



PTT SYNERGY GROUP BERHAD

**Company No. 197101000134 (10493-P)
(Incorporated in Malaysia)**

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED 31st MARCH 2023 (3rd QUARTER OF FY2023)

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PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 March 2023

	INDIVIDUAL QUARTER ENDED		CUMULATIVE QUARTER ENDED	
	3 months Current Year Quarter 31.03.2023 RM'000 Unaudited	3 months Preceding Year Corresponding Quarter 31.03.2022 RM'000 Unaudited	9 months Current Year To Date 31.03.2023 RM'000 Unaudited	9 months Preceding Year To Date 31.03.2022 RM'000 Unaudited
Revenue	47,882	35,663	138,822	93,198
Cost of sales	<u>(37,808)</u>	<u>(27,552)</u>	<u>(110,374)</u>	<u>(75,415)</u>
Gross profit	10,074	8,111	28,448	17,783
Other income	1,706	(1,701)	2,834	1,529
Distribution expenses	(164)	(49)	(689)	(313)
Administrative expenses	(4,267)	(2,930)	(12,427)	(8,984)
Other expenses	(1,673)	(546)	(2,671)	(916)
Finance costs	<u>(479)</u>	<u>(98)</u>	<u>(1,050)</u>	<u>(362)</u>
Profit before taxation	5,197	2,787	14,445	8,737
Tax expense	<u>(1,773)</u>	<u>(487)</u>	<u>(4,533)</u>	<u>(1,787)</u>
Profit for the period	<u>3,424</u>	<u>2,300</u>	<u>9,912</u>	<u>6,950</u>
Profit for the period attributable to:				
Equity holders of the Company	3,253	2,549	9,220	5,930
Non-controlling interests	<u>171</u>	<u>(249)</u>	<u>692</u>	<u>1,020</u>
	<u>3,424</u>	<u>2,300</u>	<u>9,912</u>	<u>6,950</u>
Total comprehensive profit attributable to:				
Equity holders of the Company	3,253	2,549	9,220	5,930
Non-controlling interests	<u>171</u>	<u>(249)</u>	<u>692</u>	<u>1,020</u>
	<u>3,424</u>	<u>2,300</u>	<u>9,912</u>	<u>6,950</u>
Earning per share ("EPS") (sen) :-				
(a) Basic	3.58	3.25 *	10.15	7.56 *
(b) Diluted	N/A	N/A	N/A	N/A
(c) Weighted average number of shares ('000)	90,821	78,412	90,821	78,412

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim statements.

* For comparative purpose, the EPS for the quarter and year to date ended 31 March 2022 has been adjusted to reflect the private placement of 9,000,000 new ordinary shares at an issue price of RM1.07 per Share which was completed on 7 March 2023.

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2023**

	Unaudited As at 31.03.2023 RM'000	Audited As at 30.06.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	6,500	7,107
Right-of-use assets	39,143	16,030
Investment properties	17,431	19,408
Inventories - land and development costs	33,429	13,184
Goodwill on consolidation	1,133	1,133
	<u>97,636</u>	<u>56,862</u>
Current assets		
Inventories - completed properties and other costs	544	1,274
Inventories - trading stock	20,370	18,293
Contract assets	89,623	42,290
Trade receivables	44,315	27,479
Other receivables, deposits and prepayments	2,525	5,503
Current tax assets	-	736
Deposits with licensed banks	4,761	1,571
Cash and bank balances	8,709	3,595
	<u>170,847</u>	<u>100,741</u>
TOTAL ASSETS	<u><u>268,483</u></u>	<u><u>157,603</u></u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim statements.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Financial Position
As at 31 March 2023**

	Unaudited As at 31.03.2023 RM'000	Audited As at 30.06.2022 RM'000
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	83,207	73,705
Reserves	8,635	8,635
Accumulated profit / (loss)	<u>5,353</u>	<u>(3,867)</u>
	97,195	78,473
Non-controlling interests	12,871	12,179
	<u>110,066</u>	<u>90,652</u>
Total equity		
Non current liabilities		
Lease liabilities	15,961	3,334
Term Loan	26,343	6,257
Deferred tax liabilities	1,991	1,991
	<u>44,295</u>	<u>11,582</u>
Current liabilities		
Trade payables and accruals	81,524	40,705
Contract Liabilities	4,166	-
Other payables and accruals	10,678	6,617
Lease liabilities	4,754	1,320
Term Loan	5,762	4,114
Bankers' acceptance	2,029	853
Bank overdrafts	3,456	1,760
Current tax liabilities	1,753	-
	<u>114,122</u>	<u>55,369</u>
Total liabilities	158,417	66,951
	<u>268,483</u>	<u>157,603</u>
TOTAL EQUITY AND LIABILITIES		
Net assets per share attributable to owners of the parent (RM)	<u>1.07</u>	<u>1.00</u> *

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim statements.

