

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)
Incorporated in Malaysia

Interim Financial Report
30 September 2023

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Third Quarter and 9-Months Period Ended 30 September 2023

	3rd Quarter Ended		9-Months Period Ended		
	30.9.2023	30.9.2022	30.9.2023	30.9.2022	
	RM'000	RM'000	RM'000	RM'000	
Revenue	320,380	371,529	993,386	975,778	
Cost of sales	(165,508)	(222,330)	(580,287)	(565,303)	
Gross profit	154,872	149,199	413,099	410,475	
Other income	14,887	16,951	55,507	37,927	
Other operating expenses	(12,964)	(11,735)	(50,553)	(38,014)	
Administrative and distribution expenses	(10,973)	(12,048)	(41,990)	(39,548)	
Profit from operations	145,822	142,367	376,063	370,840	
Finance costs	(10,331)	(8,248)	(28,343)	(19,463)	
Share of results in equity accounted investments, net of tax	(3,959)	12,289	(9,705)	21,739	
Profit before tax	131,532	146,408	338,015	373,116	
Income tax expense	(4,428)	(4,728)	(24,717)	(13,228)	
Profit after tax for the period	127,104	141,680	313,298	359,888	
Other comprehensive income	7,290	107,079	124,404	147,523	
Total comprehensive income for the period	134,394	248,759	437,702	507,411	
Profit after tax attributable to:					
Owners of the Company	102,531	119,456	261,688	301,634	
Non-controlling interests	24,573	22,224	51,610	58,254	
	127,104	141,680	313,298	359,888	
Total comprehensive income attributable to:					
Owners of the Company	107,375	212,456	363,583	421,514	
Non-controlling interests	27,019	36,303	74,119	85,897	
	134,394	248,759	437,702	507,411	
EPS - Basic (sen)	B11	10.87	12.64	27.71	31.91

The notes set out on pages 7 to 30 form an integral part and should be read in conjunction with this interim financial report.

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Financial Position
As at 30 September 2023

	Unaudited As At 30.9.2023 RM'000	Audited As At 31.12.2022 RM'000
ASSETS		
Non-Current Assets		
Service concession asset	2,005,953	1,940,823
Property, plant and equipment	527,658	481,679
Investment properties	165,203	165,203
Right of use assets	115,255	119,021
Investment in quoted shares	125,841	152,305
Inventories	40,167	43,443
Joint Ventures and Associates	170,569	174,561
Development Expenditures	150,346	74,574
Goodwill on consolidation	54,673	54,673
Other assets	353	353
	3,356,018	3,206,635
Current Assets		
Inventories	134,996	147,882
Receivables and prepayments	464,304	437,252
Short-term investments	17,500	5,000
Bank balances and deposits	642,049	492,254
	1,258,849	1,082,388
TOTAL ASSETS	4,614,867	4,289,023
EQUITY AND LIABILITIES		
Equity Attributable To Owners Of The Company		
Share capital	743,121	743,121
Treasury shares	(45,517)	(37,261)
Reserves	2,334,265	2,044,787
	3,031,869	2,750,647
Non-Controlling Interests	501,775	440,379
Total Equity	3,533,644	3,191,026
Non-Current Liabilities		
Long-term borrowings	347,295	396,749
Deferred tax liabilities	129,941	124,320
Put option liability	87,764	84,702
Lease and hire purchase liabilities	12,197	12,764
Payables	576	540
	577,773	619,075
Current Liabilities		
Payables and accruals	199,559	155,726
Short-term borrowings	300,998	316,204
Lease and hire purchase liabilities	2,893	6,992
	503,450	478,922
Total Liabilities	1,081,223	1,097,997
TOTAL EQUITY AND LIABILITIES	4,614,867	4,289,023
Net Assets Per Ordinary Share (RM)	3.22	2.91

The notes set out on pages 7 to 30 form an integral part and should be read in conjunction with this interim financial report.

Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Changes in Equity
For the 9-month period ended 30 September 2022

	← Non-Distributable				→ Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve/ (Deficit) RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2022	743,121	(36,869)	847	140,324	27,394	(88,556)	1,606,843	2,393,104	346,472	2,739,576
Total comprehensive income for the period	-	-	177,958	(58,078)	-	-	301,634	421,514	85,897	507,411
Total transactions with owners										
- Dividends to shareholders of the Company	-	-	-	-	-	-	(67,117)	(67,117)	-	(67,117)
- Purchase of treasury shares	-	(392)	-	-	-	-	-	(392)	-	(392)
Subscription of shares in subsidiary by non-controlling interests	-	(392)	-	-	-	-	(67,117)	(67,509)	-	(67,509)
	-	-	-	-	-	-	-	-	2,000	2,000
Balance at 30.9.2022	743,121	(37,261)	178,805	82,246	27,394	(88,556)	1,841,360	2,747,109	434,369	3,181,478

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Mega First Corporation Berhad
Registration No. 196601000210 (6682-V)

Unaudited Condensed Consolidated Statement of Changes in Equity (Cont'd)
For the 9-month period ended 30 September 2023

	← Non-Distributable				→ Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve/ (Deficit) RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2023	743,121	(37,261)	77,088	92,331	27,394	(88,556)	1,936,530	2,750,647	440,379	3,191,026
Total comprehensive income for the period	-	-	128,359	(26,464)	-	-	261,688	363,583	74,119	437,702
Total transactions with owners:										
- Dividends to shareholders of the Company	-	-	-	-	-	-	(74,105)	(74,105)	-	(74,105)
- Distribution by a subsidiary	-	-	-	-	-	-	-	-	(7,576)	(7,576)
- Purchase of treasury shares	-	(8,256)	-	-	-	-	-	(8,256)	-	(8,256)
	-	(8,256)	-	-	-	-	(74,105)	(82,361)	(7,576)	(89,937)
Disposal of subsidiary	-	-	-	-	-	-	-	-	(5,147)	(5,147)
Balance at 30.9.2023	743,121	(45,517)	205,447	65,867	27,394	(88,556)	2,124,113	3,031,869	501,775	3,533,644

