



HEXTAR TECHNOLOGIES SOLUTIONS BERHAD [200501034100 (716241-X)]
(Formerly Known As Complete Logistic Services Berhad)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

23 May 2023

Hextar Technologies Solutions Berhad
(Formerly known as Complete Logistic Services Berhad)
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HEXTAR TECHNOLOGIES SOLUTIONS BERHAD [200501034100 (716241-X)]
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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

| RM'000 | Note | As at 31.03.2023 Unaudited | As at 31.03.2022 Audited |
|--|-------------|---|---|
| Assets | | | |
| Property, plant and equipment | | 32,060 | 33,207 |
| Right-of-use assets | | 28,888 | 27,397 |
| Investments in associates | | - | 24,597 |
| Other investment | | 2,571 | 29,160 |
| Non-current assets | | 63,519 | 114,361 |
| Trade and other receivables | | 63,455 | 55,584 |
| Contract assets | | 24 | 83 |
| Short-term investments | | 6,061 | - |
| Tax recoverable | | 1,223 | 415 |
| Cash and cash equivalents | | 21,516 | 27,398 |
| Current assets | | 92,279 | 83,480 |
| Total assets | | 155,798 | 197,841 |
| Equity and liabilities | | | |
| Share capital | | 72,398 | 72,398 |
| Other reserves | | 22 | (206) |
| Retained earnings | 19 | 51,205 | 99,692 |
| Equity attributable to owners of the Company | | 123,625 | 171,884 |
| Non-controlling interests | | (705) | (331) |
| Total equity | | 122,920 | 171,553 |
| Lease liabilities | | 17,058 | 15,617 |
| Deferred tax liabilities | | 1,034 | 1,279 |
| Non-current liabilities | | 18,092 | 16,896 |
| Trade and other payables | | 9,916 | 6,581 |
| Contract liabilities | | - | 43 |
| Borrowings | 22 | 3,847 | 2,505 |
| Lease liabilities | | 1,023 | 263 |
| Current liabilities | | 14,786 | 9,392 |
| Total liabilities | | 32,878 | 26,288 |
| Total equity and liabilities | | 155,798 | 197,841 |
| Net assets per share attributable to owners of the Company (RM) | | 0.96 | 1.34 |

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

HEXTAR TECHNOLOGIES SOLUTIONS BERHAD [200501034100 (716241-X)]
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

(These figures have not been audited)

| RM'000 | Note | Current quarter 3 months ended | | Cumulative quarter 12 months ended | |
|---|------|-----------------------------------|--------------|---------------------------------------|---------------|
| | | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| Revenue | | 56,016 | 33,423 | 162,169 | 114,032 |
| Cost of sales | | (53,813) | (30,542) | (150,747) | (105,261) |
| Gross profit | | 2,203 | 2,881 | 11,422 | 8,771 |
| Other income | | 681 | 995 | 6,635 | 13,441 |
| Marketing and distribution costs | | (388) | (382) | (2,037) | (1,358) |
| Administration and other expenses | | (3,024) | (2,130) | (10,171) | (7,310) |
| Finance costs | | (247) | (245) | (990) | (1,194) |
| (Loss)/Profit before share of results | | (775) | 1,119 | 4,859 | 12,350 |
| Share of results of associates | | - | 423 | 597 | 1,199 |
| (Loss)/Profit before tax | | (775) | 1,542 | 5,456 | 13,549 |
| Tax expense | 18 | (302) | (407) | (1,729) | (829) |
| (Loss)/Profit for the period | | (1,077) | 1,135 | 3,727 | 12,720 |
| Other comprehensive expenses | | - | (180) | (900) | - |
| Total comprehensive (loss)/income | | (1,077) | 955 | 2,827 | 12,720 |
| (Loss)/Profit attributable to: | | | | | |
| Owners of the Company | | (884) | 1,059 | 4,101 | 12,875 |
| Non-controlling interests | | (193) | 76 | (374) | (155) |
| (Loss)/Profit for the period | | (1,077) | 1,135 | 3,727 | 12,720 |
| Total comprehensive (loss)/income attributable to: | | | | | |
| Owners of the Company | | (884) | 879 | 3,201 | 12,875 |
| Non-controlling interests | | (193) | 76 | (374) | (155) |
| Total comprehensive (loss)/income | | (1,077) | 955 | 2,827 | 12,720 |
| (Loss)/Earnings per share attributable to owners of the Company: | | | | | |
| Basic (sen) | 25 | (0.7) | 0.8 | 3.2 | 10.0 |
| Diluted (sen) | 25 | (0.7) | 0.8 | 3.2 | 10.0 |

