



**MCLEAN TECHNOLOGIES BERHAD**

(Company No: 201001009003 (893631-T))

(Incorporated in Malaysia)

**Interim Financial Statements**

31 December 2022

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2022**

	Note	3 months ended		Cumulative 12 months ended	
		31/12/22	31/12/21	31/12/22	31/12/21
		RM'000	RM'000	RM'000	RM'000
REVENUE		9,625	16,224	52,372	59,318
COST OF SALES		(8,253)	(13,908)	(43,005)	(47,043)
GROSS PROFIT		<u>1,372</u>	<u>2,316</u>	<u>9,367</u>	<u>12,275</u>
OTHER INCOME	5	1,901	95	2,107	511
ADMINISTRATIVE EXPENSES		(2,519)	(3,266)	(12,718)	(13,598)
SELLING AND DISTRIBUTION EXPENSES		(183)	(193)	(735)	(883)
OTHER EXPENSES		(3)	(5,503)	(550)	(6,093)
FINANCE COST		(147)	(150)	(569)	(448)
PROFIT/(LOSS) BEFORE TAX		<u>421</u>	<u>(6,701)</u>	<u>(3,098)</u>	<u>(8,236)</u>
TAX INCOME	24	(179)	(475)	(179)	(368)
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD/YEAR		<u>242</u>	<u>(7,176)</u>	<u>(3,277)</u>	<u>(8,604)</u>
OTHER COMPREHENSIVE (LOSS)/INCOME					
Foreign currency translation difference		(148)	105	943	708
Reclassification of foreign currency translation differences on deregistration subsidiary	5	(1,884)	-	(1,884)	-
		<u>(2,032)</u>	<u>105</u>	<u>(941)</u>	<u>708</u>
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD/YEAR		<u>(1,790)</u>	<u>(7,071)</u>	<u>(4,218)</u>	<u>(7,896)</u>
Profit/(Loss) attributable to:					
Owners of the Company		445	(6,774)	(3,122)	(8,223)
Non-controlling interests		(203)	(402)	(155)	(381)
		<u>242</u>	<u>(7,176)</u>	<u>(3,277)</u>	<u>(8,604)</u>
Total comprehensive loss attributable to:					
Owners of the Company		(1,587)	(6,669)	(4,063)	(7,515)
Non-controlling interests		(203)	(402)	(155)	(381)
		<u>(1,790)</u>	<u>(7,071)</u>	<u>(4,218)</u>	<u>(7,896)</u>
Earning/(Loss) per share (sen)					
Basic	25	0.23	(3.43)	(1.58)	(4.17)

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Note	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
		<b>As at 31/12/2022</b>	<b>As at 31/12/2021</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		17,043	18,180
Right-of-use assets		6,038	9,746
Deferred tax assets		680	639
		<u>23,761</u>	<u>28,565</u>
<b>Current assets</b>			
Inventories		987	1,300
Trade receivables		11,196	15,423
Other receivables		5,455	5,653
Tax recoverable		8	5
Deposits with licensed banks		563	550
Cash and bank balances		3,007	3,891
		<u>21,216</u>	<u>26,822</u>
<b>TOTAL ASSETS</b>		<b><u>44,977</u></b>	<b><u>55,387</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		50,973	50,973
Accumulated losses		(17,850)	(8,532)
Reserves		(16,178)	(21,404)
		<u>16,945</u>	<u>21,037</u>
Non-controlling interests		8,431	8,586
<b>TOTAL EQUITY</b>		<b><u>25,376</u></b>	<b><u>29,623</u></b>
<b>Non-current liabilities</b>			
Borrowings	20	1,871	1,970
Lease liabilities		1,969	6,060
Deferred tax liabilities		466	270
		<u>4,306</u>	<u>8,300</u>
<b>Current liabilities</b>			
Trade payables		3,944	5,852
Other payables		4,931	5,765
Borrowings	20	1,992	2,045
Lease liabilities		4,413	3,788
Tax payable		15	14
		<u>15,295</u>	<u>17,464</u>
<b>TOTAL LIABILITIES</b>		<b><u>19,601</u></b>	<b><u>25,764</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>44,977</u></b>	<b><u>55,387</u></b>
Net assets per share attributable to owners of the Company (RM)		<u>0.09</u>	<u>0.11</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of MClean Technologies Berhad for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2022

