

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 30.06.2023 RM'000	Preceding Year Quarter 3 Months 30.06.2022 RM'000	Current Year To-Date 3 Months 30.06.2023 RM'000	Preceding Year To-Date 3 Months 30.06.2022 RM'000
Revenue	24,838	23,811	24,838	23,811
Cost of sales	(19,894)	(19,542)	(19,894)	(19,542)
Gross profit	4,944	4,269	4,944	4,269
Other income	403	640	403	640
Net reversal of impairment losses on financial assets	1,262	270	1,262	270
Administrative and distribution expenses	(4,176)	(3,503)	(4,176)	(3,503)
Other operating expenses	(19)	(3)	(19)	(3)
Profit from operations	2,414	1,673	2,414	1,673
Finance costs	(293)	(315)	(293)	(315)
Profit before taxation	2,121	1,358	2,121	1,358
Taxation	(846)	(146)	(846)	(146)
Profit for the financial period	1,275	1,212	1,275	1,212
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss, net of tax effects:</i>				
Foreign currency translation difference	104	51	104	51
Total comprehensive income for the financial period	1,379	1,263	1,379	1,263
Profit for the financial period attributable to:				
Owners of the Company	1,275	1,212	1,275	1,212
Non-controlling interests	-	-	-	-
	1,275	1,212	1,275	1,212
Total comprehensive income for the financial period attributable to:				
Owners of the Company	1,379	1,263	1,379	1,263
Non-controlling interests	-	-	-	-
	1,379	1,263	1,379	1,263
Earnings per share attributable to owners of the Company (sen) ⁽²⁾ :				
Basic / Diluted ⁽³⁾	0.22	0.21	0.22	0.21

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on the Company's weighted average number of ordinary shares during the current financial quarter / current financial year to-date.
- (3) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have any convertible securities as at 30 June 2023.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited As at 30.06.2023 RM'000	Audited As at 31.03.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,428	31,516
Right-of-use assets	1,007	930
Intangible assets	42	42
Goodwill	485	485
Investment property	1,887	1,897
Deferred tax assets	41	41
	34,890	34,911
Current assets		
Inventories	17,893	14,032
Trade and other receivables	40,164	52,753
Current tax assets	2,369	3,027
Short term funds	6,262	2,216
Deposits, cash and bank balances	37,603	47,521
	104,291	119,549
TOTAL ASSETS	139,181	154,460
EQUITY AND LIABILITIES		
Equity		
Share capital	36,348	36,348
Retained earnings	41,192	39,917
Foreign exchange translation reserve	208	104
	77,748	76,369
Non-controlling interests	-	-
TOTAL EQUITY	77,748	76,369
Non-current liabilities		
Lease liabilities	589	493
Bank borrowings	7,852	7,969
	8,441	8,462
Current liabilities		
Trade and other payables	43,076	50,389
Bank borrowings	9,375	18,704
Lease liabilities	540	536
Current tax liabilities	1	-
	52,992	69,629
TOTAL LIABILITIES	61,433	78,091
TOTAL EQUITY AND LIABILITIES	139,181	154,460
Net assets per share (RM) ⁽²⁾	0.13	0.13

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.
- (2) Based on the Company's issued share capital as at the end of the financial period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	Attributable to owners of the Company				Non-controlling interests RM'000	Total RM'000
	Non-distributable		Distributable			
	Share capital RM'000	Foreign exchange translation reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 April 2023	36,348	104	39,917	76,369	-	76,369
Profit for the financial period	-	-	1,275	1,275	-	1,275
Other comprehensive income for the financial period	-	104	-	104	-	104
Total comprehensive income	-	104	1,275	1,379	-	1,379
Balance at 30 June 2023	36,348	208	41,192	77,748	-	77,748

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾ (Cont'd)

	Attributable to owners of the Company		Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total RM'000
	Non-distributable	Distributable				
	Share capital RM'000	Foreign exchange translation reserve RM'000				
At 1 April 2022	36,348	65	33,104	69,517	-	69,517
Profit for the financial period	-	-	6,813	6,813	-	6,813
Other comprehensive income for the financial period	-	39	-	39	-	39
Total comprehensive income	-	39	6,813	6,852	-	6,852
Balance at 31 March 2023	36,348	104	39,917	76,369	-	76,369

Note:

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾**

	Cumulative Quarter	
	Current Year To-Date 3 Months 30.06.2023 RM'000	Preceding Year To-Date 3 Months 30.06.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	2,121	1,358
Adjustments for:		
Non-cash items	(727)	252
Non-operating items	(39)	(38)
Interest expenses	293	315
Interest income	(184)	(15)
Investment income	(47)	(90)
Operating profit before working capital changes	1,417	1,782
Changes in working capital:		
Inventories	(3,861)	(3,474)
Trade and other receivables	13,977	963
Trade and other payables	(7,534)	8,515
Cash generated from operations	3,999	7,786
Tax paid	(186)	(72)
Net cash generated from operating activities	3,813	7,714
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	184	15
Investment income received	47	90
Purchases of property, plant and equipment	(328)	(771)
Purchase of intangible assets	-	(102)
Proceeds from disposal of property, plant and equipment	63	38
Net cash used in investing activities	(34)	(730)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(281)	(296)
Payment for lease liabilities	(174)	(205)
Net repayments of bank borrowings	(9,446)	(4,694)
Net cash used in financing activities	(9,901)	(5,195)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,122)	1,789
Cash and cash equivalents at beginning of the financial period	32,953	38,057
Net exchange differences	250	319
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	27,081	40,165

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾ (Cont'd)

	Cumulative Quarter	
	Current Year To-Date 3 Months 30.06.2023 RM'000	Preceding Year To-Date 3 Months 30.06.2022 RM'000
Cash and cash equivalents comprise:		
Short term funds	6,262	24,311
Deposits with licensed banks	17,284	2,851
Cash and bank balances	20,319	15,003
	<hr/>	<hr/>
	43,865	42,165
Less:		
Deposits pledged to licensed banks	(16,784)	(2,000)
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	27,081	40,165
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Note:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.

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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of Preparation

The interim financial statements of Powerwell Holdings Berhad (“**Powerwell**” or “**the Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“**MFRS**”) 134 - Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2023 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 March 2023.

Application of New MFRSs, IC Interpretations and Amendments to MFRSs

During the financial year, the Group and the Company have applied the following new MFRSs, IC Interpretations and amendments to MFRSs issued by the Malaysian Accounting Standards Board (“**MASB**”) which are effective for the accounting period beginning on or after 1 April 2023:

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 Insurance Contracts)

Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)

Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)

Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)

The adoption of the IC Interpretation and amendments to MFRSs that are effective for the current financial year do not have any significant impact on the Group's financial statements.

New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Pre-Adopted

The Group and the Company have not pre-adopted the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective:

Effective for annual periods beginning on or after 1 January 2024

Lease liability in a sale and leaseback (Amendments to MFRS 16 Leases)

Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 Presentation of Financial Statements)

Non-current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)

Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)

Effective for annual periods beginning on or after a date that is detailed in paragraph 98M of MFRS 112

International Tax Reform—Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes)

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A2 Significant Accounting Policies (Cont'd)

New MFRSs and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Pre-Adopted (Cont'd)

Effective for annual periods beginning on or after a date to be determined by the MASB Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between Investor and its Associate or Joint Venture

A3 Auditors' Report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 March 2023.

A4 Seasonal and Cyclical Factors

The demand for the Group's products is dependent on developments in the construction, infrastructure and transportation sectors in Malaysia and in other overseas countries as the Group supplies its products for new developments and refurbishment of properties and infrastructures. The sectors mentioned above typically move in tandem with the economy, where strong economic growth coupled with fiscal stimulus by the Government tends to spur growth in the sectors and vice versa.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Save as disclosed in this interim financial report, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current financial year-to-date.

A6 Material Changes in Estimates

There were no material changes in estimates that have a material effect, during the current financial quarter and current financial year-to-date.

A7 Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the current financial quarter and current financial year-to-date under review.

A8 Dividends Paid

No dividend has been paid during the current financial quarter.

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PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**A9 Segmental Reporting**

The Group is principally involved in the design, manufacturing and trading of electricity distribution products which comprise low voltage (“LV”) switchboards, medium voltage (“MV”) switchgears and related products. The Group’s revenue is mainly confined to this single operating segment. As such, the revenue of the Group for the current financial quarter and current financial year-to-date is derived entirely from this operating segment.