* For comparative purpose, the EPS for the quarter and year to date ended 30 June 2022 has been adjusted to reflect the private placement of 9,000,000 new ordinary shares at an issue price of RM1.07 per Share which was completed on 7 March 2023.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the period ended 31 March 2023

	----- Attributable to Equity Holders of the Parent -----				Non- controlling Interests	Total Equity
	-- Non-distributable --	Distributable				
	Share Capital RM'000	Revaluation Reserve RM'000	Unappro. Profit/ (Loss) RM'000	Total RM'000	RM'000	RM'000
Balance as at 1st July 2021	44,186	8,635	(12,282)	40,539	11,339	51,878
Comprehensive income:						
Net profit for the financial year	-	-	8,415	8,415	990	9,405
Total comprehensive income	-	-	8,415	8,415	990	9,405
Transaction with owners:						
Issuance of share capital	30,000	-	-	30,000	-	30,000
Share issuance expenses	(481)	-	-	(481)	-	(481)
Dividends paid to non controlling interests	-	-	-	-	(150)	(150)
Total transactions with owners	29,519	-	-	29,519	(150)	29,369
Balance as at 30th June 2022	<u>73,705</u>	<u>8,635</u>	<u>(3,867)</u>	<u>78,473</u>	<u>12,179</u>	<u>90,652</u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim statements.

PTT SYNERGY GROUP BERHAD

Co. No. 197101000134 (10493-P)

**Unaudited Condensed Consolidated Statement of Changes in Equity
For the period ended 31 March 2023**

	---- Attributable to Equity Holders of the Parent ----				Non- controlling Interests	Total Equity
	-- Non-distributable --		Distributable			
	Share Capital RM'000	Revaluation Reserve RM'000	Unappro. Profit/ (Loss) RM'000	Total RM'000	RM'000	RM'000
Balance as at 1st July 2022	73,705	8,635	(3,867)	78,473	12,179	90,652
Comprehensive income:						
Net profit for the financial period	-	-	9,220	9,220	692	9,912
Other comprehensive income:						
Revaluation surplus / (deficit), net of deferred tax	-	-	-	-	-	-
Total comprehensive income	-	-	9,220	9,220	692	9,912
Transaction with owners:						
Issuance of share capital	9,630	-	-	9,630	-	9,630
Private placement expenses	(128)			(128)		(128)
Dividends paid to non controlling interests	-	-	-	-	-	-
	9,502	-	-	9,502	-	9,502
Balance as at 31st March 2023	<u>83,207</u>	<u>8,635</u>	<u>5,353</u>	<u>97,195</u>	<u>12,871</u>	<u>110,066</u>

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim statements.

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 31 March 2023

	9 months Current year To Date 31-03-2023 RM'000	9 months Preceding Year To Date 31-03-2022 RM'000
Cash flows from operating activities		
Profit before taxation	14,445	8,737
Adjustments for :		
Depreciation of property, plant & equipment and right of use assets	3,971	1,307
Gain on lease termination	(3)	-
Gain on disposal of investment property	(115)	
Gain on disposal of property, plant and equipment	(120)	
Reversal of impairment on trade receivables	(960)	(1,292)
Bad debts written off / (recovery)	12	(19)
Interest income	(24)	(26)
Interest expense	1,050	362
Operating profit before working capital changes	<u>18,256</u>	<u>9,069</u>
Changes in working capital		
Inventories	(21,591)	(3,123)
Receivables	(12,910)	(7,451)
Contract assets	(47,332)	(35,334)
Payables	49,046	26,002
Net cash from / (used in) operations	<u>(14,531)</u>	<u>(10,837)</u>
Interest received	24	26
Interest paid	(1,050)	(362)
Income tax paid	(2,043)	(603)
Net cash from / (used in) operating activities	<u>(17,600)</u>	<u>(11,776)</u>
Cash Flows from investing activities		
Withdrawal / (placement) of pledged deposit	(3,190)	(58)
Proceeds from disposal of investment property	5,035	360
Proceeds from disposal of property, plant and equipment	119	
Purchase of property, plant & equipment and right of use assets	(26,503)	(10,469)
Acquisition of investment properties	(2,943)	-
Net cash used in investing activities	<u>(27,482)</u>	<u>(10,167)</u>
Balance carried forwards	(45,082)	(21,943)

