

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30-Jun-23 RM'000	Preceding year Corresponding Quarter 30-Jun-22 RM'000	Changes %	Current Year To date 30-Jun-23 RM'000	Preceding year Corresponding year 30-Jun-22 RM'000	Changes %
Revenue	50,060	78,244	-36.02%	95,598	132,629	-27.92%
Direct costs	(343)	(303)	13.20%	(688)	(658)	4.56%
Changes in inventories of finished goods and work in progress	(12)	1,939	-100.62%	1,337	6,881	-80.57%
Raw materials and consumable used	(35,847)	(63,685)	-43.71%	(72,005)	(108,658)	-33.73%
Changes in inventories of trading merchandise	(223)	(199)	12.06%	(297)	(343)	-13.41%
Staff costs	(5,244)	(5,061)	3.62%	(9,297)	(9,290)	0.08%
Other income	573	615	-6.83%	1,429	817	74.91%
Depreciation and amortisation	(2,027)	(1,949)	4.00%	(4,069)	(3,950)	3.01%
Other operating expenses	(4,304)	(4,210)	2.23%	(7,699)	(7,919)	-2.78%
Finance cost	(687)	(528)	30.11%	(827)	(838)	-1.31%
<b>Profit before taxation</b>	<b>1,946</b>	<b>4,863</b>	<b>-59.98%</b>	<b>3,482</b>	<b>8,671</b>	<b>-59.84%</b>
Taxation	(800)	(1,300)	-38.46%	(1,300)	(1,889)	-31.18%
<b>Profit after taxation/ Total comprehensive income</b>	<b>1,146</b>	<b>3,563</b>	<b>-67.84%</b>	<b>2,182</b>	<b>6,782</b>	<b>-67.83%</b>
<b>Profit attributable to:</b>						
Owners of the Company	1,146	3,563		2,182	6,782	
Non-controlling interest	-	-		-	-	
	<b>1,146</b>	<b>3,563</b>		<b>2,182</b>	<b>6,782</b>	
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	1,146	3,563		2,182	6,782	
Non-controlling interest	-	-		-	-	
	<b>1,146</b>	<b>3,563</b>		<b>2,182</b>	<b>6,782</b>	
<b>Earning per share attributable to owners of the Company (sen per share):</b>						
Basic earning per share	0.18	0.58		0.35	1.09	

The unaudited Condensed Consolidated Statements of Comprehensive Income 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 this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Financial year 30-Jun-23 RM'000	Audited As at preceding Financial Year Ended 31-Dec-22 RM'000
<b>ASSETS</b>		
<b>Non Current assets</b>		
Property, plant and equipment	95,232	93,827
Right of use assets	8,953	6,987
Investment properties	73,615	35,693
Intangible assets	99	99
Other investments	2,400	2,350
Land held for development	10,605	10,605
Deferred tax assets	253	253
	191,157	149,814
<b>Current Assets</b>		
Inventories	64,795	62,985
Trade and other receivables	14,595	26,328
Tax recoverable	660	50
Other investment	10,296	8,917
Fixed deposits with licensed banks	1,288	1,266
Cash and bank balances	6,377	11,530
	98,011	111,076
<b>TOTAL ASSETS</b>	289,168	260,890
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves attributable to owners of the parent</b>		
Share capital	203,171	203,171
Treasury shares	(234)	(10,863)
Revaluation reserve	28,139	28,139
Reverse acquisition reserve	(72,051)	(72,051)
Retained profits	55,258	64,530
	214,283	212,926
Equity attributable to the owners of the Company	214,283	212,926
<b>Total equity</b>	214,283	212,926
<b>Non Current Liabilities</b>		
Lease liabilities	5,418	4,270
Deferred income	238	308
Borrowings	36,304	10,696
Provision	40	38
Deferred tax liabilities	6,586	6,599
	48,586	21,911
<b>Current Liabilities</b>		
Trade and other payables	10,135	17,688
Tax payable	660	2,034
Borrowings	12,572	3,886
Lease Liabilities	2,932	2,445
	26,299	26,053
<b>TOTAL LIABILITIES</b>	74,885	47,964
<b>TOTAL EQUITY AND LIABILITIES</b>	289,168	260,890
Net assets per share (sen) attributable to owners of the Company	34.19	33.85