The above condensed consolidated income statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

HEXTAR TECHNOLOGIES SOLUTIONS BERHAD [200501034100 (716241-X)]
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

(These figures have not been audited)

| RM'000 | Attributable to owners of the Company | | | | | | Non-controlling interests | Total equity |
|--|---------------------------------------|--------------------|----------------------|-----------------|-------------------|----------|---------------------------|--------------|
| | Non-Distributable | | | Distributable | | | | |
| | Share capital | Fair value reserve | Share option reserve | Treasury shares | Retained earnings | Total | | |
| At 1 April 2022 | 72,398 | (228) | 22 | - | 99,692 | 171,884 | (331) | 171,553 |
| Profit after tax | - | - | - | - | 4,101 | 4,101 | (374) | 3,727 |
| Fair value changes of equity investment | - | (900) | - | - | - | (900) | - | (900) |
| Total comprehensive income | - | (900) | - | - | 4,101 | 3,201 | (374) | 2,827 |
| Disposal of a quoted investment | - | 1,128 | - | - | (1,128) | - | - | - |
| Dividends | - | - | - | - | (51,460) | (51,460) | - | (51,460) |
| At 31 March 2023 | 72,398 | - | 22 | - | 51,205 | 123,625 | (705) | 122,920 |
| At 1 April 2021 | 72,398 | (228) | 55 | (131) | 90,955 | 163,049 | 15 | 163,064 |
| Profit after tax/Total comprehensive income | - | - | - | - | 12,875 | 12,875 | (155) | 12,720 |
| Forfeit of Share Issuance Scheme option | - | - | (33) | - | 33 | - | - | - |
| Acquisition of non-controlling interest | - | - | - | - | (4,814) | (4,814) | (186) | (5,000) |
| Treasury shares sold | - | - | - | 131 | 573 | 704 | - | 704 |
| Disposal of an existing subsidiary that do not result in a loss of control | - | - | - | - | 70 | 70 | 35 | 105 |
| Disposal of subsidiaries | - | - | - | - | - | - | (40) | (40) |
| At 31 March 2022 | 72,398 | (228) | 22 | - | 99,692 | 171,884 | (331) | 171,553 |

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

HEXTAR TECHNOLOGIES SOLUTIONS BERHAD [200501034100 (716241-X)]
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023

(These figures have not been audited)

| RM'000 | 12 months ended | |
|---|------------------------|-------------------|
| | 31.03.2023 | 31.03.2022 |
| Operating activities | | |
| Profit before tax | 5,456 | 13,549 |
| Adjustments for: | | |
| Non-cash items | 102 | (7,899) |
| Non-operating items | (597) | (1,199) |
| Interest income | (632) | (385) |
| Interest expense | 990 | 1,194 |
| Operating profit before working capital changes | 5,319 | 5,260 |
| Changes in working capital: | | |
| Receivables | (8,250) | (38,503) |
| Payables | 3,335 | (10,972) |
| Contract assets | 59 | (83) |
| Contract liabilities | (42) | (94) |
| Cash used in operations | 421 | (44,392) |
| Net tax paid | (2,781) | (1,794) |
| Net cash used in operating activities | (2,360) | (46,186) |
| Investing activities | | |
| Additional investment in an existing subsidiary | - | (5,000) |
| Interest received | 632 | 385 |
| Net cash inflows from the disposal of subsidiaries | - | 20,027 |
| Net cash inflows from the acquisition of a subsidiary | - | 597 |
| Purchase of property, plant and equipment | (1,419) | (2,934) |
| Purchase of right-of-use asset | - | (8,160) |
| Purchase of short-term investments | (6,061) | - |
| Proceeds from disposal of associate companies | 22,628 | - |
| Proceeds from disposal of property, plant and equipment | 122 | 3,044 |
| Proceeds from disposal of treasury share | - | 704 |
| Proceeds from disposal of a quoted investment | 32,005 | - |
| Withdrawal of fixed deposits with tenure more than 3 months | 135 | - |
| Net cash from investing activities | 48,042 | 8,663 |
| Financing activities | | |
| Dividend paid | (51,460) | - |
| Interest paid | (990) | (1,194) |
| Repayment from former subsidiaries | - | 19,455 |
| Net repayment of lease liabilities | (320) | (266) |
| Net drawdown/(repayment) of borrowings | 1,341 | (2,926) |
| Net cash (used in)/from financing activities | (51,429) | 15,069 |
| Net changes in cash and cash equivalents | (5,747) | (22,454) |
| Cash and cash equivalents at the beginning of financial year | 27,233 | 49,687 |
| Cash and cash equivalents at the end of financial year | 21,486 | 27,233 |
| Analysis of cash and cash equivalents | | |
| Fixed deposits | 30 | 165 |
| Cash and bank balances | 21,486 | 27,233 |
| | 21,516 | 27,398 |
| Fixed deposits pledged to licensed bank | (30) | (165) |
| | 21,486 | 27,233 |

The above condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis of preparation

This unaudited interim financial report has been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2022.