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim statements.

Unaudited Condensed Consolidated Statement of Cash Flows
For the period ended 31 March 2023

	9 months Current year To Date 31-03-2023 RM'000	9 months Preceding year To Date 31-03-2022 RM'000
Balance brought forward	(45,082)	(21,943)
Cash flows from financing activities		
Dividends paid to non controlling interests	-	(150)
Proceeds from banker's acceptance	2,029	-
Repayment of banker's acceptance\	(853)	(749)
Proceeds from factoring facilities	4,948	
Repayment of factoring facilities	(3,318)	-
Draw down of borrowing	20,727	2,962
Repayment of borrowing	(624)	(3,642)
Draw down of principal portion of lease liabilities	18,097	2,150
Repayment of principal portion of lease liabilities	(2,008)	(637)
Proceeds from issuance of shares	9,630	30,000
Expenses on right issue	(128)	(481)
Net cash generated from / (used in) financing activities	48,500	29,453
Net increase in cash and cash equivalents	3,418	7,510
Cash and cash equivalents at beginning of year	1,835	(4,259)
Cash and cash at 31st March (i)	5,253	3,251

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following:

	31/03/2023	31/03/2022
	RM000	RM000
Cash and bank balances	10,014	4,716
Less: Fixed Deposit pledged	(4,761)	(1,465)
	5,253	3,251

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2022 and the accompanying explanatory notes attached to the interim statements.

A1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 30th June 2022. These explanation notes attached to the interim financial statements provided an explanation of events and transactions that are significant for an understanding of the financial position and performance of the Group since the financial year ended 30th June 2022.

A2. Changes in Accounting Policies

The Group has adopted the MFRSs, Amendments to MFRSs and IC Interpretation (if applicable) which become effective during the current financial year. The adoption of these pronouncements did not have any material impact on the financial statements of the Group.

The significant accounting policies and computation methods are consistent with those used in the preparation of the audited financial statements for the financial year ended 30th June 2022 except for the adoption of the following Amendments to MFRSs:

Effective for financial periods beginning on or after 1st January 2023:

<u>Standard</u>	<u>Title</u>
MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9: Comparative information.
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current and 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

A2. Changes in Accounting Policies (Cont'd)

Effective date to be announced

<u>Standard</u>	<u>Title</u>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The adoptions of the above standards, interpretation or amendments are not expected to have material financial impact to the financial statements of the Group.

A3. Auditors' Report of Preceding Annual Audited Financial Statements

The auditors' reports on the preceding audited annual financial statements for the year ended 30 June 2022 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business of the Group was not affected by any significant seasonal or cyclical fluctuations.

A5. Items or incidence of an Unusual Nature Unusual

There were no unusual items or incidence which may substantially affect the value of assets, liabilities, equity, net income or cash flows of the Group during the financial period under review.

A6. Changes in Estimates

There were no changes in estimates that may have a material effect in the current quarter under review.

A7. Debt and Equity Securities

During the current quarter, the Company increased its issued and paid-up ordinary share capital by way of private placement issue of 9,000,000 new ordinary shares at an issue price of RM1.07 each per Shares.

As at 31 March 2023, the issued and paid-up ordinary share capital of the Company was RM83,207,095. The details were as follows: -

Issued And Paid-Up Share Capital	Unit Of Ordinary Share	RM'000
As At 1 July 2022	90,000,000	73,705
Issuance Of Private Placement Shares	9,000,000	9,630
Private Placement Shares Expenses	-	(128)
As At 31 March 2023	99,000,000	83,207

Save for the above, there were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares and resale of treasury shares for the current financial quarter under review.