In determining geographical segments of the Group, segment revenue is based on the geographical location of customers. Revenue breakdown by geographical location of the Group’s customers is set out as follows:

Revenue by geographical location	Individual Quarter				Cumulative Quarter			
	Current Year		Preceding Year		Current Year		Preceding Year	
	Quarter		Quarter		To-Date		To-Date	
	3 Months		3 Months		3 Months		3 Months	
	30.06.2023		30.06.2022		30.06.2023		30.06.2022	
	RM’000	%	RM’000	%	RM’000	%	RM’000	%
Malaysia ⁽¹⁾	21,913	88.2	17,173	72.1	21,913	88.2	17,173	72.1
Bangladesh ⁽²⁾	-	-	3,809	16.0	-	-	3,809	16.0
Indonesia ⁽³⁾	2,925	11.8	2,227	9.4	2,925	11.8	2,227	9.4
Pakistan	-	-	602	2.5	-	-	602	2.5
Total	24,838	100.0	23,811	100.0	24,838	100.0	23,811	100.0

Notes:

- (1) The Group’s operations in Malaysia recorded higher revenue in the current quarter as compared to the preceding year’s quarter mainly due to higher sales generated from project deliveries, namely Osram project to a multi-national corporation’s semiconductor plant in Kulim Hi-Tech Park, Kedah, Malaysia.
- (2) The Group did not record revenue in Bangladesh in the current quarter. The revenue recorded in the preceding year’s quarter was due to project deliveries for Nice Spinning and Paramount Textile.
- (3) The Group’s operations in Indonesia recorded higher revenue in the current quarter as compared to the preceding year’s quarter mainly as a result of deliveries of LV project.

A10 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the current financial quarter and current financial year-to-date.

A11 Material Events Subsequent to the End of the Reporting Period

There were no material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

A12 Changes in the Composition of the Group

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

A13 Contingent Assets and Contingent Liabilities

There are no contingent assets and contingent liabilities which, upon becoming enforceable, may have a material impact on the Group’s business, financial performance or financial position, as at the date of this interim financial report.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

A14 Capital Commitments

The Group's planned capital commitments are disclosed in Section 3.4.1 of the prospectus of the Company dated 2 January 2020 in relation to the Company's initial public offering ("**IPO**") ("**Prospectus**"). The Group expects to meet its planned capital commitments through the IPO proceeds as well as internally generated funds.

The Company had proposed to vary the utilisation of IPO proceeds ("**Second Variation**") and extended the timeframe for utilisation of such proceeds ("**Third Extension**"), as detailed in the Company's circular to shareholders ("**Circular**") dated 11 August 2022. The Second Variation was approved by the shareholders at the Company's extraordinary general meeting ("**EGM**") held on 26 August 2022.

Save as disclosed above, there were no material capital commitments in respect of property, plant and equipment as at the end of the current financial quarter.

A15 Significant Related Party Transactions

There were no significant related party transactions during the current financial quarter and current financial year-to-date.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B1 Review of Financial Performance**

While the Group secures the project upfront, the Group's revenue is recognised upon the delivery to and acceptance of the products by its customers. Therefore, the issuance of the purchase order from customers and the timing of delivery and acceptance of the products for the projects will affect the Group's revenue.

Comparison with Preceding Year Corresponding Financial Quarter

	Individual Quarter		Cumulative Quarter	
	3-month ended		3-month ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	24,838	23,811	24,838	23,811
Profit before taxation	2,121	1,358	2,121	1,358

In the current financial quarter under review, the Group recorded a revenue of RM24.84 million and profit before taxation of RM2.12 million, as compared to a revenue and profit before taxation of RM23.81 million and RM1.36 million respectively in the corresponding financial quarter of the preceding year.

Revenue for the current financial quarter increased by 4.3% to RM24.84 million as compared with RM23.81 million in the preceding year's quarter mainly due to higher sales generated from project deliveries undertaken by the Group during the current financial quarter as compared to the preceding year's quarter, namely in Malaysia (contributing 88.2% of total revenue) and Indonesia (contributing 11.8% of total revenue). The higher project sales in Malaysia in the current financial quarter was mainly due to project deliveries for Osram project to a multi-national corporation's semiconductor plant in Kulim Hi-Tech Park, Kedah, Malaysia.

The Group recorded a gross profit margin of 19.9% in the current financial quarter (corresponding financial quarter of the preceding year: 17.9%).

In the current financial quarter, the Group has undertaken a total of 101 project deliveries, with higher value on LV switchboards and MV switchgears as compared to 100 project deliveries in the corresponding financial quarter of the preceding year.