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements as disclosed in the audited financial statements for the year ended 31 March 2022.

During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

Amendments to MFRSs: Annual Improvements to MFRS Standards 2018 – 2020
Amendments to MFRS 3: Reference to the Conceptual Framework
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial quarter:

MFRS 17: Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group did not early adopt the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) as they are not expected to have material impact on the financial statements of the Group upon their initial applications.

2 Seasonality or cyclicity of operations

The business operations of the Group are subject to the forces of supply and demand and thus, could display cyclical trends.

3 Unusual items due to their nature, size or incidence

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

4 Significant estimates and changes in estimates

There were no changes in estimates that had any material effects during the quarter ended 31 March 2023.

5 Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 31 March 2023.

6 Dividends paid

There were no dividends paid during the current and previous corresponding quarter.

7 Segmental information

The Group's operations comprise the following business segments:

Logistics : Total logistic services provider including lorry transportation services (tanker, bulk cargo, side curtain), project logistics and door to door delivery services
Warehousing : Provision of warehouse for renting
Trading : Trading of building materials
Others : Trading of goods, insurance agency, investment holding, marine and technology

| RM'000 | Logistics | Warehousing | Trading | *Others | Total | Elimination | Group |
|-----------------------------------|--------------|--------------|---------------|--------------|---------------|----------------|----------------|
| Results For 3 Months Ended | | | | | | | |
| 31 March 2023 | | | | | | | |
| External revenue | 7,037 | 368 | 48,575 | 36 | 56,016 | - | 56,016 |
| Intersegment revenue | - | - | - | 2,106 | 2,106 | (2,106) | - |
| Total revenue | 7,037 | 368 | 48,575 | 2,142 | 58,122 | (2,106) | 56,016 |
| Segment (loss)/profit | 131 | 329 | (31) | 1,297 | 1,726 | (1,619) | 107 |
| Depreciation | (473) | (254) | (135) | (40) | (902) | - | (902) |
| Interest income | 6 | - | 227 | 34 | 267 | - | 267 |
| Finance costs | (2) | (196) | (49) | - | (247) | - | (247) |
| (Loss)/Profit before tax | (338) | (121) | 12 | 1,291 | 844 | (1,619) | (775) |
| Tax expense | 43 | (87) | (244) | (14) | (302) | - | (302) |
| (Loss)/Profit after tax | (295) | (208) | (232) | 1,277 | 542 | (1,619) | (1,077) |
| Results For 3 Months Ended | | | | | | | |
| 31 March 2022 | | | | | | | |
| External revenue | 4,300 | 824 | 29,216 | 1,858 | 36,198 | (2,775) | 33,423 |
| Intersegment revenue | - | - | - | (480) | (480) | 480 | - |
| Total revenue | 4,300 | 824 | 29,216 | 1,378 | 35,718 | (2,295) | 33,423 |
| Segment profit | 842 | 864 | 857 | 504 | 3,067 | (548) | 2,519 |
| Depreciation | (552) | (181) | (193) | 74 | (852) | - | (852) |
| Interest income | 1 | - | - | 74 | 75 | - | 75 |
| Finance costs | (1) | (199) | - | - | (200) | - | (200) |
| Profit before tax | 290 | 484 | 664 | 652 | 2,090 | (548) | 1,542 |
| Tax expense | 37 | (168) | (240) | (36) | (407) | - | (407) |
| Profit after tax | 327 | 316 | 424 | 616 | 1,683 | (548) | 1,135 |

* Marine segment had been re-categorised into Others segment due to the discontinuation of operations in the 1st quarter of FY2022.