The unaudited Condensed Consolidated Statements 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 this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Tresury shares RM'000	Revaluation reserve RM'000	Reverse acquisition reserve RM'000	Retained profits RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2022	204,468	(1,297)	28,139	(72,051)	61,105	220,364	-	220,364
Dividend paid	-	-	-	-	(3,134)	(3,134)	-	(3,134)
Cancellation of shares	(1,297)	1,297	-	-	-	-	-	-
Acquisiton of treasury shares	-	(10,977)	-	-	-	(10,977)	-	(10,977)
Net profit / Total comprehensive profit for the period	-	-	-	-	6,782	6,782	-	6,782
At 30 June 2023	<u>203,171</u>	<u>(10,977)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>64,753</u>	<u>213,035</u>	<u>-</u>	<u>213,035</u>
At 1 January 2023	203,171	(10,863)	28,139	(72,051)	64,530	212,926	-	212,926
Acquisition of treasury shares	-	(825)	-	-	-	(825)	-	(825)
Distribution of share dividend	-	11,454	-	-	(11,454)	-	-	-
Net profit / Total comprehensive profit for the period	-	-	-	-	2,182	2,182	-	2,182
At 30 June 2023	<u>203,171</u>	<u>(234)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>55,258</u>	<u>214,283</u>	<u>-</u>	<u>214,283</u>

The unaudited Condensed Consolidated Statements 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 this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 30-Jun-23 RM'000	Preceding Year Corresponding Period 30-Jun-22 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,482	8,671
Adjustments for non-cash item:		
Allowance for impairment of receivables	-	465
Allowance for impairment of receivables no longer required	(357)	-
Adjustment for derecognition of ROU and lease liabilities	-	(187)
Changes in fair value of other investments	1,099	1,503
Changes in fair value of derivative financial instruments	-	120
Depreciation and amortisation	4,069	3,950
Dividend income	(20)	(8)
Fixed assets written off	26	27
Gain on disposal of fixed assets	(137)	-
Gain on disposal of other investment	(161)	(46)
Loss/(Gain) on foreign exchange - unrealised	69	(9)
Government grant income	(70)	(70)
Realised loss on foreign exchange - cash and cash equivalent	(163)	(52)
Interest income	(317)	(129)
Interest expense	1,144	967
	8,664	15,202
Operating cash flows before working capital changes		
Changes in working capital:		
Increase in inventories	(1,810)	(11,032)
Decrease in trade and other receivables	4,551	1,756
(Decrease)/Increase in trade and other payables	(7,567)	6,974
Increase in property development expenditure	-	(14)
Increase in other investments	(2,367)	(2,527)
	1,471	10,359
Cash generated from operations		
Income tax paid	(3,305)	(2,724)
Income tax refunded	22	-
	(1,812)	7,635
<b>Net cash (used in)/generated from operating activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in fixed deposit pledged	(18)	(8)
Interest received	335	129
Dividend received	20	8
Investment in quoted mutual fund	-	(7,200)
Proceeds from disposal of fixed assets	170	150
Purchase of investment property	(29,995)	-
Purchase of property, plant and equipment	(4,749)	(2,790)
	(34,237)	(9,711)
<b>Net cash used in investing activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,142)	(777)
Cash payment for leases	(1,572)	(1,281)
Acquisition of treasury shares	(825)	(10,977)
Dividend paid	-	(3,134)
Proceeds from term loan	29,995	-
Repayment of term loan	(2,011)	(4,779)
	24,445	(20,948)
<b>Net cash generated from/(used in) financing activities</b>		
<b>Net decrease in cash and cash equivalents</b>	(11,604)	(23,024)
Effect of exchange rate changes	163	52
<b>Cash and cash equivalents at 1 January</b>	11,926	32,431
<b>Cash and cash equivalents at 30 June</b>	485	9,459
<b>Cash and cash equivalents at end of financial quarter comprised:</b>		
Cash and bank balances	6,377	9,066
Fixed deposits with licensed banks	1,288	1,263
Bank overdraft	(6,310)	-
	1,355	10,329
Less: Fixed deposits pledged	(870)	(870)
	485	9,459