A8. Dividends Paid

There were no dividends paid by the Company during the period from 1 July 2022 to 31 March 2023 (30 June 2022: NIL).

PTT SYNERGY GROUP BERHAD
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NOTES TO THE INTERIM FINANCIAL REPORT

A9. Segment Information

Segment information is presented in respect of the Group's business segments.

Results for 9 months ended 31 March

	Construction RM'000		Trading RM'000		Property Development RM'000		Investment & Services and Others RM'000		Elimination RM'000		Group RM'000	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
REVENUE												
Revenue from external customers	101,670	58,420	35,984	34,778	1,168	-	-	-	-	-	138,822	93,198
Inter-segment revenue	-	-	6,383	-	-	-	-	477	(6,383)	(477)	-	-
Total Revenue	101,670	58,420	42,367	34,778	1,168	-	-	477	(6,383)	(477)	138,822	93,198
RESULTS												
Segment Results	14,991	6,241	3,321	4,622	(1,385)	(971)	(1,505)	(469)	-	(350)	15,422	9,073
Net interest expenses	(595)	(39)	(182)	(145)	34	(10)	(234)	(142)	-	-	(977)	(336)
Profit / (Loss) Before Tax	14,396	6,202	3,139	4,477	(1,351)	(981)	(1,739)	(611)	-	(350)	14,445	8,737
Taxation	(3,300)	(698)	(832)	(1,088)	(1)	-	(400)	(1)	-	-	(4,533)	(1,787)
Profit / (Loss) After Tax	11,096	5,504	2,307	3,389	(1,352)	(981)	(2,139)	(612)	-	(350)	9,912	6,950
Segment assets	153,920	55,433	56,621	56,943	38,169	11,039	18,640	20,851	1,133	1,151	268,483	145,417
Segment liabilities	102,261	33,010	20,267	16,170	28,890	2,080	6,999	5,960	-	-	158,417	57,220

The prior year comparatives have been restated for better comparability with adjustments for current business structure. This involves, segregating the Construction and Property Development segments as independent segments.

A10. Valuation of Property, Plant and Equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual audited financial statements for year ended 30th June 2022.

A11. Material Events Subsequent to the End of the Interim Period

On 30th March 2023, the Company entered into a conditional share sale agreement (“SSA”) with Teo Swee Phin (“TSP”), Teo Swee Leng (“TSL”) and Faddy bin Nordin (“Faddy”) (collectively, the “Vendors”) for the proposed acquisition of 25,000,000 ordinary shares in Pembinaan Tetap Teguh Sdn. Bhd. (“PTTSB”) (“Sale Shares”), representing 100% equity interest in PTTSB for a total purchase consideration of RM152.0 million (“Purchase Consideration”) (“Proposed Acquisition”). As at the date of this interim report, the Proposed Acquisition has yet to be completed.

on 2 May 2023, the Company entered into a Shareholders’ Agreement with Mr. Then Ikh Choo (“TIC”), PTT Development Sdn. Bhd. and PTT Logistics Sdn. Bhd. (“PTTL”) which sets out the subscription of 30% equity interest in PTTL by TIC as well as to regulate the respective rights, obligations, and liabilities as shareholders of PTTL upon the terms and subject to the conditions of the Shareholders’ Agreement. As at the date of this interim report, the Shareholders’ Agreement has been completed.

A12. Changes in Composition of the Group

There were no material changes in the composition of the Group for the current quarter and financial year-to-date.

A13. Changes in Contingent Liabilities

There are no material changes on contingent liabilities other than those highlighted in the financial report for the year ended 30 June 2022.

A14. Capital commitments

	RM
Approved and contracted for:	
- Purchase of Development Land	15,697,282
- Purchase of Investment Property	17,487,582
Total	33,184,864

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ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
 (APPENDIX 9B)

B1. Review of Performance

Review of performance against previous year corresponding period

During the current quarter, the Group recorded higher revenue of RM47.88 million compared to RM35.66 million in the preceding year's corresponding quarter, representing an increase of 34.26%. Profit before tax has increased to RM5.20 million compared to RM2.79 million in the preceding year's corresponding quarter. The revenue and profit before tax were higher mainly due to increase in Construction revenue and better margin contribution from on-going projects.

