

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2023**  
 (The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	Unaudited	Unaudited	Changes	Unaudited	Unaudited	Changes
	Current Year	Preceding Year		Current Year	Preceding	
Quarter	Quarter	Increase/	To Date	Year To Date	Increase/	
	31.3.2023	31.3.2022	(decrease)	31.3.2023	31.3.2022	(decrease)
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	3,621	14,089	(10,468)	3,621	14,089	(10,468)
Cost of sales	(3,181)	(13,999)	10,818	(3,181)	(13,999)	10,818
Gross profit	440	90	350	440	90	350
Operating expenses	(1,362)	(6,203)	4,841	(1,362)	(6,203)	4,841
Other operating income	7	67	(60)	7	67	(60)
Loss from operations	(915)	(6,046)	5,131	(915)	(6,046)	5,131
Finance cost	(3)	-	(3)	(3)	-	(3)
Loss before tax	(918)	(6,046)	5,128	(918)	(6,046)	5,128
Taxation	-	-	-	-	-	-
Net loss for the period	(918)	(6,046)	5,128	(918)	(6,046)	5,128
Other comprehensive income, Net of Tax	-	-	-	-	-	-
Total comprehensive loss for the period	(918)	(6,046)	5,128	(918)	(6,046)	5,128
Loss per share (sen)						
- Basic	(0.40)	(2.61)		(0.40)	(2.61)	
- Diluted	(0.40)	(1.74)		(0.40)	(1.74)	

**Note :**

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2023**  
(The figures have not been audited)



	Unaudited As at End Of Current Quarter 31.3.2023 RM'000	Audited As at Preceding Financial Year End 31.12.2022 RM'000
<b>Non-current assets</b>		
Property, plant and equipment	16,418	16,674
Right-of-use-assets	3,266	3,329
	<u>19,684</u>	<u>20,003</u>
<b>Current assets</b>		
Inventories	4,494	5,100
Contract assets	107	4
Trade receivable	5,169	5,781
Other receivable, deposits & prepayments	427	198
Tax recoverable	160	160
Cash and bank balances	1,827	554
	<u>12,184</u>	<u>11,797</u>
<b>Total Assets</b>	<u>31,868</u>	<u>31,800</u>
<b>EQUITY</b>		
Share capital	20,056	20,056
Reserves	(2,564)	(1,646)
<b>Total equity</b>	<u>17,492</u>	<u>18,410</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liability	1,558	1,558
Lease liabilities	2,097	2,097
	<u>3,655</u>	<u>3,655</u>
<b>Current liabilities</b>		
Trade payables	4,473	4,909
Other payables and accruals	5,151	3,666
Lease liabilities	1,097	1,160
	<u>10,721</u>	<u>9,735</u>
<b>Total Liabilities</b>	<u>14,376</u>	<u>13,390</u>
<b>Total Equity And Liabilities</b>	<u>31,868</u>	<u>31,800</u>
Number of ordinary shares ('000)	231,726	231,726
<b>Net Tangible Assets per share attributable to Owner of the Company (RM)</b>	<u><b>0.08</b></u>	<u><b>0.08</b></u>

**Note :**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE FIRST QUARTER ENDED 31 MARCH 2023  
 (The figures have not been audited)



	Non-Distributable			Distributable	Total RM'000
	Share Capital RM'000	Employee Share Option Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	
<b>Balance as at 31 December 2021(audited)</b>	<b>20,025</b>	-	<b>5,744</b>	<b>11,049</b>	<b>36,818</b>
Loss for the year	-	-	-	(18,439)	(18,439)
Issue of shares pursuant to exercise of warrants	31	-	-	-	31
Realisation of revaluation surplus upon depreciation	-	-	(365)	365	-
<b>Balance as at 31 December 2022(audited)</b>	<b>20,056</b>	-	<b>5,379</b>	<b>(7,025)</b>	<b>18,410</b>
Loss for the period	-	-	-	(918)	(918)
<b>Balance as at 31 March 2023</b>	<b>20,056</b>	-	<b>5,379</b>	<b>(7,943)</b>	<b>17,492</b>

Note :

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 31 MARCH 2023**  
(The figures have not been audited)