The unaudited Condensed Consolidated Statements of Cash Flow 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 this interim financial statements.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting**

**A1. BASIS OF PREPARATION**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”).

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted and as disclosed in the Group’s annual report for the financial year ended 31 December 2022.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”), amendments to published standards and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs, amendments to published standards and IC Interpretations does not result in significant changes in the accounting policies of the Group.

The Group has not adopted the new standards, amendments to published standards and IC interpretations that have been issued but not yet effective. These new standards, amendments to published standards and IC interpretations do not result in significant changes in the accounting policies of the Group upon their initial applications.

**A3. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There was no audit qualification on the annual financial statements of JAG for the financial year ended 31 December 2022.

**A4. SEASONAL AND CYCLICAL FACTORS**

The Group's primary sources of revenue (approximately 96% of its total revenue) are derived from its manufacturing and trading business segment, which involve recycling and recovery activities. These operations are affected by the cyclicity of the semiconductor industry, which, in turn, is dependent on end-user industries such as electrical and electronic industries. The demand for semiconductors typically mirrors the trend in the demand for personal computers, mobile phones and other electronic equipment.

As the availability of electronic waste (E-waste) for recycling and manufacturing services is reliant on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is also influenced by the trends in the semiconductor industry.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

On 10 March 2023, the Group announced the completion of the acquisition of investment property namely Menara TM (subsequently renamed as “Wisma JAG”) in Taman Desa, Kuala Lumpur. The total acquisition price of the said investment property was RM37.5 million (inclusive of direct cost incurred attributable to the acquisition). The acquisition was partly financed by bank borrowing of RM30 million and balance payment by internally generated fund. The completion of the said acquisition had led to the significant increase in non-current assets as well as non-current liability in the statement of financial position as at 30 June 2023.

Save as disclosed above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current financial quarter and period under review.

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates that have had effect on the current financial quarter and period under review.

**A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES**

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and period ended 30 June 2023:

- i. During the financial period under review, the Company has repurchased 2,200,000 of its issued ordinary shares from open market at average price of RM0.38 per share. The purchases were financed by internally generated funds, and retained as treasury shares of the Company.

As at 30 June 2023, the number of treasury shares held were 641,077 ordinary shares with the carrying amount of RM234,057 after the share distribution mentioned in Note A8.

**A8. DIVIDEND**

Save as disclosed below, there were no dividends paid or declared for the previous corresponding quarter and period:

- i. On 20 April 2023, the Company announced the special and final share dividend in the form of a distribution of treasury shares at a ratio of one (1) treasury shares for every nineteen (19) existing ordinary shares. The proposal of dividend has been approved by the shareholders in the Annual General Meeting held on 29 May 2023.

The share dividend has been credited into entitled shareholders’ security account on 28 June 2023 with total distribution of 31,303,526 ordinary shares from the treasury shares account.