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Mega First Corporation Berhad
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Unaudited Condensed Consolidated Statement of Cash Flows
For the 9-month period ended 30 September 2023

	9-Month Period Ended	
	30.9.2023	30.9.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	338,015	373,116
Adjustments for non-cash flow - Non-cash items	129,002	79,051
- Non-operating items	(6,909)	4,243
Operating profit before working capital changes	460,108	456,410
Changes in working capital - Net change in assets	(30,718)	(30,266)
- Net change in liabilities	11,408	35,997
Cash from operations	440,798	462,141
Income tax paid	(9,755)	(5,193)
Net cash from operating activities	431,043	456,948
Cash flows for investing activities		
Cash outflow for Don Sahong Hydropower Project	(68,474)	(52,100)
Dividends received	1,040	1,005
Interest received	16,913	2,659
Investment in joint ventures and associates	(5,713)	(11,469)
Payments for purchase of:		
- property, plant and equipment	(67,456)	(59,340)
- right of use assets	(626)	(25,853)
- other intangible assets	-	(2,083)
- quoted shares	-	(26)
- short-term investment	(12,500)	-
Proceeds from disposal of:		
- property, plant and equipment	77	146
Net cash outflow from disposal of a subsidiary	(646)	-
Net cash for investing activities	(137,385)	(147,061)

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Mega First Corporation Berhad
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Unaudited Condensed Consolidated Statement of Cash Flows (Cont'd)
For the 9-month period ended 30 September 2023

	9-Month Period Ended	
	30.9.2023	30.9.2022
	RM'000	RM'000
Cash flows for financing activities		
Dividends paid to:		
- shareholders of the Company	(36,395)	(33,085)
- subsidiary's non-controlling interests	(7,576)	-
Finance costs paid	(28,343)	(19,463)
Net repayment of:		
- Revolving credits, trade financing and loans	(11,039)	11,323
- Lease and hire purchase liabilities	(4,906)	(3,739)
- Term loans	(77,781)	(59,809)
Proceeds from issuance of shares by subsidiaries to non-controlling interests	-	2,000
Purchase of treasury shares	(8,256)	(392)
(Placement)/Withdrawal of deposits pledged with licensed banks or with original maturity period of more than 3 months	(7,276)	472
Net cash for financing activities	(181,572)	(102,693)
Effect of foreign exchange translation	30,433	38,452
Net increase in cash and cash equivalents	142,519	245,646
Cash and cash equivalents at beginning of the period	482,773	251,937
Cash and cash equivalents at end of the period	625,292	497,583

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

Bank balances and deposits	642,049	501,893
Less:		
- Deposits placed with licensed banks with original maturity period of more than 3 months	(13,894)	(2,069)
- Deposits pledged with licensed banks	(2,863)	(2,241)
	625,292	497,583

The notes set out on pages 7 to 30 form an integral part and should be read in conjunction with this interim financial report.

Notes to the interim financial report

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Issuers Communication No. 1/2017 - Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Malaysia.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

- (a) The accounting policies and methods of computation adopted by the Group in preparing this interim financial report are consistent with those in the financial statements for the financial year ended 31 December 2022, except for the following new accounting standards and interpretations (including the consequential amendments) which were adopted at the beginning of the financial year ending 31 December 2023. These pronouncements are either not relevant or do not have any material impact on the Group’s financial statements for the current financial year.

MFRSs and/or IC Interpretations (including the Consequential Amendments)

MFRS 17 Insurance Contracts

Amendments to MFRS 17 - Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

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A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation (Cont'd)

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the financial year ending 31 December 2023:

MFRSs and/or IC Interpretations (including the Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The above pronouncements are either not relevant or not expected to have any material impact to the Group's financial statements.

A2. Qualification of financial statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

A3. Seasonal or cyclical factors

The Group's principal business operations were not significantly affected by seasonal or cyclical factors other than its Renewable Energy Division where hydropower generation is subject to seasonal fluctuation of the water level. Normally, the water level will peak between June and November during the wet season. More detailed commentary is set out in Notes B3 and B4 to these financial statements.

A4. Unusual item

There was no item affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size or incidence in these financial statements other than as disclosed in Note A10.

A5. Nature and amount of changes in estimates

There was no change in estimates of amounts reported in prior periods that have a material effect in the period under review.

A6. Debt and equity securities

	Number of Ordinary Shares		← Amount →	
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Treasury Shares RM'000
At 1 January 2023	988,352	(43,046)	743,121	(37,261)
Shares repurchased in current period	-	(2,547)	-	(8,256)
At 30 September 2023	<u>988,352</u>	<u>(45,593)</u>	<u>743,121</u>	<u>(45,517)</u>

Of the total 988,352,102 issued ordinary shares as at 30 September 2023, 45,592,600 ordinary shares were held as treasury shares by the Company. Accordingly, the number of outstanding ordinary shares in issue as at 30 September 2023 was 942,759,502.

Other than as disclosed above, there was no issuance and repayment of debt and equity securities, share cancellations and resale of treasury shares in these financial statements.