	Current Year- To-Date 31.3.2023 RM'000	Preceding Year-To-Date 31.3.2022 RM'000
<b>Cash Flows used in Operating Activities</b>		
Loss before tax	(918)	(6,046)
Adjustments: Non-cash items	321	317
Operating loss before working capital changes	(597)	(5,729)
Changes in working capital:-	885	4,386
Cash Flows (used in)/generated from Operating Activities	288	(1,343)
Interest paid	(3)	-
Interest received	1	-
Taxation paid	-	(43)
Net cash (used in)/generated from Operating Activities	286	(1,386)
<b>Cash Flows generated from Investing Activities</b>		
Net cash generated from investing activities	-	1,302
<b>Cash Flows (used in)/generated from Financing Activities</b>		
Net cash (used in)/generated from financing activities	987	(298)
Net (decrease)/increase in cash and cash equivalents	1,273	(382)
Cash and bank balances as at 1 January	554	2,602
Cash and cash equivalents as at end of period	1,827	2,220
<b><u>Reconciliation :</u></b>		
Cash and bank balances	1,827	2,220
<b>Cash and cash equivalents as at end of period</b>	<u>1,827</u>	<u>2,220</u>

Note :

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statement.

Notes to the interim financial report for the financial quarter ended 31 March 2023

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements**

**A1. Changes in accounting policies**

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim financial reporting and Chapter 9 Part K of the Listing Requirement of Bursa Malaysia Securities Berhad.

The interim unaudited financial statement should be read in conjunction with the audited financial statement for the year ended 31 December 2022 and the attached explanatory notes. The explanatory notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year as below:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2023
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use
Annual Improvements to MFRSs Standards 2018 - 2020:	
• Amendments to MFRS 1	
• Amendments to MFRS 9	
• Amendments to MFRS 16	
• Amendments to MFRS 141	

The Group and the Company have not applied in advance the following new MFRSs and amendments to MFRSs that have been issued by MASB but are not yet effective for the Group and the Company:

		Effective date for the financial periods <u>beginning on or after</u>
MFRS 17	Insurance Contracts	1-Jan-23
Amendments to MFRS 17	Insurance Contracts	1-Jan-23
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9-Comparative Information	1-Jan-23
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies	1-Jan-23
Amendments to MFRS 108	Definition of Accounting Estimates	1-Jan-23
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1-Jan-23
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1-Jan-24
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1-Jan-24
Amendments to MFRS 101	Non-Current Liabilities with Covenants	1-Jan-24
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

**A2. Qualification of Preceding Annual Financial Statements**

The auditors report for the audited financial statements of the Company and its subsidiaries of the preceding financial year ended 31 December 2022 was not subject to any qualification.

**A3. Seasonal or Cyclical Factors**

The Group's operations were not materially affected by any major seasonal or cyclical factors.

**A4. Nature, Size or Incidence of Unusual Items**

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows because of their nature, size or incidence during the current quarter under review.

**A5. Material Changes in Estimates**

There were no material changes in estimates that have had a material effects in the results of the current quarter under review.

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements (cont'd)****A6. Issuance or Repayment of Debt and Equity Securities**

Total of 17,850,000 ordinary shares ("SNC Shares") have been issued and listed on the following dates pursuant to the exercise of Warrants at the exercise price of RM0.475 per share.

Listing Date	No. of Warrants B	No. of SNC Shares
11.4.2023	2,850,000	2,850,000
26.4.2023	9,000,000	9,000,000
3.5.2023	6,000,000	6,000,000
Total	17,850,000	17,850,000

Save for the above, there were no other issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the financial quarter under review and up to the date of this report.

**A7. Dividend Paid / Declared**

No dividend has been declared or paid by the Company during the current financial quarter under review.

The Directors do not recommend the payment of any dividend in respect of the current financial quarter under review.

**A8. Segmental Information**

Segmental information is provided based on four (4) major segments as follows:-

- Construction
- Furniture manufacturing & trading
- Rental of building with comprehensive services
- Others

Business segments in revenue and results of the Group for the current quarter ended 31 March 2023 were as follows:-

**Quarter ended 31 March 2023 (Unaudited)**

Business Segments	Construction RM'000	Furniture Manufacturing & trading RM'000	Rental of Building with Comprehensive Services RM'000	Others RM'000	Adjustments/ Eliminations RM'000	Consolidated financial statement RM'000
<b>Revenue</b>						
External Sales						
-local	2,719	807	95	-	-	3,621
-overseas	-	-	-	-	-	-
Inter-segment	-	-	-	(86)	86	-
Total Revenue	2,719	807	95	(86)	86	3,621
<b>Results :</b>						
<b>Continuing operations</b>						
Segment results	171	(668)	(7)	(411)	-	(915)
Finance cost	-	-	-	(3)	-	(3)
Loss before tax						(918)
Taxation						-
Net loss for the period						(918)