**QUARTERLY REPORT**

Notes on the quarterly report for the financial period ended 30 June 2023

**A9. SEGMENT INFORMATION**

The Group’s segmental information is as follows:

	Current Quarter Ended		Year to date	
	30 June 2023 RM’000	30 June 2022 RM’000	30 June 2023 RM’000	30 June 2022 RM’000
<b>Revenue by business segments</b>				
Manufacturing and trading activities	48,322	76,713	92,186	129,588
Lifestyle and services	1,584	1,531	3,148	3,041
Property investment and development	154	-	264	-
	<u>50,060</u>	<u>78,244</u>	<u>95,598</u>	<u>132,629</u>
Elimination of inter-segment sales	-	-	-	-
	<u>50,060</u>	<u>78,244</u>	<u>95,598</u>	<u>132,629</u>
<b>Segment results</b>				
Manufacturing and trading activities	4,239	7,356	7,053	13,023
Investment holding	(914)	(1,360)	(1,639)	(2,201)
Lifestyle and services	(390)	(425)	(500)	(832)
Property investment and development	(301)	(180)	(605)	(481)
Profit from operations	<u>2,634</u>	<u>5,391</u>	<u>4,309</u>	<u>9,509</u>
Interest income	79	53	317	129
Finance cost	(766)	(581)	(1,144)	(967)
Profit before taxation	<u>1,947</u>	<u>4,863</u>	<u>3,482</u>	<u>8,671</u>
Taxation	(800)	(1,300)	(1,300)	(1,889)
Profit after taxation	<u>1,147</u>	<u>3,563</u>	<u>2,182</u>	<u>6,782</u>
<b>Revenue By Geographical Segment</b>				
Malaysia	5,817	7,252	11,320	12,794
Foreign countries	44,243	70,992	84,278	119,835
	<u>50,060</u>	<u>78,244</u>	<u>95,598</u>	<u>132,629</u>
			<b>As at 30 June 2023 RM’000</b>	<b>As at 31 Dec 2022 RM’000</b>
<b>Segment assets</b>				
Manufacturing and trading activities			196,693	200,037
Investment holding			210,687	220,130
Lifestyle and services			10,844	10,751
Property investment and development			89,427	50,806
			<u>507,651</u>	<u>481,724</u>
Elimination			(218,483)	(220,834)
			<u>289,168</u>	<u>260,890</u>
<b>Segment liabilities</b>				
Manufacturing and trading activities			61,332	67,734
Investment holding			6,484	14,826
Lifestyle and services			15,592	15,815
Property investment and development			79,603	40,063
			<u>163,011</u>	<u>138,438</u>
Elimination			(88,126)	(90,474)
			<u>74,885</u>	<u>47,964</u>

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation or revaluation of property, plant and equipment during the current financial quarter and period under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual audited financial statements.

**A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER**

Save as disclosed below, there were no material events subsequent to the current financial quarter and period ended 30 June 2023 up to the date of this report:

- i. On 24 July 2023, JMI had entered into a Total Waste Management Service Agreement with Infineon Technologies (Malaysia) Sdn Bhd (“Infineon”) which JMI will be providing total waste management services to Infineon, where JMI will manage all types of waste or by-products generated from Infineon’s production activities, including scheduled waste (such as electrical and electronic waste, process-related waste and maintenance-related waste), non-scheduled waste and critical scrap.

The Agreement is for a period of three (3) years commencing from 1 August 2023 and is valued at approximately RM50 million per year, subject to the terms and conditions stated in the Agreement

**A12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no other changes and/or intended changes in the composition of the Group during the current financial quarter and period under review.

**A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

There were no changes in the contingent liabilities and contingent assets during the current financial quarter and period review.

**A14. CAPITAL COMMITMENTS**

The Board is not aware of any material commitment incurred or known to be incurred by the Company or the Group, which may have material impact on the financial position of the Group.