Segmental Information

The contributions from various business segments are set out as below: -

Revenue	3 months Current Quarter Ended		Change	9 months Cumulative Ended		Change
	31.03.2023	31.03.2022	%	31.03.2023	31.03.2022	%
	RM'000	RM'000		RM'000	RM'000	
Construction	34,879	23,780	46.67%	101,670	58,420	74.03%
Trading	12,427	11,883	4.58%	35,984	34,778	3.47%
Property Developments	576	-	100%	1,168	-	100%
Investment services & Others	-	-	-	-	-	-
Total	47,882	35,663	34.26%	138,822	93,198	48.95%

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ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B1. Review of Performance (Cont'd)

Review of performance against previous year corresponding period (Cont'd)

Segmental Information (Cont'd)

Profit / (loss) before tax	3 months Current Quarter Ended		Change	9 months Cumulative Ended		Change
	31.03.2023	31.03.2022	%	31.03.2023	31.03.2022	
	RM'000	RM'000		RM'000	RM'000	%
Construction	5,228	4,608	13.45%	14,396	6,202	>100%
Trading	842	(1,047)	>100%	3,139	4,477	(29.89%)
Property Development	(51)	(457)	88.84%	(1,351)	(981)	(37.72%)
Investment services & Others	(822)	(317)	>(100%)	(1,739)	(961)	(80.96%)
Total	5,197	2,787	86.47%	14,445	8,737	65.33%

Construction Segment

Revenue of the construction segment for the current quarter increased to RM34.88 million compared to RM23.78 million in the preceding year's corresponding quarter. Profit before tax increased to RM5.23 million compared to RM4.61 million, which is in line with higher revenue achieved and better margin contribution as stated above.

Trading Segment

For the current quarter under review, trading segment recorded the revenue of RM12.43 million compared to RM11.88 million in the preceding year's corresponding quarter, representing an increase of 4.58%. Profit before tax increased more than 100% as compared to loss before tax in the previous year's corresponding quarter. The reason for the increased in profit before tax in current year's corresponding quarter was mainly due to increase in sales revenue and reversal of previous provision on impairment of trade receivables.

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ADDITIONAL INFORMATION REQUIRED BY MAIN MARKET LISTING REQUIREMENTS
(APPENDIX 9B)

B1. Review of Performance (Cont'd)

Review of performance against previous year corresponding period (Cont'd)

Segmental Information (Cont'd)

Property Development Segment

The revenue of Property Development Segment in current quarter is derived from the sale of completed townhouse. The Group will continue to sell the balance of completed inventory.

B2. Comparison with Immediate Preceding Quarter

	Current Quarter 31st March 2023 RM'000	Immediate Preceding Quarter 31st December 2022 RM'000	Variance (%)
Revenue	47,882	59,966	(20.15%)
Profit before interest and tax	5,627	7,799	(27.82%)
Profit before tax	5,197	7,429	(30.04%)
Profit after tax	3,424	5,440	(37.06%)

The Group's revenue decreased by 20.15% to RM47.88 million in the current quarter compared to RM59.97 million in the preceding quarter. Profit before tax reduced 30.04% to RM5.20million compared to RM7.43 million recorded in the preceding quarter, mainly due to reduction in revenue in Construction and Trading segments.

B3. Prospects

The Group anticipated that this year's performance will still be driven by the Construction Segment. As at the date of this interim report, the Group has total unbilled order book of RM423 million.

On 30th March 2023, the Group announced that it has entered into the Share Sale Agreement with Pembinaan Tetap Teguh Sdn Bhd ("PTTSB") for the acquisition of entire shares of PTTSB.

Upon completion of the Proposed Acquisition, the enlarged PTT Group can leverage on the strength of PTTSB in relation to its management team, resources and expertise to further strengthen the Group's construction order book, financial position and prospects. The Proposed Acquisition will also provide an opportunity for PTT Group to bolster its earnings stream which is expected to strengthen the financial performance for the next 2 financial years of the enlarged PTT Group. Currently, PTTSB has 11 on-going construction projects with an aggregate contract value of RM539.85 million.

The Group has initiated the property development planning for its residential projects and targeted to launch 40 units of the residential link houses in 4th quarter of FY2023.