A7. Segment information

9-Month Period Ended	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
30 September 2023						
Revenue						
External revenue	437,555	156,483	301,980	97,368	-	993,386
Inter-segment revenue	-	-	-	1,694	(1,694)	-
Consolidated revenue	<u>437,555</u>	<u>156,483</u>	<u>301,980</u>	<u>99,062</u>	<u>(1,694)</u>	<u>993,386</u>
Results						
Profit from operations	<u>336,038</u>	<u>17,663</u>	<u>31,060</u>	<u>(5,546)</u>	<u>(3,152)</u>	<u>376,063</u>
Finance costs						(28,343)
Share of loss in equity accounted investments						(9,705)
Profit before tax						<u>338,015</u>
Income tax expense						(24,717)
Profit after tax						<u>313,298</u>
Total assets						
At 30 September 2023	<u>3,036,711</u>	<u>352,249</u>	<u>512,003</u>	<u>918,137</u>	<u>(204,233)</u>	<u>4,614,867</u>

A7. Segment information (Cont'd)

9-Month Period Ended 30 September 2022	Renewable Energy RM'000	Resources RM'000	Packaging RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External revenue	435,328	156,226	300,095	84,129	-	975,778
Inter-segment revenue	-	-	-	1,352	(1,352)	-
Consolidated revenue	435,328	156,226	300,095	85,481	(1,352)	975,778
Results						
Profit from operations	317,987	14,393	31,186	9,853	(2,579)	370,840
Finance costs						(19,463)
Share of profit in equity accounted investments						21,739
Profit before tax						373,116
Income tax expense						(13,228)
Profit after tax						359,888
Total assets						
At 31 December 2022	2,700,607	337,685	496,788	922,690	(168,747)	4,289,023

A8. Dividend paid

Details of dividend declared and paid during the current quarter and 9-month period ended 30 September 2023 are disclosed in B9 to these financial statements.

A9. Valuation of property, plant and equipment

There was no revaluation of property, plant and equipment during the period reported up to 22 November 2023, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

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A10. Significant event during the reporting period

Tax dispute between 65%-owned subsidiary, Idaman Harmoni Sdn. Bhd. (“IHSB”) and the Inland Revenue Board of Malaysia (“IRBM”) in relation to notices of additional tax assessment and penalties amounting to RM22,795,912 (before late payment penalty) served by IRBM to IHSB on 5 October 2016 for Year of Assessment (“YA”) 2009 and 2010.

On 2 March 2023, the Court of Appeal (the apex court for this case) allowed the IRBM’s appeal against the High Court’s decision. This effectively reinstates the decision of the Special Commissioners of Income tax (“SCIT”) made on 1 September 2021 which affirmed the assessments. Consequently, a one-off provision of RM11.4 million income tax and RM14.9 million penalties were made in the first quarter of 2023.

Other than as disclosed above, there was no other significant event during the reporting period.

A11. Significant event subsequent to the end of the reporting period

There was no significant event subsequent to the end of the period reported up to 22 November 2023, the latest practical date which is not earlier than seven days from the date of issue of these financial statements other than described below:-

Proposed Acquisition

Mega Ventures Limited (“MVL”), a 56.25% subsidiary of the Group has on 20 November 2023 entered into a share transfer agreement (“STA”) with EDL-Generation Public Company (“EDL-Gen”) to acquire 3,380,000 ordinary shares held by EDL-Gen in the Group’s 80%-owned indirect subsidiary, Don Sahong Power Company Limited (“DSPC”), representing 20% equity interest in DSPC, for a total consideration of USD85.0 million (“Proposed Acquisition”).

Upon completion of the Proposed Acquisition, the Company’s effective interest in DSPC will increase from 80.0% to 91.25%.

The Proposed Acquisition is expected to complete by 31 December 2023.

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A12. Changes in composition of the Group

Change in the composition of the Group during the current quarter and 9-month period ended 30 September 2023 is disclosed as follows:

1. On 20 March 2023, the Company incorporated an indirect 99%-owned subsidiary, namely Mega First Solar (Maldives) Consortium Pvt Ltd (“MFSMC”) with an authorised capital of Maldivian Rufiyaa 100,000. The principal activity of MFSMC is to install solar photovoltaic system under design, build, finance, own, operate and transfer (“DBFOOT”) basis;
2. On 30 May 2023, Mega First Power Industries Sdn Bhd (“MFPI”), a wholly-owned subsidiary of the Company has disposed of its 51% equity interest in its subsidiary, Serudong Power Sdn Bhd (“SPSB”) with net assets of approximately RM300,000, together with 49% minority shareholders for an aggregate cash consideration of RM2,300,000. Thereafter, SPSB has ceased to be a subsidiary of the Company;
3. On 22 August 2023, the Company incorporated a 100%-owned subsidiary, namely Lifestyle Wellness Sdn Bhd (“LW”) with an issued and paid-up capital of RM100. The principal activity of LW is that of investment holding; and
4. On 7 September 2023, the Company incorporated an indirect wholly-owned subsidiary, namely MF Solar Tronoh Sdn Bhd (“MFST”) with an issued and paid-up capital of RM10,000. The principal activity of MFST is to design, build, finance, own, operate and maintain (“DBFOOM”) solar photovoltaic power plant.

A13. Changes in contingent liabilities and assets

(a) Contingent liability

The Group has no contingent liability as at 22 November 2023, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

(b) Contingent asset

The Group has no contingent asset as at 22 November 2023, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

A14. Capital commitments

As at 30 September 2023, the Group has the following capital commitments:

	RM'000
Property, plant and equipment	
Approved and contracted for	336,276

A15. Significant related party transactions

There was no significant related party transaction during the current quarter and 9-month period ended 30 September 2023 other than the following transactions made by the Company:

	3rd Quarter Ended 30 September		9-Month Period Ended 30 September	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>A Major Shareholder of the Company</u>				
Term loan repaid	32,395	26,905	94,823	78,178
Interest expense	6,692	5,279	17,529	11,504
			30.9.2023 RM'000	31.12.2022 RM'000
Corporate guarantees given to lenders and supplier of joint ventures and associates			246,470	312,437

A16. Derivative financial instruments

	30.9.2023 RM'000	31.12.2022 RM'000
<u>Derivative liability</u>		
Put option liability over shares of a subsidiary held by non-controlling interest	87,764	84,702

The Company entered into a Put Option Agreement with the minority shareholders of Stenta Group whereby the minority shareholders have the right to require the Company to buy their equity interest in the subsidiary in accordance to the terms of the Put Option Agreement.

The obligation by the Company to purchase Stenta Group 's equity interest held by the minority shareholders is initially recognised as put option liability with a corresponding charge direct to equity (classified as "Other Reserve"). Subsequent to the initial recognition, the put option will be remeasured at fair value and any changes in fair value is recognised in profit or loss.