**A15. SIGNIFICANT RELATED PARTY TRANSACTIONS**

There were no significant related party transactions during the current financial quarter and period under review.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**Part B - Explanatory Notes Pursuant to Appendix 9B of the ACE LR**

**B1. REVIEW OF PERFORMANCE**

2nd Quarter 2023 vs 2nd Quarter 2022

	<b>30 June 2023 RM'000</b>	<b>30 June 2022 RM'000</b>	<b>Changes %</b>
<b>Revenue by business segments</b>			
Manufacturing and trading activities	48,322	76,713	-37
Lifestyle and services	1,584	1,531	3
Property investment and development	154	-	100
	<u>50,060</u>	<u>78,244</u>	
<b>Segment results</b>			
Manufacturing and trading activities	4,239	7,356	-42
Investment holding	(914)	(1,360)	32
Lifestyle and services	(390)	(425)	8
Property investment and development	(301)	(180)	-67
Profit from operations	<u>2,634</u>	<u>5,391</u>	
Interest income	79	53	
Finance cost	(766)	(581)	
Profit before taxation	<u>1,947</u>	<u>4,863</u>	
Taxation	(800)	(1,300)	
Profit after taxation	<u>1,147</u>	<u>3,563</u>	

The Group's revenue decreased by 37%, from RM78.2 million in the corresponding quarter to RM50.1 million in current financial quarter. The lower revenue generated from the Total Waste Management ("TWM") business segment was mainly due to there was one-off procurement contract between TWM business segment and Bank Negara Malaysia which contribute significantly to the revenue and profitability in previous corresponding quarter.

Meanwhile, the lifestyle and services business segment reported slight improvement in both revenue and profitability compared to the corresponding quarter, resulted from the recovery of the overall retail business environment as well as cost saving exercise within the said business segment.

The investment holding business segment recorded a loss primarily due to changes in the fair value of investments held.

The losses incurred in the property investment and development business segment was resulted from cost incurred from operations, such as property management fees, cleaning fees, security fees etc.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**B1. REVIEW OF PERFORMANCE (CONTINUED)**

Financial Period ended 30 June 2023 vs Financial Period ended 30 June 2022

	<b>FP 2023</b>	<b>FP 2022</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue by business segments</b>			
Manufacturing and trading activities	92,186	129,588	-29
Lifestyle and services	3,148	3,041	4
Property investment and development	264	-	100
	<u>95,598</u>	<u>132,629</u>	-30
<b>Segment results</b>			
Manufacturing and trading activities	7,053	13,023	-46
Investment holding	(1,639)	(2,201)	26
Lifestyle and services	(500)	(832)	40
Property investment and development	(605)	(481)	-26
Profit from operations	<u>4,309</u>	<u>9,509</u>	
Interest income	317	129	
Finance cost	(1,144)	(967)	
Profit before taxation	<u>3,482</u>	<u>8,671</u>	
Taxation	(1,300)	(1,889)	
Profit after taxation	<u>2,182</u>	<u>6,782</u>	

The Group reported decrease in revenue of 30% from RM132.6 million in previous year correspondence period to RM95.6 million in current financial period. The lower revenue generated from the Total Waste Management ("TWM") business segment was mainly due to there was one-off procurement contract between TWM business division and Bank Negara Malaysia which contribute significantly to the revenue and profitability in previous corresponding period.

The lifestyle and services business segment had recorded slight improvement in revenue of 4% compared to previous year corresponding period.

In respect of profitability, the decreased in profit mainly due to the lower revenue generated in the TWM business segment who being the main profit contributor to the Group.

Lifestyle and services segment had recorded improvement in profitability in current financial period as a result from higher revenue generated as well as new recipe and cost control exercise. Whereas for investment holding business segment, the losses recorded was mainly from the loss on changes in fair value of investment held.

The losses incurred in the property investment and development business segment was resulted from cost incurred from operations, such as property management fees, cleaning fees, security fees etc.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER**

	<b>Current Quarter 30 June 2023</b>	<b>Immediate Preceding Quarter 31 March 2023</b>	<b>Changes</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	50,060	45,538	10
Staff cost	5,244	4,053	29
Other operating expenses	4,719	3,052	-55
Profit before taxation	1,947	1,536	27
Profit after taxation	1,147	1,036	11

The Group recorded higher revenue of RM50.1 million for the current financial quarter ended 30 June 2023 as compared to the immediate preceding financial quarter ended 30 March 2023 of RM45.5 million. This increase was mainly due to higher revenue generated from the TWM business segment, which reported revenue of RM48.3 million, increase from RM43.9 million in the corresponding quarter.

