



Good food, Good life

INTERIM REPORT
NESTLÉ (MALAYSIA) BERHAD
 (198301015532 (110925-W))
 (Incorporated in Malaysia)

The Directors are pleased to present the Interim Report for the period ended 31 December 2022 as follows:

CONDENSED AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

| | 3 months ended 31 December | | | 12 months ended 31 December | | |
|---|-------------------------------------|------------------|--------------|---|------------------|--------------|
| | 2022 RM'000 | 2021 RM'000 | % | 2022 RM'000 | 2021 RM'000 | % |
| Revenue - Sale of goods | 1,647,983 | 1,466,526 | 12.4% | 6,664,145 | 5,733,816 | 16.2% |
| Cost of sales | (1,139,495) | (1,003,903) | | (4,603,260) | (3,775,581) | |
| Gross profit | 508,488 | 462,623 | 9.9% | 2,060,885 | 1,958,235 | 5.2% |
| Other income | - | 3,696 | | - | 3,696 | |
| Operating expenses | (311,259) | (308,999) | | (1,157,954) | (1,175,819) | |
| Operating profit | 197,229 | 157,320 | 25.4% | 902,931 | 786,112 | 14.9% |
| Finance costs | (13,581) | (10,168) | | (44,994) | (35,848) | |
| Finance income | 31 | 103 | | 721 | 828 | |
| Share of profit of an equity-accounted associate, net of tax | (351) | (441) | | 819 | 725 | |
| Profit before tax | 183,328 | 146,814 | 24.9% | 859,477 | 751,817 | 14.3% |
| Income tax expense | (50,476) | (34,710) | | (239,143) | (182,006) | |
| Profit after tax | 132,852 | 112,104 | 18.5% | 620,334 | 569,811 | 8.9% |
| Minority interests | - | - | | - | - | |
| Profit after tax and minority interest | 132,852 | 112,104 | 18.5% | 620,334 | 569,811 | 8.9% |
| Profit for the period/year | 132,852 | 112,104 | 18.5% | 620,334 | 569,811 | 8.9% |
| Other comprehensive (expense)/income, net of tax | | | | | | |
| Item that may be reclassified to profit or loss in subsequent periods | | | | | | |
| Cash flow hedge | (8,313) | 1,297 | | (6,651) | 2,790 | |
| Item that will not be reclassified to profit or loss in subsequent periods | | | | | | |
| Remeasurement of defined benefit liability | (2,574) | (3,000) | | (2,574) | (3,000) | |
| Total other comprehensive expense for the period/year, net of tax | (10,887) | (1,703) | | (9,225) | (210) | |
| Total comprehensive income for the period/year | 121,965 | 110,401 | 10.5% | 611,109 | 569,601 | 7.3% |
| Basic earnings per share (sen) | 56.65 | 47.81 | | 264.53 | 242.99 | |
| Proposed/Declared dividend per share-net (sen) | 122.00 | 102.00 | | 262.00 | 242.00 | |
| | AS AT END OF CURRENT QUARTER | | | AS AT PRECEDING FINANCIAL YEAR END | | |
| Net assets per share attributable to owners of the parent (RM) | 2.67 | | | 2.48 | | |

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021.

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

| | As at 31.12.2022 RM'000 | As at 31.12.2021 RM'000 |
|---|-------------------------------|-------------------------------|
| Assets | | |
| Property, plant and equipment | 1,669,316 | 1,534,268 |
| Right-of-use assets | 184,583 | 208,232 |
| Intangible assets | 62,183 | 63,342 |
| Investment in an associate | 6,288 | 5,949 |
| Deferred tax assets | 24,140 | 23,874 |
| Trade and other receivables | 8,283 | 9,228 |
| Total non-current assets | 1,954,793 | 1,844,893 |
| Trade and other receivables | 445,201 | 377,050 |
| Inventories | 1,115,083 | 744,987 |
| Current tax assets | 30,763 | 11,003 |
| Cash and bank balances | 8,171 | 6,898 |
| Total current assets | 1,599,218 | 1,139,938 |
| Total assets | 3,554,011 | 2,984,831 |
| Equity | | |
| Share capital | 267,500 | 267,500 |
| Hedging reserve | (7,395) | (744) |
| Retained earnings | 366,211 | 315,941 |
| Total equity attributable to owners of the parent | 626,316 | 582,697 |
| Liabilities | | |
| Loans and borrowings | 300,000 | 100,000 |
| Lease liabilities | 120,036 | 141,351 |
| Employee benefits | 84,267 | 89,859 |
| Deferred tax liabilities | 164,421 | 142,496 |
| Total non-current liabilities | 668,724 | 473,706 |
| Trade and other payables | 1,724,873 | 1,626,072 |
| Loans and borrowings | 486,890 | 245,693 |
| Lease liabilities | 27,496 | 26,962 |
| Current tax liabilities | 19,712 | 29,701 |
| Total current liabilities | 2,258,971 | 1,928,428 |
| Total liabilities | 2,927,695 | 2,402,134 |
| Total equity and liabilities | 3,554,011 | 2,984,831 |
| Net assets per share attributable to owners of the parent (RM) | 2.67 | 2.48 |

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021.