**A. Compliance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting and Bursa Malaysia Listing Requirements (cont'd)****A8. Segmental Information (cont'd)****Quarter ended 31 March 2022 (Unaudited)**

<b>Business Segments</b>	<b>Construction RM'000</b>	<b>Furniture &amp; trading RM'000</b>	<b>Rental of Building with Comprehensive Services RM'000</b>	<b>Others RM'000</b>	<b>Adjustments/ Eliminations RM'000</b>	<b>Consolidated financial statement RM'000</b>
<b>Revenue</b>						
External Sales						
-local	9,160	1,521	270	-	-	10,951
-overseas	-	3,138	-	-	-	3,138
Inter-segment	-	-	-	137	(137)	-
<b>Total Revenue</b>	<b>9,160</b>	<b>4,659</b>	<b>270</b>	<b>137</b>	<b>(137)</b>	<b>14,089</b>
<b>Results :</b>						
<b>Continuing operations</b>						
Segment results	(3,396)	(1,099)	-	(1,551)	-	(6,046)
Finance cost						-
Loss before tax						(6,046)
Taxation						-
<b>Net loss for the period</b>						<b>(6,046)</b>

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

There were no changes in the valuation of property, plant and equipment since the latest audited financial statements for the financial year ended 31 December 2022.

**A10. Subsequent Events**

Save for the following and those disclosed in Note B6, there were no other material events subsequent to the end of the current quarter up to 23 May 2023, being the last practicable date from the date of the issue of this report ("LPD"), which is likely to substantially affect the results of the operations of the Company.

- i) On 17 February 2023, the Company had entered into a Shares Sale Agreement ("SSA") with Glory Evo Sdn Bhd ("GESB" or the Vendor") to undertake the proposed acquisition of 400,000 ordinary shares in Perumahan Tasik Idaman Sdn Bhd ("PTISB"), representing 100% of the equity interest in PTISB, from the Vendor for a total cash purchase consideration of RM1,500,000.00. The acquisition was completed on 11 April 2023, as a result, PTISB become a wholly-owned subsidiary of the Company. PTISB is principally engaged in the business of property development and other related services.
- ii) On 9 May 2023, Len Cheong Industries Sdn Bhd ("Len Cheong"), a wholly-owned subsidiary of the Company had entered into a Heads of Agreement ("HOA") with Evergreen More Sdn Bhd ("EMSB") to set forth the intentions and commitments to establish a collaboration to undertake the mixed-use development project worth RM1.75 billion known as "Meswara City" at Alor Gajah, Melaka on the 3 adjoining plots of leasehold land with a total land area of approximately 519.5 acres ("Proposed Development"). Subsequent to the signing of the HOA, Len Cheong and EMSB are not able to agree on the appointment of the relevant contractors and sub-contractors and also both parties' plans in the execution of the Proposed Development. As such, both parties are not able to finalise the definitive agreement and both parties have mutually agreed to terminate the HOA via the execution of a letter of termination on 23 May 2023. Upon the termination, neither party shall be held responsible for the termination of the HOA, nor shall either party have any further claim against the other for costs, damages or compensation as a result of the termination of the HOA.

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

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

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

There were no changes in contingent liabilities or contingent assets, since the last financial year ended 31 December 2022.

**A13. Capital Commitments**

There were no material capital commitments contracted but not provided for as at the end of the current quarter under review.

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B)****B1. Review of Performance (Comparison with Last Year Corresponding Quarter's Results)**

	Current Year Quarter 31.3.2023 RM'000	Preceding Year Corresponding Quarter 31.3.2022 RM'000	Increase/ (Decrease) RM'000	%
<b>REVENUE</b>				
Construction	2,719	9,160	(6,441)	(70.3)
Furniture manufacturing and trading	807	4,659	(3,852)	(82.7)
Rental of building with comprehensive services	95	270	(175)	(64.8)
Others	-	-	-	-
Total Revenue	3,621	14,089	(10,468)	(74.3)
Cost of Sales	(3,181)	(13,999)	10,818	77.3
Gross profit	440	90	350	388.9
<b>(LOSS)/PROFIT BEFORE TAX</b>				
Construction	171	(3,396)	3,567	105.0
Furniture manufacturing and trading	(668)	(1,099)	431	39.2
Rental of building with comprehensive services	(7)	-	(7)	-
Others	(414)	(1,551)	1,137	73.3
Total	(918)	(6,046)	5,128	84.8