**Cumulative year ended 31 December 2022**

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	WARRANT RESERVE RM'000	CURRENCY FLUCTUATION RESERVE RM'000	OTHER RESERVE RM'000				ACCUMULATED LOSSES RM'000
Balance as at 31.12.2021	50,973	-	(22,246)	-	4,789	(3,947)	(8,532)	21,037	8,586	29,623
Loss for the financial year	-	-	-	-	-	-	(3,122)	(3,122)	(155)	(3,277)
Increase in ownership of a subsidiary	-	-	-	-	(29)	-	-	(29)	-	(29)
Disposal of a subsidiary	-	-	3,541	-	-	-	(3,541)	-	-	-
Deregistration of subsidiary company	-	-	2,655	-	(1,884)	-	(2,655)	(1,884)	-	(1,884)
Other comprehensive income for the financial year	-	-	-	-	943	-	-	943	-	943
Total comprehensive income/(loss) for the financial year	-	-	6,196	-	(970)	-	(9,318)	(4,092)	(155)	(4,247)
Balance as at 31.12.2022	50,973	-	(16,050)	-	3,819	(3,947)	(17,850)	16,945	8,431	25,376

**Cumulative year ended 31 December 2021**

	Non distributable					Distributable	TOTAL ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000	
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	MERGER DEFICIT RM'000	WARRANT RESERVE RM'000	CURRENCY FLUCTUATION RESERVE RM'000	OTHER RESERVE RM'000				ACCUMULATED LOSSES RM'000
Balance as at 31.12.2020	50,973	-	(22,246)	-	4,081	(3,947)	(309)	28,552	8,967	37,519
Loss for the financial year	-	-	-	-	-	-	(8,223)	(8,223)	(381)	(8,604)
Other comprehensive income for the financial year	-	-	-	-	708	-	-	708	-	708
Total comprehensive income/(loss) for the financial year	-	-	-	-	708	-	(8,223)	(7,515)	(381)	(7,896)
Balance as at 31.12.2021	50,973	-	(22,246)	-	4,789	(3,947)	(8,532)	21,037	8,586	29,623

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited consolidated financial statements of Mclean Technologies Berhad for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2022**

	Note	12 months ended	
		31/12/2022	31/12/2021
		RM'000	RM'000
<b>OPERATING ACTIVITIES</b>			
Loss before tax		(3,098)	(8,236)
Adjustments for:			
Allowance for impairment loss on trade receivables		-	40
Allowance for inventory written down		-	6
Impairment loss on property, plant and equipment		-	5,374
Bad debt written off		1	-
Depreciation of property, plant and equipment		2,073	3,326
Depreciation of right-of-use assets		3,480	3,681
GST/VAT receivables written off		-	403
Loss on disposal of investment in subsidiary company		549	-
Reversal of impairment loss on trade receivables		(12)	(39)
Reversal of allowance for inventory written down		-	(105)
Property, plant and equipment written off		1	38
Rent concession received		-	(57)
Interest expenses		568	448
Interest income		(14)	(12)
Currency fluctuation reserve reversal upon deregistration of a subsidiary	5	(1,884)	-
Unrealised loss on foreign exchange		236	615
Operating profit before working capital changes		1,900	5,482
Changes in working capital:-			
Inventories		197	(403)
Receivables		3,386	69
Payables		(791)	368
<b>CASH GENERATED FROM OPERATIONS</b>		<b>4,692</b>	<b>5,516</b>
Tax paid		(44)	18
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>4,648</b>	<b>5,534</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(994)	(1,241)
Proceeds from disposal of property, plant and equipment		-	8
Cash and cash equivalent for disposal of a subsidiary		(645)	-
Interest received		14	12
Placements of deposits pledged with licenced banks		(13)	(10)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(1,638)</b>	<b>(1,231)</b>
<b>FINANCING ACTIVITIES</b>			
Proceed from account receivables financing		61	154
Interest paid		(568)	(448)
Repayment to directors		-	(318)
Repayment of lease liabilities		(3,192)	(3,611)
Repayment of term loan		(95)	(168)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(3,794)</b>	<b>(4,391)</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Net changes		(784)	(88)
Brought forward		3,891	3,886
Effects of exchange translation differences on cash and cash equivalents		(100)	93
Carried forward		<b>3,007</b>	<b>3,891</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited consolidated financial statements of MCLean Technologies Berhad for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.)

**UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTHS FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**1. Basis of Preparation**

The Condensed Interim Financial Statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) No 134: Interim Financial Reporting and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. This Interim Financial Statements also complied with IAS 34: Interim Financial Reporting issued by the International Accounting Standard Board (“IASB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

**2. Significant Accounting Policies**

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with those adopted for the financial year ended 31 December 2021, except for the adoption of the following Amendments and Annual Improvements to Standards effective for the annual periods beginning on or after 1 January 2022.