Further to that, the Group also initiated its Industrial Development and will generate innovative design and development to provide a holistic warehousing facilities and solutions to fulfil the demand of the clients. The Group is actively seeking for the business opportunity in intralogistics solutions for distribution operations, warehouse for both conventional and fully automated warehouses, distribution centres and eCommerce Fulfillment Hub in Malaysia.

The management initiatives to strengthen the credit control and collections for Trading Segment in previous year have achieved favorable result. The Group will continue to implement those initiatives such as profiling of customers, tight credit and collections and development of new products under own brands.

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(APPENDIX 9B)

B3. Prospects (Cont'd)

Barring any unforeseen circumstances, the Group is anticipated to continue reaping recurring benefits from its proactive business transformation initiatives and will remain profitable for the financial year ending 30 June 2023.

B4. Taxation

	3 months		9 months	
	Quarter ended		Cumulative to date	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year provision	(1,240)	(525)	(4,000)	(1,825)
-(Under)/ Overprovision in prior year	(130)	38	(130)	38
- RPGT tax	(403)	-	(403)	-
Total	(1,773)	(487)	(4,533)	(1,787)

The provision of taxation of the Group relates to profit made on trading and construction segment.

The RPGT tax is for the disposal of 2 parcel of Beranang Land, Ulu Langat and 1 unit of industrial building in Selangor.

B5. Status of Corporate Proposal Announced

On 30th March 2023, the Company entered into a conditional share sale agreement (“SSA”) with Teo Swee Phin (“TSP”), Teo Swee Leng (“TSL”) and Faddy bin Nordin (“Faddy”) (collectively, the “Vendors”) for the proposed acquisition of 25,000,000 ordinary shares in Pembinaan Tetap Teguh Sdn. Bhd. (“PTTSB”) (“Sale Shares”), representing 100% equity interest in PTTSB for a total purchase consideration of RM152.0 million (“Purchase Consideration”) (“Proposed Acquisition”). As at the date of this interim report, the Proposed Acquisition has yet to be completed.

B6. Derivatives

There were no derivatives entered by the Group as at 29th May 2023.

B7. Changes in material litigation

Save as disclosed below, as at 29th May 2023, there is no material litigation, claims or arbitration, either as plaintiff or defendant, which will have a material and/or adverse effect on the financial position or business of the Group, and the Board is not aware of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Group:

High Court of Malaya at Shah Alam Civil Suit No.: BA-22NCC-18-08/2023, Heap Wah Barakah Sdn Bhd (“Heap Wah”) (as plaintiff) v. (i) FZ Infinity Sdn Bhd (“First Defendant”); (ii) Foong Chee Kien (“Second Defendant”); and (iii) Lee Kwan Cheng (“Third Defendant”) (collectively, as “Defendants”)

On 3 February 2023, Heap Wah had filed a writ and statement of claim to the High Court of Malaya at Shah Alam (“SA High Court”) under the suit no. BA-22NCC-18-08/2023 against the Defendants for the failure of the First Defendant in honouring the payment for the invoices issued by Heap Wah in respect of the goods and services provided by Heap Wah to the First Defendant.

The Second Defendant is the director and shareholder of the First Defendant and in its capacity, the Second Defendant had executed a credit facility arrangement provided by Heap Wah to the First Defendant to facilitate the purchase of goods from Heap Wah. In view of Heap Wah providing the credit facilities to the First Defendant, the Second and Third Defendant had signed on a letter of guarantee dated 27 September 2021, guaranteeing the indebtedness of the First Defendant together with all interest, costs, charges, etc. to Heap Wah.

B7. Changes in material litigation (Cont'd)

As such, Heap Wah had pleaded for the following claims against the Defendants:

- (i) a sum of RM1,597,068.90;
- (ii) interest of RM507,527.02 as at 31 January 2023;
- (iii) accrued interest at the rate of 1.50% monthly on the sum of RM1,597,068.90 commencing from 1 February 2023 up to the judgment being obtained;
- (iv) accrued interest at the rate of 1.50% monthly on the sum of RM1,597,068.90 commencing from the judgment being obtained up to the full settlement of the judgment sum; and
- (v) cost of action.

On 24 March 2023, the SA High Court had entered a judgment in default of appearance against the First Defendant for the claims pleaded by Heap Wah following the First Defendant's failure to enter into appearance. As such, the First Defendant is ordered to pay Heap Wah in respect of the claims pleaded by Heap Wah as stated above.