For the current quarter under review, the Group's revenue declined by RM10.47 million (74.31%) to RM3.62 million compared to the preceding year corresponding quarter of RM14.09 million, mainly due to the following:

(a) decrease in construction revenue by RM6.44 million mainly due to ongoing construction projects are nearing completion which was partially offset by the contribution of a new construction project that started in the previous quarter and completed the project of Taman Bukit Rambai Putra Phase 2; and

(b) decrease in revenue from furniture manufacturing and trading by RM3.85 million mainly as a result of lower market demand for furniture due to Ukraine war and USA economy crisis.

The Group recorded loss of RM0.92 million compared to the preceding year corresponding quarter's wider loss of RM6.05 million. This was mainly caused by one off expenses incurred in the preceding year corresponding quarter for the termination of project and corporate exercise expenses incurred.

**B2. Review of Performance for Comparison with Immediate Preceding Quarter's Results**

	Current Year Quarter 31.3.2023 RM'000	Immediate Preceding Quarter 31.12.2022 RM'000	Increased/ (Decreased) RM'000	%
<b>REVENUE</b>				
Construction	2,719	1,973	746	37.8
Furniture manufacturing and trading	807	941	(134)	(14.3)
Rental of building with comprehensive services	95	-	95	-
Other	-	-	-	-
Total Revenue	3,621	2,914	707	24.3
Cost of Sales	(3,181)	(3,854)	673	17.5
Gross (loss)/profit	440	(940)	1,380	146.8
<b>(LOSS)/PROFIT BEFORE TAX</b>				
Construction	171	(1,134)	1,305	115.1
Furniture manufacturing and trading	(668)	(2,239)	1,571	70.2
Rental of building with comprehensive services	(7)	(231)	224	97.0
Others	(414)	(2,961)	2,547	86.0
Total	(918)	(6,565)	5,647	86.0

For the current quarter under review, the Group's revenue increased by RM0.71 million (24.40%) to RM3.62 million compared to the immediate preceding quarter of RM2.91 million, mainly due to the following:

(a) increase in construction revenue by RM0.75 million mainly due to the contribution of a new construction project that started in the previous quarter and ongoing projects completed, which was partially offset by;

(b) decrease in revenue from furniture manufacturing and trading by RM0.13 million mainly as a result of lower market demand for furniture.

Despite the revenue hike, the Group recorded a loss of RM0.92 million compared to the immediate preceding quarter's wider loss of RM6.57 million. The decrease in loss was mainly due to the provision of settlement of litigation amounted to RM2.50 million in the investment holding classified under Others and also the impairment of inventories amounted to RM2.02 million in the furniture manufacturing and trading in the immediate preceding quarter, which was partially offset by the profit in the construction as opposed to the loss in the immediate preceding quarter as a result of a new project began to generate profit.



**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B)(cont'd)**

**B3. Commentary on Prospects**

With slow economy activities due to rising interest rates from America and Malaysia's Central Bank, which resulted higher inflation, rising material and labour cost followed by weakening ringgit, the Group has challenges to remain. However, the Group also expect domestic economy to recover and improve towards pre-pandemic level and the Group has started to expand towards securing construction projects and developments emphasising in commercial and industrial properties. In near future, the Group will move forwards securing more construction and developments opportunities and land banks to further strengthen its financial performance. Furthermore, the Group will also be opened to exploring any further business opportunities which may bring benefits to the Group and further enhance the value of the Company. Nevertheless, we will remain cautious and continue its efforts to improve the marketing strategy and the operation process efficiency in order to remain competitive.

**B4. Profit Forecast or Profit Guarantee**

Not applicable as the Group did not publish any profit forecast or profit guarantee.