7 Segmental information (continued)

| RM'000 | Ware- | | | | Total | Elimination | Group |
|------------------------------------|-----------|---------|---------|---------|----------------|-------------|----------------|
| | Logistics | housing | Trading | *Others | | | |
| Results For 12 Months Ended | | | | | | | |
| 31 March 2023 | | | | | | | |
| External revenue | 36,649 | 3,674 | 121,809 | 37 | 162,169 | - | 162,169 |
| Intersegment revenue | - | - | - | 3,737 | 3,737 | (3,737) | - |
| Total revenue | 36,649 | 3,674 | 121,809 | 3,774 | 165,906 | (3,737) | 162,169 |
| Segment profit | 2,927 | 3,227 | 1,665 | 2,524 | 10,343 | (1,022) | 9,321 |
| Depreciation | (1,931) | (1,017) | (485) | (73) | (3,506) | - | (3,506) |
| Interest income | 26 | - | 351 | 254 | 631 | - | 631 |
| Finance costs | (9) | (794) | (187) | - | (990) | - | (990) |
| Profit before tax | 1,013 | 1,416 | 1,344 | 2,705 | 6,478 | (1,022) | 5,456 |
| Tax expense | (541) | (589) | (644) | 45 | (1,729) | - | (1,729) |
| Profit after tax | 472 | 827 | 700 | 2,750 | 4,749 | (1,022) | 3,727 |
| Results For 12 Months Ended | | | | | | | |
| 31 March 2022 | | | | | | | |
| External revenue | 17,898 | 5,746 | 89,868 | 3,295 | 116,807 | (2,775) | 114,032 |
| Intersegment revenue | - | - | - | - | - | - | - |
| Total revenue | 17,898 | 5,746 | 89,868 | 3,295 | 116,807 | (2,775) | 114,032 |
| Segment profit/(loss) | (726) | 4,974 | 2,272 | 12,123 | 18,643 | (548) | 18,095 |
| Depreciation | (1,934) | (1,417) | (425) | (6) | (3,782) | - | (3,782) |
| Interest income | 5 | - | 1 | 380 | 386 | - | 386 |
| Finance costs | (19) | (1,131) | - | - | (1,150) | - | (1,150) |
| (Loss)/Profit before tax | (2,674) | 2,426 | 1,848 | 12,497 | 14,097 | (548) | 13,549 |
| Tax income/(expense) | 537 | (857) | (429) | (80) | (829) | - | (829) |
| (Loss)/Profit after tax | (2,137) | 1,569 | 1,419 | 12,417 | 13,268 | (548) | 12,720 |

* Marine segment had been re-categorised into Others segment due to the discontinuation of operations in the 1st quarter of FY2022.

8 Related party disclosures

Significant recurrent related party transactions are as follows:

| RM'000 | 3 months ended | | 12 months ended | |
|---|----------------|------------|-----------------|------------|
| | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| Companies in which major shareholder, subsidiary's Director, and former Chief Executive have interests: | | | | |
| Revenue from services rendered | 271 | 223 | 1,002 | 487 |
| Forwarding service charges payable | - | - | - | 1 |
| Spare parts payable | - | 23 | - | 75 |
| Building materials receivable | 2,710 | 1,390 | 5,244 | 2,061 |
| Building materials payable | - | 16 | 24 | 16 |
| Rental payable | 9 | - | 21 | - |
| Internet related services payable | - | - | 111 | - |
| Software, hardware and maintenance services payable | - | - | 98 | - |

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

9 Valuation of property, plant and equipment

There was no valuation on property, plant and equipment during the current and previous corresponding quarter.

10 Capital commitments

There were no material capital commitments as at 31 March 2023.

11 Contingent liabilities

The contingent liabilities were as follows:

| RM'000 | Group As at 31.03.2023 |
|---|---------------------------------------|
| Corporate guarantees given to financial institutions and vendors for credit facilities granted to the Group | <u>4,267</u> |

12 Changes in composition

There were no changes in the composition of the Group during the current quarter.

13 Events after the reporting period

There were no material events subsequent to the end of the current quarter.

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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

14 Analysis of performance - Comparison with preceding year corresponding quarter

| RM'000 | 3 months ended | | | 12 months ended | | |
|--------------------------|-----------------------|-------------------|-----------------|------------------------|-------------------|-----------------|
| | 31.03.2023 | 31.03.2022 | Variance | 31.03.2023 | 31.03.2022 | Variance |
| Revenue | 56,016 | 33,423 | 22,593 | 162,169 | 114,032 | 48,137 |
| (Loss)/Profit before tax | (775) | 1,542 | (2,317) | 5,456 | 13,549 | (8,093) |

The revenue recorded in the current quarter ("Q4FY2023") and financial year ("FY2023") had increased by 67.6% and 42.2% to RM56.0 million and RM162.2 million respectively as compared to the corresponding quarter ("Q4FY2022") and financial year ("FY2022"), attributed to the higher revenue achieved in logistics and E-trading of building materials businesses. Despite higher revenue, the Group registered a pre-tax loss in Q4FY2023 and lower pre-tax profit in FY2023 mainly due to expiry of the tenancy agreement for one of the warehouses and provision for impairment loss on trade receivables of RM1.2 million in Q4FY2023, and a one-off gain on disposal of subsidiaries of RM11.2 million recorded in FY2022.