- Annual Improvement to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020”
- Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract

The adoption of the above standards, amendments and annual improvement did not have any material financial impacts to the Group.

**Standards issued but not yet effective**

- i) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023
- MFRS 17 Insurance Contracts
  - Amendments to MFRS 17 Insurance Contracts
  - Amendments to MFRS 101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
  - Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies
  - Amendments to MFRS 108 Accounting Policies - Changes in Accounting Estimates and Errors
  - Amendments to MFRS 4 Insurance Contracts – Extension of the Temporary Exemption for Applying MFRS 9
  - Amendments to MFRS 17 Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
  - Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**2. Significant Accounting Policies (continued)**

Standards issued but not yet effective (continued)

- ii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024
- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback
  - Amendments to MFRS 101 Presentation of Financial Statements – Non-current Liabilities with Covenants
- iii) MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed
- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group does not plan to apply MFRS 17 Insurance Contract that is effective for annual periods beginning on 1 January 2023 as it is not applicable to the Group. The adoption of the applicable accounting standards are not expected to have any material impacts to the financial statements of the Group up on the initial adoption.

**3. Audit Report of Preceding Annual Financial Statements**

The preceding year annual audited financial statements were not subject to any qualification.

**4. Seasonal or Cyclical Factors**

The Group's operations were not subject to any seasonal or cyclical changes.

**5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

During the financial quarter, a currency fluctuation reserve reversal in other income of RM1.884 million and a corresponding reduction in other comprehensive income arising from the deregistration of a subsidiary.

Except for the above, there was no other item which is unusual because of its size or incidences that has affected the assets, liabilities, equity, net income or cash flow of the Group for the current financial quarter under review.

**6. Material Changes in Estimates**

There were no material changes in estimates for the quarter ended 31 December 2022.

**7. Debt and Equity Securities**

There were no issuance, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial quarter.

**8. Dividend Paid**

There were no dividends declared or paid by the Group for the current quarter under review.

**9. Segmental Reporting**

The segmental results of the Group for the current and previous financial year-to-date under review is set out below:

**Geographical information**

Revenue information based on the geographical location of customers are as follows:-

<b>Location</b>	<b><u>12 Months Ended</u></b>	<b><u>12 Months Ended</u></b>
	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
People’s Republic of China	1,323	1,752
Malaysia	19,513	23,136
Singapore	44,914	50,850
Others	1,705	1,685
Inter segment	(15,083)	(18,105)
	<b><u>52,372</u></b>	<b><u>59,318</u></b>

The business of the Group is generated from the business of surface treatment and precision cleaning related service mainly in HDD and consumer electrics industries and there is only one business segment identified by the management.

**10. Valuation of Property, Plant and Equipment**

The Group’s property, plant and equipment were stated at cost less accumulated depreciation.

**11. Material Events Subsequent to the End of the Current Financial Quarter**

There were no material events subsequent to the end of the reporting quarter that have not been reflected in the quarter under review.

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

Except for the deregistration of a dormant wholly owned subsidiary, MClean Advance Carrier Pte Ltd and its 55% owned subsidiary, MClean Cloud Logistic Pte Ltd on 5 December 2022, there were no changes in the composition of the Group during the current financial quarter under review.

**13. Contingent Liabilities and Contingent Assets**

(a) Contingent liabilities

The Group has secured and unsecured bank guarantee given to the Royal Malaysian Customs Department and licensed bank for credit facilities granted to a subsidiary for RM300,000 and RM904,679 respectively.

(b) Contingent assets

There were no contingent assets as at the end of current financial quarter.



**14. Capital Commitment**

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements of the quarter under review.

**15. Review of Performance**

**Comparison between Current Financial Quarter Ended 31 December 2022 and Previous Corresponding Quarter Ended 31 December 2021**

A summary of the Group’s performance is set out below:-

	3 Months Ended		Increase/(Decrease)	
	31.12.2022	31.12.2021		
	Surface Treatment & Precision Cleaning RM’000	Surface Treatment & Precision Cleaning RM’000	RM’000	%
Revenue	9,625	16,224	(6,599)	(40.67)
Gross profit	1,372	2,316	(944)	(40.76)
Profit/(Loss) before tax	421	(6,701)	7,122	NA
Profit/(Loss) after tax	242	(7,176)	7,418	NA
Profit/(Loss) attributable to owners of the Company	445	(6,774)	7,219	NA

**Surface Treatment & Precision Cleaning Division**

Revenue for the current financial quarter decreased by 40.67% as compared to the previous corresponding quarter. The decrease is across from all precision cleaning and surface treatment services due to overall weaker market demand from hard disk drive (“HDD”) industry.