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B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review - Current quarter ended 30 September 2023 (“3Q2023”) versus (“vs”) the corresponding quarter ended 30 September 2022 (“3Q2022”)

	3Q2023 RM'000	3Q2022 RM'000	Changes	
			RM'000	%
Revenue	320,380	371,529	(51,149)	-13.8%
Other income, net	1,923	5,216	(3,293)	-63.1%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	172,131	172,754	(623)	-0.4%
Operating profit	145,822	142,367	3,455	2.4%
Profit before tax	131,532	146,408	(14,876)	-10.2%
Profit after tax	127,104	141,680	(14,576)	-10.3%
Profit after tax attributable to owners of the Company	102,531	119,456	(16,925)	-14.2%
Revenue				
Renewable Energy	164,229	158,444	5,785	3.7%
Resources	48,310	60,990	(12,680)	-20.8%
Packaging	98,084	104,574	(6,490)	-6.2%
Sub-total	310,623	324,008	(13,385)	-4.1%
Investment Holding & Others	9,757	47,521	(37,764)	-79.5%
Total revenue	320,380	371,529	(51,149)	-13.8%
Profit before tax				
Renewable Energy	122,796	114,339	8,457	7.4%
Resources	5,508	4,886	622	12.7%
Packaging	10,110	8,770	1,340	15.3%
Sub-total	138,414	127,995	10,419	8.1%
Investment Holding & Others	(6,882)	18,413	(25,295)	N.M.
Total profit before tax	131,532	146,408	(14,876)	-10.2%
Additional Information:				
Share of (loss)/profit in equity accounted investments	(3,959)	12,289	(16,248)	N.M.
Gain on foreign exchange	863	8,849	(7,986)	-90.2%

Group revenue in the current quarter declined 13.8% year-on-year to RM320.4 million. The decline in revenue was mainly due to deconsolidation of Serudong Power Sdn Bhd (“SPSB”) and lower sales contribution from the Resources Division and the Packaging Division, partly offset by a 3.7% increase in Renewable Energy Division’s sales. The Group on 30 May 2023 disposed of its 51%-owned subsidiary SPSB, an Independent Power Producer (IPP) that owns and operates a 36MW diesel-fuelled power plant located at Tawau, Sabah, to focus on renewable energy.

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B1. Performance review - 3Q2023 vs 3Q2022 (Cont'd)

Despite lower revenue, profit before tax (“PBT”), excluding share of results of equity accounted investments, rose marginally by 1.0% from RM134.1 million to RM135.5 million. All core divisions posted healthy pre-tax profit growth. Specifically, PBT of the Renewable Division rose 7.4% to RM122.8 million, while that of the Resources Division and the Packaging Division expanded 12.7% to RM5.5 million and 15.3% to RM10.1 million, respectively.

In the current quarter, the Group reported a RM4.0 million loss from joint ventures and associates (“JVs and Assoc”). The loss arose primarily from the RM4.5 million share of loss from Edenor. The RM12.3 million share of profit in JVs and Assoc in the same quarter last year was inclusive of a RM16.9 million one-off bargain gain adjustment (3Q2023: nil) from the Group’s investment in Edenor. Excluding the bargain gain, the share of loss from JVs and Assoc was narrowed, from RM4.6 million a year ago (Edenor: RM4.9 million loss in 3Q2022) to RM4.0 million in the current quarter.

The oleochemical industry continued to face intense price competition amidst a weak consumer market. In addition, Edenor experienced some capacity loss during the quarter as it fine-tuned the operations of the recently upgraded plants and new facility.

Renewable Energy Division

Revenue grew 3.7% to RM164.2 million, bolstered by a 3.2% appreciation of the US Dollar against Ringgit Malaysia, a 1% hydro tariff adjustment and a 16.5% increase in solar energy sales to RM2.2 million, partly offset by a marginal decline of 0.6% in hydro energy sales volume.

The Don Sahong hydropower plant registered an average Equivalent Availability Factor (“EAF”) of 97.6% in the current quarter, a tad lower than 98.2% in the same quarter last year. During the quarter, another 6.1 MW new C&I solar was added, bringing the total energised capacity to 26.7 MW.

Pre-tax profit advanced 7.4% to RM122.8 million (3Q2022: RM114.3 million), mainly on higher revenue and lower net interest expense.

B1. Performance review - 3Q2023 vs 3Q2022 (Cont'd)

Resources Division

Revenue contracted 20.8% from RM61.0 million to RM48.3 million. Sales of lime products declined 22.2% to RM43.7 million (3Q2022: RM56.2 million), due mainly to lower export sales volume. During the quarter, export volume of lime products was adversely affected by slower mining activities, high inventory level and maintenance shut down in one of our key customers. Sales of non-lime products (including calcium carbonate powder, quarry by-products and cement bricks) drop 3.6% to RM4.6 million (3Q2022: RM4.8 million).

Pre-tax profit however rose 12.7% to RM5.5 million (3Q2022: RM4.9 million) on a favourable change in the sales mix and lower operating expenses.

Packaging Division

Revenue declined 6.2% to RM98.1 million (3Q2022: RM104.6 million) due mainly to slower sales demand for both paper bags and flexible plastic packaging films, in line with slower consumer demand.

Pre-tax profit however grew 15.3% to RM10.1 million (3Q2022: RM8.8 million), primarily due to production efficiency improvements and a favourable change in the sales mix.