(a) Logistics

| RM'000 | 3 months ended | | | 12 months ended | | |
|--------------------------|-----------------------|-------------------|-----------------|------------------------|-------------------|-----------------|
| | 31.03.2023 | 31.03.2022 | Variance | 31.03.2023 | 31.03.2022 | Variance |
| External revenue | 7,037 | 4,300 | 2,737 | 36,649 | 17,898 | 18,751 |
| (Loss)/Profit before tax | (338) | 290 | (628) | 1,013 | (2,674) | 3,687 |

Pre-tax loss for Q4FY2023 despite higher revenue recorded as compared to Q4FY2022 was mainly due to lower margins in forwarding projects and lower revenue generated from land transportation business. Nonetheless, the revenue and pre-tax profit in FY2023 still outperformed the revenue and pre-tax profit achieved in FY2022 due to higher business volume resulting from the strong recovery in the logistics business.

(b) Warehousing

| RM'000 | 3 months ended | | | 12 months ended | | |
|--------------------------|-----------------------|-------------------|-----------------|------------------------|-------------------|-----------------|
| | 31.03.2023 | 31.03.2022 | Variance | 31.03.2023 | 31.03.2022 | Variance |
| External revenue | 368 | 824 | (456) | 3,674 | 5,746 | (2,072) |
| (Loss)/Profit before tax | (121) | 484 | (605) | 1,416 | 2,426 | (1,010) |

Lower rental income and pre-tax profit in Q4FY2023 and FY2023 was mainly due to reduction in rental income resulting from the expiry of a tenancy agreement in Q4FY2023 and the disposal of two warehouse owning subsidiaries in FY2022.

(c) Trading

| RM'000 | 3 months ended | | | 12 months ended | | |
|-------------------|-----------------------|-------------------|-----------------|------------------------|-------------------|-----------------|
| | 31.03.2023 | 31.03.2022 | Variance | 31.03.2023 | 31.03.2022 | Variance |
| External revenue | 48,575 | 29,216 | 19,359 | 121,809 | 89,868 | 31,941 |
| Profit before tax | 12 | 664 | (652) | 1,344 | 1,848 | (504) |

Improved sales performance due to strong demand for building materials from our existing major customers and the E-trading section lead to a surge in revenue for the Trading segment in Q4FY2023 and FY2023. Nonetheless, the Group posted a lower pre-tax profit in Q4FY2023 and FY2023, mainly due to a provision for impairment loss on trade receivables in Q4FY2023.

15 Comparison with immediate preceding quarter

| RM'000 | 3 months ended | | Variance |
|--------------------------|----------------|------------|----------|
| | 31.03.2023 | 31.12.2022 | |
| Revenue | 56,016 | 43,942 | 12,074 |
| (Loss)/Profit before tax | (775) | 790 | (1,565) |

As compare to the immediate preceding quarter ("Q3FY2023"), the Group reported higher revenue in Q4FY2023 at RM56.0 million due to strong customers' demand for the building materials. However, due to the lower profit margin contribution from the trading of building materials business, lower rental income from its Warehousing segment due to the expiry of a tenancy agreement, and also the provision for impairment loss on trade receivables, the pre-tax profit in Q4FY2023 was lower as compared to Q3FY2023.

16 Commentary on prospects

Looking forward to the next financial year, the Group is anticipating that the business environment will remain challenging due to potential global economic slowdown and continuing interest rate hikes. Nevertheless, the Group is cautiously optimistic with the developments and progress of its Technology Business. Meanwhile, the Group is replacing some of its old fleet of prime movers for better operational efficiency and to capitalise on new logistics market opportunities. The business performance of other segments remain positive and are also expected to grow.

17 Profit forecast

Not applicable.