The Group recorded a higher profit before taxation in the current financial quarter as compared to the corresponding financial quarter of the preceding year mainly due to higher revenue as explained above, higher profit margin and net reversal of impairment losses on financial assets. However, this was partly offset by higher staff costs and higher expenses related to selling and marketing activities.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B2 Comparison with Immediate Preceding Quarter**

	Individual Quarter		Changes RM'000
	3-month ended		
	30.06.2023 RM'000	31.03.2023 RM'000	
Revenue	24,838	57,661	(32,823)
Profit before taxation	2,121	3,524	(1,403)

The Group's revenue for the current financial quarter decreased by 56.9% to RM24.84 million as compared to RM57.66 million recorded in the immediate preceding quarter. The decrease in revenue was mainly due to higher value of project deliveries on LV switchboards and MV switchgears for Osram project in the immediate preceding quarter.

The Group recorded lower profit before taxation of RM2.12 million in the current financial quarter as compared to profit before taxation of RM3.52 million in the immediate preceding quarter mainly due to lower revenue from project deliveries, higher staff costs and higher expenses related to selling and marketing activities. This decrease was partially mitigated by a net reversal of impairment losses on financial assets.

B3 Commentary on Prospects

The ongoing geopolitical situation between Russia-Ukraine, along with trade war tension between US and China, is expected to persist, continuing to pose challenges and causing disruptions to the global supply chain and production process. These factors are likely to result in additional cost pressures and market uncertainties. Additionally, the Group foresees higher inflationary pressures and increased interest rates, which will subsequently raise input production costs and operating expenses. As a result, these factors are expected to impact the Group's operations in the current financial year ending 31 March 2024.

The Group will continue its expansion of products and solutions in overseas market, particularly in Indonesia and Bangladesh. The Group has already established an assembly plant in Indonesia through its subsidiary, PT Powerwell Listrik Indonesia, for future business growth within the Indonesian market. The Group's strategic focus for future growth will center around data centers, semi-conductor factories, renewal energy, hospitals and utility projects (such as sewerage treatment and bio-diesel plants). Additionally, the Group will continue to seek and pursue opportunities for acquisitions and collaborations to further grow revenue and profitability.

Furthermore, the Group will continue to enhance efficiency by optimising costs which include, among others, review of production and supply chain processes to mitigate the impact of higher raw material prices on its business profitability and to deliver higher operational efficiency.

Overall, the Group anticipates a challenging business environment due to the recessionary pressures from major economies, escalating input costs, the depreciation of the Malaysian Ringgit and rising inflation. In this regard, the Group will maintain a cautiously optimistic outlook of its prospects for the current financial year ending 31 March 2024.

B4 Profit Forecast

Not applicable as no profit forecast was issued.

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B5 Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 30.06.2023 RM'000	Preceding Year Quarter 3 Months 30.06.2022 RM'000	Current Year To-Date 3 Months 30.06.2023 RM'000	Preceding Year To-Date 3 Months 30.06.2022 RM'000
Income tax	846	146	846	146
Deferred tax	-	-	-	-
Tax expense	846	146	846	146
Effective tax rate	⁽¹⁾ 39.9%	⁽²⁾ 10.8%	⁽¹⁾ 39.9%	⁽³⁾ 10.8%

Notes:

- (1) The effective tax rate is higher than the statutory tax rate mainly due to non-deductible expenses.
- (2) The effective tax rate was lower than the statutory tax rate mainly due to the unabsorbed tax losses recorded by certain subsidiaries which are available for offset against current year's taxable profit.

B6 Status of Corporate Proposals

There are no corporate proposals announced by the Company but not completed as at the date of this interim financial report.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B7 Utilisation of Proceeds Raised from Powerwell’s IPO**

As at 29 August 2023 the status of utilisation of the IPO proceeds amounting to RM21.85 million is as follows:

Details of utilisation	Intended utilisation of proceeds after the Second Variation ⁽¹⁾	Amount utilised as at 29 August 2023	Balance to be utilised	Revised timeframe for utilisation from the Listing Date after the Third Extension ⁽²⁾
	RM'000	RM'000	RM'000	
Capital expenditure	6,954	(6,198)	756	Within 48 months
- Purchase of machinery and equipment	5,444	(5,444)	-	
- Enhancement of ERP systems and hardware	1,510	(754)	756	
Working Capital	10,796	(10,796)	-	Within 48 months
- Purchase of materials and components	9,501	(9,501)	-	
- Marketing activities	1,295	(1,295)	-	
Listing expenses	4,100	(4,100)	-	
Total gross proceeds	21,850	(21,094)	756	

Notes:

- (1) Revised as per the Company’s Circular dated 11 August 2022 and approved by the shareholders at the Company’s EGM held on 26 August 2022.
- (2) Revised as per the Company’s announcement to Bursa Securities dated 4 August 2022.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus.

PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B8 Borrowings**

The details of the Group's borrowings are as follows:

	Currency	As at 30.06.2023 RM'000	As at 31.03.2023 RM'000
<u>Secured</u>			
Non-current liabilities			
Lease liabilities	Ringgit Malaysia	390	441
Term loan	Ringgit Malaysia	7,852	7,969
		<u>8,242</u>	<u>8,410</u>
Current liabilities			
Lease liabilities	Ringgit Malaysia	344	390
Trade financing	Ringgit Malaysia	8,894	18,219
Term loan	Ringgit Malaysia	481	485
		<u>9,719</u>	<u>19,094</u>
<u>Unsecured</u>			
Non-current liabilities			
Lease liabilities	Ringgit Malaysia	199	52
		<u>199</u>	<u>52</u>
Current liabilities			
Lease liabilities	Ringgit Malaysia	196	146
		<u>196</u>	<u>146</u>
Total borrowings		<u>18,356</u>	<u>27,702</u>

B9 Material Litigation

There are no material litigations pending as at the date of this interim financial report.

B10 Proposed Dividend

On 29 August 2023, the Board of Directors of the Company declared and approved the payment of a first single tier dividend of 0.6 sen per ordinary share in respect of the financial year ending 31 March 2024. The dividend will be paid on 9 October 2023 to shareholders registered in the Record of Depositors as at 14 September 2023.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B11 Earnings per Share**

The basic and diluted earnings per share for the current financial quarter and current financial year-to-date are computed as follows:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Year</u> <u>Quarter</u> <u>3 Months</u> <u>30.06.2023</u>	<u>Preceding Year</u> <u>Quarter</u> <u>3 Months</u> <u>30.06.2022</u>	<u>Current Year</u> <u>To-Date</u> <u>3 Months</u> <u>30.06.2023</u>	<u>Preceding Year</u> <u>To-Date</u> <u>3 Months</u> <u>30.06.2022</u>
Profit for the financial period attributable to owners of the Company (RM'000)	1,275	1,212	1,275	1,212
Weighted average number of ordinary shares in issue ('000)	580,552	580,552	580,552	580,552
Basic earnings per share (sen) ⁽¹⁾	0.22	0.21	0.22	0.21
Diluted earnings per share (sen) ⁽²⁾	0.22	0.21	0.22	0.21

Notes:

- (1) The basic earnings per share is computed based on the profit/(loss) for the financial period attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the financial quarter / financial year to-date.
- (2) Diluted earnings per share is equivalent to the basic earnings/(loss) per share as the Company does not have any convertible securities.

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PART B – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**B12 Notes to the Statement of Profit or Loss and Other Comprehensive Income**

Profit/(Loss) before taxation was arrived at after charging / (crediting) the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 3 Months 30.06.2023 RM'000	Preceding Year Quarter 3 Months 30.06.2022 RM'000	Current Year To-Date 3 Months 30.06.2023 RM'000	Preceding Year To-Date 3 Months 30.06.2022 RM'000
Interest expenses	293	315	293	315
Depreciation of property, plant and equipment	394	254	394	254
Depreciation of investment properties	10	-	10	-
Depreciation of right-of-use assets	187	304	187	304
Impairment loss on trade and other receivables	421	100	421	100
Foreign exchange gain – unrealised (net)	(57)	(37)	(57)	(37)
Property, plant and equipment written off	9	-	9	-
Reversal of impairment losses on trade and other receivables	(1,683)	(370)	(1,683)	(370)
Foreign exchange gain – realised (net)	(36)	(49)	(36)	(49)
Interest income	(184)	(15)	(184)	(15)
Investment income	(47)	(90)	(47)	(90)
Gain on reassessment and modification of right-of-use assets	(1)	-	(1)	-
Gain on disposal of property, plant and equipment	(46)	(38)	(46)	(38)

Save as disclosed in this Note B12, the other disclosure items as required under paragraph 16 of Appendix 9B of the Listing Requirements are not applicable.

B13 Derivative Financial Instruments

The Group has not entered into any derivatives as at the date of this interim financial report.