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B2. Performance review - Year-to-date 30 September 2023 (“9M2023”) versus (“vs”) corresponding Year-to-date 30 September 2022 (“9M2022”) (Cont’d)

	9M2023 RM'000	9M2022 RM'000	Changes	
			RM'000	%
Revenue	993,386	975,778	17,608	1.8%
Other income/(expenses), net	4,954	(87)	5,041	-5794.3%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	455,958	460,859	(4,901)	-1.1%
Operating profit	376,063	370,840	5,223	1.4%
Profit before tax	338,015	373,116	(35,101)	-9.4%
Profit after tax	313,298	359,888	(46,590)	-12.9%
Profit after tax attributable to owners of the Company	261,688	301,634	(39,946)	-13.2%
Revenue				
Renewable Energy	437,555	435,328	2,227	0.5%
Resources	156,483	156,226	257	0.2%
Packaging	301,980	300,095	1,885	0.6%
Sub-total	896,018	891,649	4,369	0.5%
Investment Holding & Others	97,368	84,129	13,239	15.7%
Total revenue	993,386	975,778	17,608	1.8%
Profit before tax				
Renewable Energy	316,893	305,419	11,474	3.8%
Resources	17,079	13,985	3,094	22.1%
Packaging	25,525	26,929	(1,404)	-5.2%
Sub-total	359,497	346,333	13,164	3.8%
Investment Holding & Others	(21,482)	26,783	(48,265)	-180.2%
Total profit before tax	338,015	373,116	(35,101)	-9.4%
Additional Information:				
Share of (loss)/profit in equity accounted investments	(9,705)	21,739	(31,444)	N.M.
Gain on foreign exchange	15,165	18,311	(3,146)	-17.2%
Income tax penalties	(14,929)	-	(14,929)	N.M.

Group revenue rose 1.8% to RM993.4 million (9M2022: RM975.8 million) in the first 9-months of FYE2023. Excluding SPSB results in both periods, Group revenue increased 1.5% from RM909.2 million to RM922.4 million with all core divisions posting marginal improvements.

Excluding the share of earnings contribution from JVs and Assoc, and one-off income tax penalties in the current period (as explained in Note A10), Group PBT grew 3.2% from RM351.4 million to RM362.6 million. The Group's core divisions posted a 3.8% increase in pre-tax profit to RM359.5 million, underpinned by a 3.8% improvement in the Renewable Energy Division to RM316.9 million and a 22.1% increase in the Resources Division to RM17.1 million, partially offset by a 5.2% decline in the Packaging Division to RM25.5 million.

Contribution from JVs and Assoc swung from a RM21.7 million profit to a loss of RM9.7 million. Excluding one-off bargain gain adjustments from both periods, share of JVs and Assoc's operating results swung from a RM4.8 million profit last year to a loss of RM16.2 million, within which, Edenor registered a RM16.8 million share of loss (9M2022: RM3.5 million share of profit in 9M2022)

B2. Performance review – 9M2023 vs 9M2022 (Cont'd)

In the current period, the oleochemical industry faced an unfavourable commodity price trend, compounded by intensifying competition in a slowing consumer market. Additionally, Edenor suffered significant capacity loss during the period as a result of extensive upgrading works of its plant and new facility installation, which are necessary to improve the reliability, efficiency and efficacy of the plant in the longer term.

Renewable Energy Division

Revenue for the first 9 months of 2023 came in marginally higher at RM437.6 million (9M2022: RM435.3 million). A 4.0% appreciation of the US Dollar against Ringgit Malaysia, a 1% hydro tariff adjustment and a 27.5% surge in solar energy sales were largely offset by a 4.5% decline in hydro energy sales volume.

The lower hydro energy generation was due to scheduled turbine maintenance in 1Q2023 (none in 2022) and sub-normal dry season in 2Q2023. Whereas in the comparable period last year, the water level was exceptionally high. Consequently, Don Sahong registered a 4.2%-point decrease in the average EAF from 93.6% in 9M2022 to 89.4% in the current period.

Solar energy revenue rose from RM4.8 million to RM6.2 million on higher installed C&I solar capacity. A total 8.8 MW generation capacity was energised in the last 12 months, bringing the cumulative generation capacity to 26.7 MW as at 30 September 2023 (at 30 September 2022: 17.9 MW).

Pre-tax profit for the division grew 3.8% year-on-year to RM316.9 million (9M2022: RM305.4 million), on higher revenue and lower net interest expense.

Resources Division

Revenue of the Resources Division for the 9-month period ended 30 September 2023 was flat year-on-year at RM156 million.

Pre-tax profit however expanded 22.1% to RM17.1 million in current period (9M2022: RM14.0 million) on export currency gain and a favourable change in the sales mix.

Packaging Division

Despite a challenging operating environment, revenue rose marginally by 0.6% to RM302.0 million (9M2022: RM300.1 million), bolstered by improved sales performance of flexible plastic packing products.

Inflationary cost pressures from energy and labour, coupled with a weaker pricing power from stiffer price competition in a slowing consumer market, have exerted some pressure on margin during the period. Consequently, pre-tax profit of the division decreased 5.2% to RM25.5 million (9M2022: RM26.9 million).

B2. Performance review – 9M2023 vs 9M2022 (Cont'd)

(a) Assets and Liabilities as at 30 September 2023

Changes in key assets and liabilities since 31 December 2022 are explained below:

Asset/Liability Items	As At 30.9.2023 RM'000	As At 31.12.2022 RM'000	Changes RM'000	Explanation
Service concession asset	2,005,953	1,940,823	65,130	The increase was due to translation gain of RM130.9 million, partially offset by RM65.8 million amortisation charge.
Property, plant and equipment ("PPE")	527,658	481,679	45,979	The increase was due to RM67.5 million CAPEX and translation gain of RM5.8 million. CAPEX during the period comprised mainly the following: (a) RM29.2 million by Packaging Division for plant expansion; (b) RM21.5 million for plantation development; and (c) RM13.3 million for solar development. partially offset by RM26.0 million depreciation charge for the period.
Investment properties	165,203	165,203	-	No movement in the current period.
Right-Of-Use ("ROU") assets	115,255	119,021	(3,766)	The decrease was largely due to depreciation charge for the period.
Development expenditures	150,346	74,574	75,772	The increase was attributable to progressive development of Don Sahong 5 th turbine expansion project.
Joint ventures and associates	170,569	174,561	(3,992)	The decrease was due to RM9.7 million share of loss for the period, offset by RM5.7 million new investment.
Investment in quoted shares	125,841	152,305	(26,464)	The decrease was due to fair value loss of quoted securities.