On 25 March 2023, the SA High Court had ordered for Heap Wah to serve (i) by substituted service on the Second Defendant by attaching the writ and statement of claim together with the sealed order at the Second Defendant's last known address via registered post, (ii) by attaching the writ and statement of claim together with the sealed order at the SA High Court statement board and, (iii) by advertising in a local newspaper named "STAR".

The matter is currently fixed for a case management on 10 May 2023 for Heap Wah's solicitors to conduct the substituted service and to record a judgment against the Second Defendant.

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B8. Gains / losses arising from fair value changes in financial liabilities

There were no gains / losses arising from fair value changes in financial liabilities for the financial period under review.

B9. Group Borrowings and Debt Securities

Details of the Group's borrowings were as follows:

	As at 31 March 2023		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
Bank Overdraft (average int. 7.70% p.a)	-	3,456	3,456
Lease liabilities (average int. 2.76% - 8.73% p.a)	15,961	4,754	20,715
Term loan (average int. 4.17% - 7.45% p.a)	26,343	5,762	32,105
Banker's Acceptance ("BA") (average int. 5.11% p.a)	-	2,029	2,029
Unsecured	-	-	-
Total	42,304	16,001	58,305

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B9. Group Borrowings and Debt Securities (Cont'd)

	As at 30 June 2022 (Audited)		
	Long term	Short term	Total
	RM'000	RM'000	RM'000
Secured			
Bank Overdraft (average int. 6.95% p.a)	-	1,760	1,760
Lease liabilities (average int. 3.72% - 8.73% p.a)	3,334	1,320	4,654
Term loan (average int. 3.67% - 7.20% p.a)	6,257	4,114	10,371
Banker's Acceptance ("BA") (average int. 3.50% - 3.62% p.a)	-	853	853
Unsecured	-	-	-
Total	9,591	8,047	17,638

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B10. Earnings per share (“EPS”)

	Individual Quarter Ended		9 months Cumulative Ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Net profit / (loss) attributable to owners the parent (RM'000)	3,253	2,549	9,220	5,930
Weighted average number of ordinary shares in issue ('000) for basic earning per share	90,821	78,412*	90,821	78,412*
Basic EPS (sen)	3.58	3.25*	10.15	7.56*

* For comparative purpose, the EPS for the quarter and year to date ended 31 March 2022 has been adjusted to reflect the private placement of 9,000,000 new ordinary shares at an issue price of RM1.07 per Share which was completed on 7 March 2023.

B11. Profit before tax

Profit before tax is arrived at after charging / (crediting) the following items:

	3 months		9 months	
	Quarter ended		Cumulative to date	
	31.03.23	31.03.22	31.03.23	31.03.22
	RM'000	RM'000	RM'000	RM'000
Interest income	(49)	(12)	(73)	(26)
Rental income	(15)	(19)	(48)	(61)
Bad debts written off / (recovery)	-	-	12	(19)
Reversal of impairment losses on trade receivable	(1,431)	1,796	(2,391)	(1,292)
(Gain) / loss on disposal of investment properties	(175)	-	(235)	-
Impairment losses: trade receivables	1,158	-	1,158	-
Depreciation of property, plant & equipment and right-of-use assets	1,497	790	3,971	1,307
Interest expenses	479	98	1,050	362

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B12. Trade Receivables

	As at 31.03.2023	As at 30.06.2022
	RM'000 (Unaudited)	RM'000 (Audited)
Collateralised Receivables		
Stakeholder sums	-	2,115
Non-collateralised Receivables		
Trade Receivables	43,496	29,825
Less: Allowance for impairment losses	(6,453)	(7,737)
Trade Receivables, net	37,043	22,088
Retention sum held by contract customers	7,272	3,276
	44,315	27,479
The aging analysis of the Group' trade receivables is as follows:		
Neither past due nor impaired	9,715	6,543
Past due not impaired:		
1 - 30 days	4,819	3,804
31 - 60 days	5,134	3,490
61 - 90 days	6,469	2,798
> 91 days	10,906	5,453
Impaired	6,453	7,737
Gross trade receivables	43,496	29,825

Trade receivables are non-interest bearing and are generally within the stipulated current credit term. They are recognized at their original invoice amounts which represent their fair values on initial recognition.