18 Tax expense

| RM'000 | 3 months ended | | 12 months ended | |
|--------------------------|----------------|------------|-----------------|------------|
| | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| Income tax | 387 | 669 | 1,973 | 1,429 |
| Deferred tax | (85) | (262) | (244) | (600) |
| Total tax expense | 302 | 407 | 1,729 | 829 |

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

The Group's effective tax rate for the financial year to date was higher than the statutory tax rate mainly due to certain expenses that are not deductible for tax purpose and losses in certain subsidiaries which are not available for set off against taxable profit in other subsidiaries within the Group.

19 Retained earnings

| RM'000 | As at | As at |
|--------------------------------|---------------|---------------|
| | 31.03.2023 | 31.03.2022 |
| Realised | 91,919 | 144,563 |
| Unrealised | (1,009) | (1,285) |
| | 90,910 | 143,278 |
| Consolidation adjustments | (39,705) | (43,586) |
| Total retained earnings | 51,205 | 99,692 |

20 Corporate proposals

There were no corporate proposals announced but not completed as at the reporting date.

21 Utilisation of proceeds

The total gross proceeds of RM22.45 million arising from the disposal of the entire equity interest in subsidiaries are proposed to be utilised as follows:

| RM'000 | Intended utilisation | Actual utilisation as at 31.03.2023 | Deviation | Balance | Estimated timeframe |
|--------------------|-----------------------------|--|------------------|----------------|----------------------------|
| Future investment | 12,000 | - | - | 12,000 | Within 24 months |
| Working capital | 8,052 | 8,215 | 163 * | - | Within 24 months |
| Estimated expenses | 2,400 | 2,237 | (163) * | - | Within 1 month |
| | 22,452 | 10,452 | - | 12,000 | |

* The balance of the estimated expenses of RM0.16 million had been re-allocated for the Group's working capital purposes.

22 Borrowings

| RM'000 | As at 31.03.2023 | As at 31.03.2022 |
|------------------------------|-------------------------|-------------------------|
| <u>Secured</u> | | |
| Term loans | - | 58 |
| <u>Unsecured</u> | | |
| Bills payable | 3,847 | 2,447 |
| Short term borrowings | 3,847 | 2,505 |

All borrowings are denominated in Ringgit Malaysia.

23 Changes in material litigation

There was no material litigation against the Group as at the reporting date.

24 Proposed dividend

No dividend has been proposed.

25 (Loss)/Earnings per share ("EPS")

| | 3 months ended | | 12 months ended | |
|---|-----------------------|-------------------|------------------------|-------------------|
| | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| (Loss)/Profit attributable to Owners of the Company (RM'000) | (884) | 1,059 | 4,101 | 12,875 |
| Weighted average number of ordinary shares in issue ('000) | 128,649 | 128,649 | 128,649 | 128,649 |
| Effect of dilution ('000) | 58 | 42 | 58 | 42 |
| Adjusted weighted average number of ordinary shares in issue ('000) | 128,707 | 128,691 | 128,707 | 128,691 |
| Basic EPS (sen) | (0.7) | 0.8 | 3.2 | 10.0 |
| Diluted EPS (sen) | (0.7) | 0.8 | 3.2 | 10.0 |

26 Financial instruments

The Group has not entered into any derivatives and accounted for any financial liabilities carried at fair value as at the reporting date.

27 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2022 was unqualified.

28 Profit before tax

| RM'000 | 3 months ended | | 12 months ended | |
|--|----------------|------------|-----------------|------------|
| | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 |
| Profit before tax is arrived at after crediting/(charging): | | | | |
| Interest income | 267 | 74 | 632 | 385 |
| Other income including investment income | 358 | 15 | 1,388 | 760 |
| Interest expense | (247) | (245) | (990) | (1,194) |
| Depreciation | (860) | (852) | (3,506) | (3,783) |
| Write off of receivables | - | - | (14) | (40) |
| (Loss)/Gain on disposal of property, plant & equipment | 28 | 189 | 40 | 996 |
| Gain on disposal of a quoted investment | - | - | 3,745 | - |
| Gain on disposal of subsidiaries | - | - | - | 11,220 |
| Impairment loss on trade receivables | (1,216) | 90 | (1,216) | (568) |
| Gain on disposal of associate companies | - | - | 5 | - |
| Reversal of impairment loss on trade receivables | 23 | - | 825 | 80 |
| Realised (loss)/gain in foreign exchange | (2) | - | 5 | 16 |
| Unrealised gain/(loss) in foreign exchange | 34 | 2 | 25 | (6) |

Save as disclosed above, there were no other material provision for and write off of inventories, gain or loss on disposal of quoted or unquoted investment or properties, impairment of assets, gain or loss on derivatives or exceptional items for current quarter under review.