The overall gross profit margin for current financial quarter of 14.25% remain similar as compared to the previous corresponding quarter of 14.28%.

The Group’s other income increased by RM1,806,000 as compared to the previous corresponding quarter mainly due to RM1,884,000 of currency fluctuation reserve being reversed to profit and loss account upon deregistration of a subsidiary.

The Group’s administrative expenses decreased by RM747,000 as compared to the previous corresponding quarter mainly due to the decrease in indirect salaries and related costs.

The Group’s other expenses decreased by RM5,500,000 as compared to the previous corresponding quarter mainly due to the absence of the impairment loss on property, plant and equipment in current financial quarter.

Overall, the Group reported a profit before tax of RM0.421 million in the current financial quarter as compared to a loss before tax of RM6.701 million in the previous corresponding quarter.

**15. Review of Performance (continued)**

**Comparison between Current Year-to-date Ended 31 December 2022 and Previous Corresponding Year-to-date Ended 31 December 2021**

A summary of the Group’s performance is set out below:-

	12 Months Ended		Increase/(Decrease)	
	31.12.2022	31.12.2021		
	Surface Treatment & Precision Cleaning RM’000	Surface Treatment & Precision Cleaning RM’000	RM’000	%
Revenue	52,372	59,318	(6,946)	(11.71)
Gross profit	9,367	12,275	(2,908)	(23.69)
Loss before tax	(3,098)	(8,236)	5,138	(62.38)
Loss after tax	(3,277)	(8,604)	5,327	(61.91)
Loss attributable to owners of the parent	(3,122)	(8,223)	5,101	(62.03)

**Surface Treatment & Precision Cleaning Division**

Revenue for the current year-to-date decreased by 11.71% as compared to the previous corresponding year-to-date. The decrease is across from all precision cleaning and surface treatment services due to overall weaker market demand from HDD industry.

The overall gross profit margin decreased from 20.69% to 17.89% in the current year-to-date mainly due to increase in freight charges, utilities charges and sub-contract fee, but partially offset by the decrease in depreciation on property, plant and equipment.

The Group’s other income increased by RM1,596,000 as compared to the previous corresponding quarter mainly due to RM1,884,000 of currency fluctuation reserve being reversed to profit and loss account upon deregistration of a subsidiary in the current year-to-date.

The Group’s administrative expenses decreased by RM880,000 as compared to the previous corresponding year-to-date mainly due to the decrease in indirect salaries and related costs.

The Group’s other expenses decreased by RM5,543,000 as compared to the previous corresponding year-to-date mainly due to the absence of the impairment loss on property, plant and equipment in current year-to-date.

Overall, the Group reported a loss before tax of RM3.098 million in the current year-to-date as compared to a loss before tax of RM8.236 million in the previous corresponding year-to-date.

**16. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter**

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>		
	<b>31.12.2022</b>	<b>30.09.2022</b>		
	<b>Surface Treatment &amp; Precision Cleaning</b>	<b>Surface Treatment &amp; Precision Cleaning</b>	<b>Increase/(Decrease)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	9,625	12,937	(3,312)	(25.60)
Gross profit	1,372	2,591	(1,219)	(47.05)
Profit/(Loss) before tax	421	(1,409)	1,830	NA
Profit/(Loss) after tax	242	(1,409)	1,651	NA
Profit/(Loss) attributable to owners of the Company	445	(1,510)	1,955	NA

Surface Treatment & Precision Cleaning Division

Revenue for the current quarter decreased by 25.60% as compared to the immediate preceding quarter. The decrease is across from all precision cleaning and surface treatment services, the overall weaker market demand on HDD industry is highly impacted in current quarter.

The overall gross profit margin decreased from 20.03% to 14.25% in current quarter as compared to the immediate preceding quarter mainly due to the impact of significant lower revenue over fixed factory overhead in the current quarter.

The Group's other income increased by RM1,769,000 as compared to the immediate preceding quarter mainly due to RM1,884,000 of currency fluctuation reserve being reversed to profit and loss account upon deregistration of our subsidiary in Singapore in the current quarter.

The Group's administrative expenses decreased by RM673,000 as compared to the immediate preceding quarter mainly due to the decrease in indirect salaries and related costs.

The Group's other expenses increased by RM604,000 as compared to the immediate preceding quarter mainly due to the absence of loss on disposal of investment in subsidiary company in China Wuxi in current quarter.

The Group registered a profit before tax of RM0.421 million as compared to a loss before tax of RM1.409 million in the immediate preceding quarter.