**CONDENSED AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | <i>Non-Distributable</i> | | <i>Distributable</i> | Total Equity RM'000 |
|--|---------------------------------|---------------------------------------|---|--------------------------------|
| | Share capital RM'000 | Hedging reserve RM'000 | Retained earnings RM'000 | |
| At 1 January 2021 | 267,500 | (3,534) | 293,170 | 557,136 |
| Cash flow hedge | - | 2,790 | - | 2,790 |
| Remeasurement of defined benefit liability | - | - | (3,000) | (3,000) |
| Profit for the year | - | - | 569,811 | 569,811 |
| Total comprehensive income for the year | - | 2,790 | 566,811 | 569,601 |
| <u>Dividends to owners of the parent</u> | | | | |
| - Interim dividend for the year 2020 | - | - | (215,740) | (215,740) |
| - Interim dividend for the year 2021 | - | - | (328,300) | (328,300) |
| At 31 December 2021 | 267,500 | (744) | 315,941 | 582,697 |
| At 1 January 2022 | 267,500 | (744) | 315,941 | 582,697 |
| Cash flow hedge | - | (6,651) | - | (6,651) |
| Remeasurement of defined benefit liability | - | - | (2,574) | (2,574) |
| Profit for the year | - | - | 620,334 | 620,334 |
| Total comprehensive income for the year | - | (6,651) | 617,760 | 611,109 |
| <u>Dividends to owners of the parent</u> | | | | |
| - Interim dividend for the year 2021 | - | - | (239,190) | (239,190) |
| - Interim dividend for the year 2022 | - | - | (328,300) | (328,300) |
| At 31 December 2022 | 267,500 | (7,395) | 366,211 | 626,316 |

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021.

**CONDENSED AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | 12 months ended 31.12.2022 RM'000 | 12 months ended 31.12.2021 RM'000 |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 859,477 | 751,817 |
| <i>Adjustments for:</i> | | |
| Amortisation and depreciation | 198,419 | 194,142 |
| Impairment loss on property, plant and equipment | 8,100 | 150 |
| Impairment loss on rights-of-use asset | - | 1,162 |
| Net finance costs | 44,273 | 35,020 |
| Loss/(Gain) on disposal of property, plant and equipment | 655 | (3,696) |
| Net write-down of slow moving inventories | 2,665 | 6,137 |
| <i>Add/Less:</i> | | |
| Movement in working capital | (353,817) | 83,898 |
| Income tax paid | (244,319) | (189,028) |
| Others | (3,928) | 7,905 |
| Net cash from operating activities | 511,525 | 887,507 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (312,218) | (274,758) |
| Proceeds from disposal of property, plant and equipment | 1,357 | 7,213 |
| Others | 1,201 | 1,218 |
| Net cash used in investing activities | (309,660) | (266,327) |
| Cash flows from financing activities | | |
| Finance costs paid | (44,994) | (35,848) |
| Proceeds from borrowings | 265,000 | 15,000 |
| Dividends paid | (567,490) | (544,040) |
| Payment of lease liabilities | (29,305) | (31,745) |
| Net cash used in financing activities | (376,789) | (596,633) |
| Net (decrease)/increase in cash and cash equivalents | (174,924) | 24,547 |
| Cash and cash equivalents at 1 January | (3,795) | (28,342) |
| Cash and cash equivalents at 31 December | (178,719) | (3,795) |

This interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021.

INTERIM FINANCIAL REPORT

Notes:

1 Basis of preparation

This interim financial report is based on the audited financial statements for the year ended 31 December 2022 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia and International Financial Reporting Standards. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021.

2 There was no qualification made on the preceding audited financial statements.

3 The Group's operations are affected by economic cycles and festive seasons.

4 Items affecting assets, liabilities, equity, net income or cash flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group.

a. Property, plant and equipment

As at the end of this quarter, the Group has acquired / disposed the following assets:

| | 3 months ended 31 Dec 2022 | | 12 months ended 31 Dec 2022 | |
|--|----------------------------|---------------------------------------|-----------------------------|---------------------------------------|
| | Assets acquired RM'000 | Assets disposed / write-off RM'000 | Assets acquired RM'000 | Assets disposed / write-off RM'000 |
| Building (improvements and additions) | 27,237 | - | 32,797 | 668 |
| Plant and machinery, tools, furniture and equipment (including Asset Under Construction) | 109,684 | 91 | 262,784 | 2,553 |
| Motor vehicles | 397 | 141 | 4,398 | 697 |
| Information systems | 4,947 | 1 | 12,239 | 65 |
| | 142,265 | 233 | 312,218 | 3,983 |

b. Right-of-use

As at the end of this quarter, the movement in the right-of-use assets is as follow:

| | 3 months ended 31 Dec 2022 | | 12 months ended 31 Dec 2022 | |
|---------------------|-----------------------------------|-------------------------|-----------------------------------|-------------------------|
| | Addition & modification RM'000 | Derecognition RM'000 | Addition & modification RM'000 | Derecognition RM'000 |
| Building | - | - | 5,872 | - |
| Tools and equipment | 2,605 | - | 2,652 | - |
| | 2,605 | - | 8,524 | - |

5 Changes in estimates

There were no significant changes in estimates for prior periods that have materially affected the results of this quarter.