The increase in staff cost was mainly due to increase in headcount for foreign workers as well as salary adjustment in the current financial quarter.

The increase in other operating expenses was mainly due to the increase in expenses such as professional fees and consultant cost incurrent in property investment business division to refurbish the Wisma JAG.

**B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023**

Looking ahead, the TWM business segment will remain a major contributor to the Group's revenue and profit in the upcoming financial year. To maintain its position as a leading player in the e-waste recycling industry, the Group will continue to focus on strengthening its sourcing capabilities and investing in production capacity, efficiency and technology.

As of the current date, the TWM business segment has achieved a significant milestone by successfully securing two major procurement contracts during the financial period under reviewed. The Group holds a positive outlook, anticipating that the favorable outcomes of these contracts will make a notable and positive contribution to the overall financial performance of the organisation.

The Group is also optimistic with the outlook for the food and beverage retail industry and the coin-operated launderette industry. In 2023, the Group plans to support these business segments through marketing strategies, the introduction of new products, and the opening of new outlets.

In the face of a challenging business environment, the Group is committed to strategic adaptation and effective risk management. The Group will take timely and appropriate actions to minimize operating risks and optimize its resources, ensuring resilient business operations during uncertain times. Moreover, the Group is preparing a strong foundation for a sustainable recovery after the pandemic.

**B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE**

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**B5. TAXATION**

	Current Quarter Ended		Year to date	
	30 June 2023 RM'000	30 June 2022 RM'000	30 June 2023 RM'000	30 June 2022 RM'000
Income tax				
- current year	(800)	(1,300)	(1,300)	(2,500)
- over provision in prior years	-	-	-	358
	<u>(800)</u>	<u>(1,300)</u>	<u>(1,300)</u>	<u>(2,142)</u>
Deferred tax				
- current year	-	-	-	-
- over provision in prior years	-	-	-	253
	<u>(800)</u>	<u>(1,300)</u>	<u>(1,300)</u>	<u>(1,889)</u>

The effective tax rate for the current financial quarter and period is higher than the statutory income tax rate of 24%. This is primarily due to the majority of the tax provision is applied to the profit making business entity, whereas the loss-making entity has no tax impact. The business tax losses of the loss making entity will be carried forward to the next financial year for utilisation.

**B6. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals announced but not completed as at 21 August 2023, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

**B7. GROUP BORROWINGS**

The Group's borrowings as at 30 June 2023 (all denominated in Ringgit Malaysia) are as follows:-

	As at 30 June 2023 RM'000	As at 31 Dec 2022 RM'000
<b>Short term borrowing (secured)</b>		
Overdraft	6,309	-
Term loan	6,260	3,886
Lease liabilities	2,932	2,446
	<u>15,501</u>	<u>6,332</u>
<b>Long term borrowing (secured)</b>		
Term loan*	36,304	10,696
Lease liabilities	5,418	4,270
	<u>41,722</u>	<u>14,966</u>
<b>Total</b>	<u>57,223</u>	<u>21,298</u>

\*Referring to Note A5, the significant increase in long term borrowing was mainly due to the draw down from financier for the acquisition of Wisma JAG in Taman Desa, Kuala Lumpur

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**B7. GROUP BORROWINGS (CONTINUED)**

	<b>As at 30 June 2023</b>	<b>As at 31 Dec 2022</b>
	<b>%</b>	<b>%</b>
The weighted average effective interest rate are as follows:		
Term loan	6.55	6.55
Overdraft	7.05	7.05
Hire purchase liabilities	5.39	5.39
Other lease liabilities	5.83	5.83
Proportion of borrowings between fixed and floating interest rates	15 : 85	32 : 68

**B9. DERIVATIVE FINANCIAL INSTRUMENTS**

(i) Disclosure of derivatives

The Group uses forward foreign exchange contracts to manage some of the transactions exposure of the Group’s sales denominated in USD and uses the commodity future contracts to manage the metal commodity price fluctuations.