B2. Performance review – 9M2023 vs 9M2022 (Cont'd)

(a) Assets and Liabilities as at 30 September 2023 (Cont'd)

Changes in key assets and liabilities since 31 December 2022 are explained below (Cont'd):

Asset/Liability Items	As At 30.9.2023 RM'000	As At 31.12.2022 RM'000	Changes RM'000	Explanation
Inventories (non-current)	40,167	43,443	(3,276)	The decrease was due to write-off of non-qualifying expenses previously capitalised.
Inventories (current)	134,996	147,882	(12,886)	The decrease was mainly due to lower stock level recorded by the Packaging Division.
Receivables and prepayments	464,304	437,252	27,052	The increase was mainly due to translation gain on USD-denominated trade receivables, increase in deposits and interest income accrual, partly offset by lower receivable from Électricité du Laos ("EDL") and deconsolidation effect of SPSB.
Deferred tax liabilities	129,941	124,320	5,621	The increase was mainly due to translation loss.
Payables and accruals (current)	199,559	155,726	43,833	The increase was mainly due to RM37.7 million dividend accrual and RM26.3 million provision for additional income tax and penalties (as explained in Note A10), partially offset by deconsolidation effect of SPSB.

B2. Performance review – 9M2023 vs 9M2022 (Cont'd)

(a) Group borrowings and debt securities

The Table below sets out the salient information on the Group's bank borrowings:

	Long-term		Short-term		Total	
	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)
As at 30 September 2023						
Secured						
Trade financing and loans	-	-	-	45,321	-	45,321
Term loans	-	112,695	-	19,917	-	132,612
Revolving credit	-	-	-	95,000	-	95,000
		<u>112,695</u>		<u>160,238</u>		<u>272,933</u>
Unsecured Loan						
Term loan (USD) [^]	50,000	234,600	30,000	140,760	80,000	375,360
Total Borrowings		<u>347,295</u>		<u>300,998</u>		<u>648,293</u>
As at 30 September 2022						
Secured						
Trade financing and loans	-	-	-	62,146	-	62,146
Term loans	-	97,565	-	23,934	-	121,499
Revolving credit	-	-	-	95,000	-	95,000
		<u>97,565</u>		<u>181,080</u>		<u>278,645</u>
Unsecured Loan						
Term loan (USD) [*]	80,000	370,720	28,000	129,752	108,000	500,472
Total Borrowings		<u>468,285</u>		<u>310,832</u>		<u>779,117</u>

[^] - translated at exchange rate of 4.6920 as at 30 September 2023

^{*} - translated at exchange rate of 4.6340 as at 30 September 2022

At 30 September 2023, total borrowings (excluding lease and hire purchase liabilities) amounted to RM648.3 million, a decrease of RM64.7 million from RM713.0 million at the end of 2022. The decrease was mainly due to RM88.8 million net loan repayment, partially offset by RM24.1 million translation loss on USD-denominated loan.

Interest rates on the Group's bank borrowings are floating in nature. The Group has no debt securities as at 30 September 2023.

B2. Performance review – 9M2023 vs 9M2022 (Cont'd)

(b) Cash flow analysis for the 9-month period ended 30 September 2023

During the 9-month period ended 30 September 2023, the Group generated RM431.0 million after tax cash from its operating activities and RM18.0 million investment income, of which RM235.4 million was deployed for the followings:

1. RM136.6 million for Capex (as explained under Note B2 - Asset and Liabilities as at 30 September 2023 on PPE, ROU Assets and Development Expenditures);
2. RM18.2 million for strategic investments;
3. RM44.0 million for dividends;
4. RM28.3 million for financing costs paid to lenders;
5. RM8.3 million for shares buy back.

The balance was retained by the Group resulting in a 97.2% improvement in net debt position from RM220.7 million at the beginning of the year to RM6.2 million at 30 September 2023.

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B3. Variation of Current Quarter (“3Q2023”) versus (“vs”) Preceding Quarter (“2Q2023”)

	3Q2023	2Q2023	Changes	
	RM'000	RM'000	RM'000	%
Revenue	320,380	325,653	(5,273)	-1.6%
Other income, net	1,923	9,805	(7,882)	-80.4%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	172,131	158,497	13,634	8.6%
Operating profit	145,822	131,419	14,403	11.0%
Profit before tax	131,532	114,480	17,052	14.9%
Profit after tax	127,104	109,019	18,085	16.6%
Profit after tax attributable to owners of the Company	102,531	88,609	13,922	15.7%
Revenue				
Renewable Energy	164,229	144,859	19,370	13.4%
Resources	48,310	52,362	(4,052)	-7.7%
Packaging	98,084	100,371	(2,287)	-2.3%
Sub-total	310,623	297,592	13,031	4.4%
Investment Holding & Others	9,757	28,061	(18,304)	-65.2%
Total revenue	320,380	325,653	(5,273)	-1.6%
Profit before tax				
Renewable Energy	122,796	105,558	17,238	16.3%
Resources	5,508	5,802	(294)	-5.1%
Packaging	10,110	8,104	2,006	24.8%
Sub-total	138,414	119,464	18,950	15.9%
Investment Holding & Others	(6,882)	(4,984)	(1,898)	38.1%
Total profit before tax	131,532	114,480	17,052	14.9%
Additional Information:				
Share of loss in equity accounted investments	(3,959)	(8,057)	4,098	-50.9%
Gain on foreign exchange	863	8,516	(7,653)	-89.9%

Excluding RM20.4 million revenue of SPSB in the preceding quarter, the Group's recurrent revenue rose 5.0% from RM305.2 million in the preceding quarter to RM320.4 million in the current quarter. The increase was attributable to a 13.4% increase in the Renewable Energy Division to RM164.2 million, partially offset by a 7.7% decrease in the Resources Division to RM48.3 million and a 2.3% decline in the Packaging Division to RM98.1 million.