**17. Future Prospects**

Demand from Hard Disk Drive (“HDD”) industry has somewhat improve slightly in the beginning of 2023 as compared with the 4th quarter of 2022. However business sentiment continue to be highly unpredictable and fragile. While the group operating performance is expected to remain challenging in the first half of 2023, market demand is expected to improve in the 2nd half of 2023

At the date of this report, the Proposals submitted on 11 November 2022 are still pending regulatory approvals.

**18. Variance of Profit Forecast and Shortfall in Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee for the current financial quarter.

**19. Status of Corporate Proposals**

On 27 May 2022, TA Securities Holdings Berhad on behalf of the Company announced the multiple proposals involving private placement, rights issue and an acquisition of 60% equity interest in JCS Biotech Pte Ltd (“Proposals”). On 15 June 2022, TA Securities Holdings Berhad on behalf of the Company submitted a listing application in relation to the Proposals to Bursa Malaysia Securities Berhad. On 21 September 2022, the Company withdrawn the listing application in relation to the Proposals with the intention to revise the structure of the Proposals.

On 4 November 2022, TA Securities Holdings Berhad on behalf of the Company announced the multiple proposals involving private placement, rights issue and an acquisition of 60% equity interest in JCS Biotech Pte Ltd (“Revised Proposals”) again. On 11 November 2022, TA Securities Holdings Berhad on behalf of the Company re-submitted a listing application in relation to the Revised Proposals to Bursa Malaysia Securities Berhad. As at the date of this report, these Proposals are still pending regulatory approval.

**20. Group Borrowings and Debt Securities**

The Group’s borrowings as at 31 December 2022 are as follows:-

	As at 4th quarter ended 2022					
	Long term		Short term		Total borrowings	
	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000
<b>Secured</b>						
Term loan	-	1,871	-	107	-	1,978
Factoring loan	-	-	574	1,885	574	1,885

	As at 4th quarter ended 2021					
	Long term		Short term		Total borrowings	
	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000	Foreign denomination SGD’000	RM denomination and RM equivalent RM’000
<b>Secured</b>						
Term loan	-	1,970	-	103	-	2,073
Factoring loan	-	-	629	1,942	629	1,942

The total borrowings denominated in foreign currency as at 31 December 2022 are: -

	<b>RM’000</b>
Foreign currency – SGD 573,913 @ RM3.2852/SGD	<u>1,885</u>

The factoring loan is charged at an effective interest rate of approximately 2.98% - 11.19% per annum. The term loan is charged at an effective interest rate of 3.20% per annum.

**21. Off Balance Sheet Financial Instruments**

As at 31 December 2022, the Group does not have any off balance sheet financial instrument.

**22. Material Litigation**

There was no pending material adverse litigation from 1 January 2022 up to the date of this quarterly announcement.

**23. Dividend Payable**

There was no dividend payable or proposed during the current quarter ended 31 December 2022.

**24. Tax Income**

Details of taxation are as follows: -

	3 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current taxation	11	33	11	33
Deferred taxation	193	468	193	468
Over provision in prior year	(25)	(26)	(25)	(133)
	<u>179</u>	<u>475</u>	<u>179</u>	<u>368</u>
Effective tax rate	-	-	-	-
Statutory tax rate	24%	24%	24%	24%
Variance	-	-	-	-

**25. Earning/(Loss) Per Share (“EPS/LPS”)**

The calculation of the earning/(loss) per share is based on the net profit/(loss) divided by the weighted average number of ordinary shares.

	3 Months Ended		Cumulative 12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Net profit/(loss) for the period/year attributable to owners of the Company (RM'000)	445	(6,774)	(3,122)	(8,223)
Weighted average number of ordinary shares in issue ('000)	197,213	197,213	197,213	197,213
Basic earning/(loss) per share (sen)	0.23	(3.43)	(1.58)	(4.17)

**26. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

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

	<b>3 Months Ended 31 December 2022 RM'000</b>	<b>12 Months Ended 31 December 2022 RM'000</b>
(a) Interest income	(13)	(14)
(b) Other income including investment income	(58)	(381)
(c) Interest expenses	147	568
(d) Depreciation and amortisation	1,264	5,553
(e) Provision for and write off of receivables	(12)	(12)
(f) Provision for and write off of inventories	-	-
(g) Gain or loss on disposal of quoted or unquoted investments or properties	-	549
(h) Impairment of assets	-	-
(i) Foreign exchange (gain) or loss	(1,844)	(1,726)
(j) Gain or loss on derivatives	-	-
(k) Exceptional items	-	-

- End -