There are no cash requirement risks as the Group only uses forward foreign currency contracts and commodity future contracts as its hedging instruments.

There have been no significant changes to the Group’s exposure to credit risk, market risk and liquidity risk from the previous financial quarter and period. Since the previous financial year, there have been no changes to the Group’s management objectives, accounting policies and processes.

(ii) Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group determines the fair value of the derivative financial instruments relating to the forward foreign exchange contracts and commodity future contracts by using the difference between the contracted foreign exchange rates and commodity price and the market forward rates and commodity price. The basis of fair value measurement is the difference between the contracted value and the market forward rates and market price. This resulted in the Group recording a gain when the rates and commodity price move favourable against the Group or recorded a loss when the rates and commodity price move unfavourable against the Group.

**B10. MATERIAL LITIGATION**

There was no pending material litigation as at the date of this announcement.

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**B11. DIVIDEND**

Save as disclosed below, there were no dividends paid or declared for the previous corresponding quarter and period:

- i. On 20 April 2023, the Company announced the special and final share dividend in the form of a distribution of treasury shares at a ratio of one (1) treasury shares for every nineteen (19) existing ordinary shares. The proposal of dividend has been approved by the shareholders in the Annual General Meeting held on 29 May 2023.

The share dividend has been credited into entitled shareholders' security account on 28 June 2023 with total distribution of 31,303,526 ordinary shares from the treasury shares account.

**B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME**

	Current Quarter Ended		Year to date	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment of receivables	-	297	-	465
Allowance for impairment of receivables no longer required	(162)	-	(357)	-
Changes in fair value of derivative financial instruments	93	110	120	120
Changes in fair value on other investments	596	964	1,099	1,503
Depreciation of property, plant and equipment and right of use assets	2,027	1,949	4,069	3,950
Dividend income	(11)	-	(20)	(8)
Fixed asset written off	-	27	26	27
Gain on disposal of other investments	-	-	(161)	-
Gain on disposal of plant and equipment	(137)	-	(137)	-
Loss/(Gain) on foreign exchange				
- unrealised	(6)	(88)	69	(9)
- realised	(77)	53	177	619
Government grant income	(35)	(35)	(70)	(70)
Interest income	(79)	(53)	(317)	(129)
Interest expenses				
- Overdraft	93	-	172	-
- Term loan	551	490	744	777
- Unwinding interest	1	1	2	2
- Implicit interest of lease liabilities	121	90	226	188

**QUARTERLY REPORT**

**Notes on the quarterly report for the financial period ended 30 June 2023**

**B13. EARNINGS PER SHARE**

The basic earnings per share was calculated by dividing the net profit for the current financial quarter and period by the weighted average number of ordinary shares in issue:

	<b>Current Quarter Ended</b>		<b>Year to date</b>	
	<b>30 June 2023 RM</b>	<b>30 June 2022 RM</b>	<b>30 June 2023 RM</b>	<b>30 June 2022 RM</b>
Net profit attributable to owners of the Company (RM'000)	1,147	3,563	2,182	6,782
Weighted average number of ordinary shares in issue ('000)	626,785	611,681	627,420	622,233
Basic earnings per share (sen)	0.18	0.58	0.35	1.09

**B14. AUTHORISED FOR ISSUE**

This interim financial statement was authorised for issue by the Board on 24 August 2023 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING  
(MAICSA 1032514 PRACTITIONER)  
COMPANY SECRETARY

24 August 2023