**B5. Notes to Consolidated Statement of Comprehensive Income**

	Current Year Quarter Ended 31.3.2023 RM'000	Current Year- To-date Ended 31.3.2023 RM'000
<b>(Loss)/profit for the period is arrived at after charging/ (crediting) :</b>		
Auditors' remuneration	19	19
Finance cost	3	3
Interest income	(1)	(1)
Other income	(6)	(6)
Depreciation of property, plant and equipment	255	255
Depreciation of right-of-use assets	63	63

**B6. Status of Corporate Proposals**

On 5 December 2022, the Company announced to undertake a placement of up to 20% of the Company's total number of issued shares ("Proposed Placement")("Placement Shares"), to investors to be identified and at an issue price to be determined later, subject to approvals from shareholders of the Company for the Proposed Placement and the waiver of their pre-emptive rights under Section 85(1) of the Act to be offered the Placement Shares to be issued pursuant to the Proposed Placement at an extraordinary general meeting to be convened on 20 February 2023.

On 22 December 2022, Mercury Securities Sdn Bhd ("Mercury Securities"), on behalf of the Board of Directors of the Company announced that the listing application in relation to the Proposed Placement has been submitted to Bursa Malaysia Securities Berhad ("Bursa Securities") on 22 December 2022.

On 19 January 2023, On behalf of the Company, Mercury Securities wishes to announce that Bursa Securities had, vide its letter dated 19 January 2023, approved the listing of and quotation for up to 71,301,700 Placement Shares to be issued pursuant to the Proposed Placement subject to the following conditions:

- (i) The Company and Mercury Securities must fully comply with the relevant provisions under the Main Market Listing Requirements ("Listing Requirements") pertaining to the implementation of the Proposed Placement;
- (ii) The Company is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the extraordinary general meeting approving the Proposed Placement;
- (iii) The Company and Mercury Securities are required to inform Bursa Securities upon completion of the Proposed Placement;
- (iv) The Company is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Placement is completed; and
- (v) Mercury Securities is required to furnish Bursa Securities with details of the places in accordance with Paragraph 6.15 of the Listing Requirements as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Placement.

The Proposed Placement was approved by the shareholders of the Company at an Extraordinary General Meeting held on 20 February 2023. As at the LPD, the Proposed Placement has not been completed.

Save for the abovementioned Proposed Placement, there was no other corporate proposal as at the LPD pending for completion.

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)**

**B7. Material Litigation**

**Sand Nisko Capital Berhad vs Loh Siow Chan @ Loo Su Cheong ("LSC").**

Sand Nisko Capital Berhad (Formerly known as Len Cheong Holding Berhad) ("SNC" or "the Company") Notice Pursuant To Section 465(1)(E) Read Together With Section 466(1)(A) of the Companies Act 2016 by Mr Loh Siow Chan @ Loo Su Cheong ("LSC") against SNC.

On 18 July 2017, the Company received a notice from LSC to claim alleged debt amounting to RM4,652,951.22 ("Alleged Debt") by way of guarantee to Len Cheong Furniture Sdn Bhd ("LCF").

Pursuant to this claim, the shareholders of SNC have approved on 18 August 2020 a resolution authorizing the Company:-

- (i) to dispute the Alleged Debt amounting to RM4,652,951.22 by way of guarantee to LCF;
- (ii) to revoke DCR 2004 on the mode of settlement of the Alleged Debt approved by Board of Directors of SNC on 7 January 2004;
- (iii) to authorise the Board to appoint a firm of solicitors to take relevant and necessary actions in all related matters.

The Company has on 4.4.2022 filed a Writ of Summons and Statement of Claim against the executor of the estate of LSC ("the Defendant") vide Seremban High Court Suit No. NA-22NCVC-20-04/2022 for inter alia, the following relief:-

- (i) A declaration that the transactions with regard to the Purported Loan provided by LSC to the Company is illegal, invalid, null and void;
- (ii) A declaration that the Resolution of the Company dated 7.1.2004 is revoked and of no effect;
- (iii) A declaration that the sum of RM5,952,951.22 is not due and owing by the Company to LSC;
- (iv) An order that the estate of LSC pays the sum of RM 1,743,748.06 to the Company, being the amounts previously paid to LSC by the Company based on the Impugned Resolution;
- (v) Damages to be assessed;
- (vi) Interest;
- (vii) Costs; and
- (viii) Further or other relief as the Court deems fit and proper.

The Writ of Summons and Statement of Claim was served on the solicitors for the Defendant, Messrs Dennis Nik & Wong ("DNW") on 14.4.2022.

During case management on the 23.5.2022, the defendant had filed the striking out application instead of their defence. However, the Court had directed for the defendant to file their defence and for the Plaintiff to file the reply to the Defendant's striking out application.

