	11,500
<b>Unsecured</b>			
Revolving credits	-	25,000	25,000
	<u>2,656</u>	<u>39,436</u>	<u>42,092</u>

The borrowing is mainly for the purpose of working capital requirement.

**B8 Changes in material litigation**

There is no material litigation pending from 31 March 2022 (being the date of the last annual statement of financial position) to 22 November 2022 (being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) in which the Group is engaged either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the company or of any facts likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

**B9 Dividends declared**

No interim dividend has been declared for the current quarter and period ended 30 September 2022.

**B10 Loss per share**

	<b>Current quarter ended 30 September 2022</b>	<b>Preceding year corresponding quarter ended 30 September 2021</b>	<b>Cumulative 6 months ended 30 September 2022</b>
Loss for the period attributable to owners of the Parent (RM'000)	(2,204)	(1,248)	(4,547)
Weighted average number of ordinary shares in issue ('000)	99,645	99,645	99,645
Basic loss per share (sen)	(2.21)	(1.25)	(4.56)
Diluted earnings per share (sen)	N/A	N/A	N/A

**B11 Notes to the statement of profit or loss and other comprehensive income**

	<b>Current quarter ended 30 September 2022 RM'000</b>	<b>Cumulative 6 months ended 30 September 2022 RM'000</b>
Profit/(Loss) before tax is arrived at after (crediting)/charging:		
Interest income	(978)	(1,435)
Other income including investment income	(137)	(345)
Interest expense		
- Unwinding of discount in relation to provision for onerous contract	173	407
- Others	612	1,194
Depreciation and amortisation	932	1,847
Impairment loss on receivables	360	307
Impairment loss on property, plant and equipment	2	2
Gain on disposal of plant and equipment	(261)	(1,076)

## B12 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical financial assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the financial asset or liabilities, either directly or indirectly.

Level 3 – Inputs for the financial asset or liabilities that are not based on observable market data.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their carrying amounts shown in the statements of financial position.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total fair</b>	<b>Carrying</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>value</b>	<b>amount</b>
				<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2022</b>					
<b>Financial liabilities</b>					
Hire-purchase liabilities	-	-	4,312	4,312	4,156
<b>31 March 2022</b>					
<b>Financial liabilities</b>					
Hire-purchase liabilities	-	-	5,788	5,788	5,571