Group PBT improved 14.9% million from RM114.5 million to RM131.5 million, bolstered by higher earnings from the Renewable Energy Division (+16.3% to RM122.8 million) and the Packaging Division (+24.8% to RM10.1 million) and lower losses from JVs and Assoc, partly offset by lower forex gain.

JVs and Assoc narrowed their share of loss from RM8.1 million in the preceding quarter to RM4.0 million in the current quarter. This was primarily due to lower share of losses in Edenor from RM8.4 million to RM4.5 million on improved plant capacity following major upgrading works and new facility installation.

B3. Variation of 3Q2023 vs 2Q2023 (Cont'd)

Renewable Energy Division

Revenue rose 13.4% to RM164.2 million (3Q2022: RM144.9 million), largely due to an 11.2% increase in hydro energy sales volume and a 2.2% currency gain. Don Sahong power plant registered an average EAF of 97.6%, a 10%-point increase from 88.7% in the preceding quarter, as Laos transitioned from the dry to the wet season.

Solar revenue rose 6.8% to RM2.2 million on higher capacity installation. The Group added 6.1 MW new capacity during the current quarter, bringing the total energised solar capacity to 26.7 MW.

Pre-tax profit expanded 16.3% quarter-to-quarter to RM122.8 million (2Q2023: RM105.6 million), primarily on higher revenue.

Resources Division

Revenue decreased 7.7% in the current quarter to RM48.3 million (2Q2023: RM52.4 million) mainly on lower sales volume of lime products. Aside from lower demand because of slowing mining activities in the region, sales volume in the current quarter was negatively impacted by plant shut-down for maintenance by key customers.

Accordingly, pre-tax profit fell 5.1% from RM5.8 million to RM5.5 million.

Packaging Division

Revenue declined 2.3% sequentially to RM98.1 million (2Q2023: RM100.4 million) due mainly to a weak consumer market.

Pre-tax profit however rose 24.8% to RM10.1 million (2Q2023: RM8.1 million) on a favourable change in the sales mix.

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B4. Prospects

The economic and business environments are generally expected to continue to be challenging. Prospects of a recovery in global consumption remain elusive, clouded by uncertainties surrounding the US Fed's interest rate policy, developments in the current geopolitical hotspots and China's success in managing its domestic issues and stimulate local demand.

Notwithstanding the above, the Board is confident that Group's earnings will stay highly resilient given the Group's relatively recession-proof business portfolio, strong recurrent cash flow, unleveraged balance sheet and proactive management.

On 20 November 2023, the Company announced the acquisition of the remaining 20% equity interest in DSPC via a 56.25%-owned subsidiary, MVL from EDL-Gen for USD85 million. Management expects the acquisition, which will increase the Company's effective equity interest in DSPC from 80% currently to 91.25%, to be completed by 31 December 2023. Management expects the acquisition will add about RM27 million (after borrowing cost) to the Group's net profit attributable to shareholders of the Company in FYE2024.

Renewable Energy Division

Hydropower - Don Sahong

The average EAF for FYE2023 is expected to be around 91%, unchanged from the guidance given in the previous quarter results announcement to Bursa Malaysia. This is higher than the estimated long-term simulation average of 89%, albeit below 94.6% recorded in FYE2022. The higher EAF in FYE2022 compared to the current year was due to the absence of annual turbine maintenance as well as exceptionally high water levels during last year's dry season.

As Don Sahong's revenue and costs are predominantly denominated in US Dollar, the reported earnings in Ringgit Malaysia will continue to be influenced by the foreign exchange rate between the two currencies. Based on 9M2023's exchange rate of RM4.515:USD1, the USD is 2.6% stronger when compared to the average of RM4.401 recorded in FYE2022. If today's exchange rate (of RM4.67) is sustained for the rest of the year, we expect Don Sahong's annual profit in FYE2023 to improve year-on-year mainly on currency gains, lower net interest expense and 1% tariff adjustment (annually on 1 October), despite a lower energy sales volume

Construction of the 5th turbine is about 75% completed. There is no change to the target completion date of 3Q2024.

B4. Prospects (Cont'd)

Solar – Commercial & Industrial (“C&I”) Projects

Solar energy earnings are expected to continue to improve progressively in tandem with the Group’s expanding solar portfolio. As at 30 September 2023, a total of 26.7 MWp solar projects (at 31 Dec 2022: 17.9 MWp) have been completed and energised.

At the date of this report, the Group has secured an additional 66.0 MWp solar projects. These projects, as summarised below, will bring the Group’s total solar portfolio to 92.7 MWp.

- a) 8.1 MWp C&I solar projects, which are expected to be progressively energised over the next 12 months;
- b) 11.4 MWp solar farm project with Fenaka Corporation Limited, a state utility company in the Republic of Maldives. This project is expected to be completed in 3Q2024; and
- c) 46.5 MWp solar farm project in Malaysia under the Corporate Green Power Programme (“CGPP”) of the Energy Commission. We expect that the project will achieve commercial operation in 2025.

The Ministry of Natural Resources, Environment and Climate Change (“NRECC”) recently announced plans to further expand new renewable energy (“RE”) initiatives and programs to drive the development of Malaysia’s RE industry. We hope that the implementation of these initiatives will open more RE investment opportunities to the Group.

Resources Division

Overall demand for lime products in the region is expected to remain soft on slow mining activities in the region. Nonetheless, sales volume of lime products expects to recover sequentially following the completion of plant maintenance by a key export customer in 3Q2023.

Management will continue to proactively manage the business, and make necessary adjustments to its sales and marketing strategy to defend its volume and margins.

Overall, we expect that FYE2023’s earnings will be better than FYE2022.

B4. Prospects (Cont'd)

Packaging Division

We expect consumer demand for the Group's packaging products to remain generally subdued in the fourth quarter of FYE2023.

A fire recently broke out in one of the division's flexible plastic packaging factories, which is expected to have a material negative impact to the reporting profit for the Packaging Division in the final quarter of FYE2023. The damaged assets are fully insured. Therefore, we expect the losses arising from the damage to the property, plant and equipment ("PPE") and inventory to be fully recovered from insurance claims in FYE2024.