The Defendant has filed an application to strike out the Plaintiff's Writ and Statement of Claim. The parties have filed their respective affidavits and written submissions. The hearing is fixed on 24.08.2022 at Seremban High Court. During the hearing on 24 August 2022, the Seremban High Court has made an Order to allow the Defendant's application to strike out the Writ of Summons and Statement of Claim dated 4 April 2022 with costs.

The Company has filed an appeal via the Notice of Appeal dated 29 September 2022, against the decision of the Seremban High Court dated 24 August 2022 that allowed the Defendant's application to strike out the Writ of Summons and Statement of Claim dated 4 April 2022.

The hearing date of the motion regarding application for extension of time to file the Notice of Appeal is fixed on 20 February 2023. The Court has fixed the case management on 17 March 2023 to monitor the settlement, if both parties can settle this matter and file a notice of discontinuance before then, the case management which fixed on 17 March 2023 will be vacated. During the case management held on 10 May 2023, the Company had withdrawn the appeal against the Defendant's application to strike out the Writ of Summons and Statement of Claim dated 4 April 2022 via a Notice of Discontinuance dated 10 May 2023 in light of the fact that both parties have achieved a full and final settlement.

The Company has on 30 September 2022 served with a winding-up petition dated 30 September 2022 by Loh Chee Keong (suing as the Executor of the Estate of LSC). The hearing is fixed on 17 May 2023 at Kuala Lumpur High Court. On 17 May 2023, the Petitioner had withdrawn the winding-up petition dated 30 September 2022 in light of the fact that both Petitioner and Respondent have achieved a full and final settlement via a Settlement Agreement dated 10 May 2023.

Save for the above, the Group is not engaged in any other material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the company or its subsidiaries and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or its subsidiaries as at the date of this report.

**B8. Proposed Dividend**

No dividend has been declared or paid during the current quarter and financial period under review.

**B. Compliance with Bursa Malaysia Main Market Listing Requirements (Part A of Appendix 9B) (cont'd)****B9. Loss per Share****a) Basic**

Basic loss per ordinary share is calculated by dividing the net loss for the financial period attributable to ordinary equity holders of the company by the weighted average number of ordinary shares in issue during the financial period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2023 RM'000	Preceding Year Corresponding Quarter 31.3.2022 RM'000	Current Year To Date 31.3.2023 RM'000	Preceding Year Corresponding Year To Date 31.3.2022 RM'000
Net loss for the period attributable to ordinary equity holders (RM '000)	<u>(918)</u>	<u>(6,046)</u>	<u>(918)</u>	<u>(6,046)</u>
Weighted average number of ordinary shares in issue ('000)	<u>231,726</u>	<u>231,690</u>	<u>231,726</u>	<u>231,690</u>
Basic loss per ordinary share (sen)	<u>(0.40)</u>	<u>(2.61)</u>	<u>(0.40)</u>	<u>(2.61)</u>

**b) Diluted**

Diluted loss per ordinary share is calculated by dividing the net loss for the financial period attributable to ordinary equity holders of the company by the weighted average number of ordinary shares that would have been in issue assuming full exercise of Warrants B Options, adjusted for the number of such ordinary shares that would have been issued at fair value.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2023 RM'000	Preceding Year Corresponding Quarter 31.3.2022 RM'000	Current Year To Date 31.3.2023 RM'000	Preceding Year Corresponding Year To Date 31.3.2022 RM'000
Net loss for the period attributable to ordinary equity holders (RM '000)	<u>(918)</u>	<u>(6,046)</u>	<u>(918)</u>	<u>(6,046)</u>
Weighted average number of ordinary shares in issue ('000)	<u>231,726</u>	<u>231,690</u>	<u>231,726</u>	<u>231,690</u>
Effect of dilution of warrants ('000)	<u>-</u>	<u>115,800</u>	<u>-</u>	<u>115,800</u>
Weighted average number of ordinary shares in issue (Diluted) ('000)	<u>231,726</u>	<u>347,490</u>	<u>231,726</u>	<u>347,490</u>
Diluted loss per ordinary share (sen)	<u>(0.40)</u>	<u>(1.74)</u>	<u>(0.40)</u>	<u>(1.74)</u>

**B10. Authority For Issue**

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 29 May 2023.

By order of the Board,

**DATO GOH SOO WEE**  
Executive Chairman

Date : 29 May 2023