Based on preliminary estimate, the damage to PPE and inventory will result in an asset impairment charge of about RM31.4 million (at PBT level) in the fourth quarter of FYE2023. After taking into account the corresponding deferred tax effect, the impact to net profit is estimated at RM25.3 million. Accordingly, net profit attributable to shareholders of the Company is expected to be reduced by RM15.7 million arising from the aforesaid asset impairment.

The affected assets are fully insured. We have submitted insurance claims and is now working closely with the adjuster to expedite the claims.

In addition to the above asset impairment charge, we expect sales revenue to be shaved by about RM4.0 million and PBT by about RM1.5-2.0 million on the resulting capacity loss in the fourth quarter of FYE2023.

Management has put in place a series of recovery action plans to minimise immediate losses to operations and supply interruption to our customers, and to rebuild production capabilities the soonest possible. We expect commercial production for the affected area to resume by the end of 1Q2024.

Construction of the two new factory buildings in Melaka (Hexachase) and Bangi (Stenta) is now targeted for completion in 1Q2024.

Joint Venture Investment, Edenor Technology

The oleochemical industry is expected to continue to face tremendous challenges arising from excess industry capacity and intense price competition. Barring unforeseen production hiccups, we expect plant operations to further stabilise in the fourth quarter. This should result in further capacity increases and therefore sequential earnings performance improvement in the fourth quarter of FYE2023.

B5. Profit forecast

The Group did not issue any profit forecast or profit guarantee.

B6. Income tax expense

	3rd Quarter Ended		9-Month Period Ended	
	30 September		30 September	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Tax expense in Malaysia:				
- current period	4,411	4,728	13,300	13,228
- underprovision in previous year	17	-	17	-
- additional assessment (Note A10)	-	-	11,400	-
	<u>4,428</u>	<u>4,728</u>	<u>24,717</u>	<u>13,228</u>

Excluding additional tax assessment explained in Note A10, the Group's effective tax rate for the current quarter and 9-month period ended 30 September 2023 was significantly lower than the Malaysia's statutory tax rate of 24% mainly because the profit derived from energy sales in the Lao People's Democratic Republic ("Lao PDR") is exempted from income tax during the period until the end of the 5th anniversary of Don Sahong Plant's commercial operation date ("COD").

B7. Status of corporate proposal

There was no corporate proposal announced but not completed at 22 November 2023, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B8. Material litigations

The Group has no material litigation as at 22 November 2023, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

B9. Dividends

During the current quarter and 9-month period ended 30 September 2023, the Company declared and/or paid the following dividends:

- (a) A final single-tier dividend of 3.85 sen per ordinary share for the financial year ended 31 December 2022 was declared on 27 February 2023 and paid to entitled shareholders on 25 April 2023;
- (b) An interim single-tier dividend of 4.0 sen per ordinary share for the financial year ending 31 December 2023 was declared on 24 August 2023 and paid to entitled shareholders on 13 October 2023. This interim dividend has been accounted for in these financial statements; and
- (c) Total dividend declared to-date for the current financial year is 4.0 sen (9M2022: 3.60 sen) per ordinary share.

B10. Detailed disclosure for consolidated statement of profit or loss and other comprehensive income

	3rd Quarter Ended 30 September		9-Month Period Ended 30 September	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
After crediting:				
Dividend income	297	293	1,040	1,005
Gain on disposal of:				
- a subsidiary	-	-	1,020	-
- property, plant and equipment	-	134	77	146
Gain on foreign exchange:				
- realised	2,720	-	14,453	1,136
- unrealised	-	8,941	712	17,175
Interest income	13,195	6,433	36,177	14,069
Write-back of:				
- impairment loss on receivables	-	672	470	749
After charging:				
Impairment losses on:				
- receivables, net	(6,941)	(6,048)	(20,319)	(19,544)
Amortisation of:				
- service concession asset	(22,483)	(21,785)	(65,811)	(63,301)
- other intangible asset	(127)	(155)	(381)	(313)
Depreciation of:				
- property, plant and equipment	(8,832)	(8,193)	(25,971)	(23,132)
- right-of-use assets	(1,581)	(2,030)	(4,772)	(5,932)
Finance costs	(10,331)	(8,248)	(28,343)	(19,463)
Fair value loss on put option liability	(1,021)	(681)	(3,062)	(2,043)
Loss on foreign exchange:				
- realised	-	(92)	-	-
- unrealised	(1,857)	-	-	-
Write-down in value of inventories	(21)	(5)	(30)	(21)
Inventories written off	-	-	(3,276)	-
Plant and equipment written off	-	-	(3)	(4,500)
Tax penalties	-	-	(14,929)	-
After other comprehensive income/(expenses)				
Foreign currency translation difference for foreign operations				
- changes in current period	15,519	103,562	150,868	205,601
Fair value changes of equity investments	(8,229)	3,517	(26,464)	(58,078)

Except for those disclosed above, there were no:

- a) gain or loss on derivatives;
- b) gain or loss on disposal of quoted or unquoted investments; and
- c) any other material items not disclosed above.

B11. Earnings per share

	3rd Quarter Ended 30 September		9-Month Period Ended 30 September	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit after tax attributable to owners of the Company	102,531	119,456	261,688	301,634
Weighted average number of ordinary shares ('000):				
Issued ordinary shares outstanding at beginning of the period	988,352	988,352	988,352	988,352
Effect of treasury shares held	(45,212)	(43,046)	(43,935)	(43,018)
	943,140	945,306	944,417	945,334
Basic earnings per share (sen)	10.87	12.64	27.71	31.91

The basic earnings per share is calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and 9-month period ended 30 September 2023, excluding treasury shares held by the Company.

The diluted earnings per share is equal to the basic earnings per share as there are no outstanding potentially dilutive equity instruments issued by the Company as at 30 September 2023.

B12. Authorised for issue

These interim financial statements were authorised for issue by the Board of Directors on 29 November 2023.