6 Debts and equity security

There was no issuance of debts and equity security in this quarter.

7 Dividends paid

Dividends paid during the reporting period are as follows:

| | 3 months ended 31.12.2022 RM'000 | 12 months ended 31.12.2022 RM'000 |
|--|--|---|
| Interim dividend for the financial year ended 31 December 2022 | | |
| 1st interim: 70.00 sen per share (single-tier) | 164,150 | 164,150 |
| 2nd interim: 70.00 sen per share (single-tier) | 164,150 | 164,150 |
| Interim dividend for the financial year ended 31 December 2021 | | |
| 3rd interim: 102.00 sen per share (single-tier) | - | 239,190 |
| Total | 328,300 | 567,490 |

8 Operating segment

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the Group's chief operating decision maker, which is defined as the Executive Board.

The Group is focused in two areas of activity, Food & Beverages and Others which include Nutrition, Nestlé Professional, Nestlé Health Science and NESPRESSO.

| | 12 months ended 31 December 2022 | | |
|------------------------------------|----------------------------------|------------------|-----------------|
| | Food & Beverages RM'000 | Others RM'000 | Total RM'000 |
| Segment revenue and results | | | |
| Revenue | 5,495,663 | 1,168,482 | 6,664,145 |
| Operating Profit | 812,550 | 91,570 | 904,120 |

| | 12 months ended 31 December 2021 | | |
|------------------------------------|----------------------------------|------------------|-----------------|
| | Food & Beverages RM'000 | Others RM'000 | Total RM'000 |
| Segment revenue and results | | | |
| Revenue | 4,773,462 | 960,354 | 5,733,816 |
| Operating Profit | 717,313 | 70,252 | 787,565 |

The comments on page 6 apply to both segments Food & Beverages (82% of total sales) and Others (18% of total sales).

Reconciliations of reportable segment operating profit:

| | 12 months ended 31.12.2022 RM'000 | 12 months ended 31.12.2021 RM'000 |
|--|---|---|
| Total operating profit for reported segments | 904,120 | 787,565 |
| Other unallocated expense | (1,189) | (1,453) |
| Consolidated operating profit | 902,931 | 786,112 |

9 Valuation of property, plant and equipment

There were no changes or amendments to the valuation of property, plant and equipment from the previous annual financial statements.

10 Events subsequent to balance sheet date

There were no material subsequent events to the balance sheet date.

11 Changes in the composition of the Group

There were no changes in the composition of the Group in this quarter.

12 Changes in contingent liabilities

As of the date of this report, there were no other contingent liabilities to the Group except for material litigation as disclosed in Note 12 on page 8.

13 Related party transactions

Transactions related to Nestlé S.A. and companies owned by Nestlé S.A. and other affiliates are as follows:

| | 3 months ended 31.12.2022 RM'000 | 12 months ended 31.12.2022 RM'000 |
|----------------------------------|--|---|
| Sales of goods | 367,024 | 1,367,955 |
| Rendering of services | 6,612 | 37,417 |
| Purchases of goods and services | 523,373 | 1,649,707 |
| Purchases of plant and equipment | 7,962 | 25,588 |
| Royalty expenses | 76,150 | 318,324 |
| IT shared service expenses | 11,976 | 48,784 |
| Finance costs | 3,431 | 9,281 |

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA LISTING REQUIREMENTS

1 Review of performance (Quarter 4, 2022 vs Quarter 4, 2021)

For the fourth quarter ended 31 December 2022, the Group recorded an increase in turnover from RM1.47 billion to RM1.65 billion, a 12.4% increase versus the same quarter of the previous year. This solid momentum was achieved on the back of higher domestic and export sales, which grew by 10.6% and 18.3% respectively on the back of effective demand generation efforts and the normalisation of post-pandemic economic activities.

The strong performance in the final quarter of the year reflects the ongoing efforts to keep our brands close and relevant to the needs and expectations of Malaysians. We continued to harness every opportunity to drive and fulfill strong demand for our brands, in keeping with our promise to deliver Good Food, Good Life to all.

The Group recorded Profit Before Tax (PBT) and Profit After Tax (PAT) of RM183.3 million and RM132.9 million respectively in Q4 2022, both of which were higher compared with the same period last year. This was achieved on the back of the increased turnover and despite higher commodity prices and unfavourable exchange rates, as well as the quarterly impact of *Cukai Makmur* (Prosperity Tax) on PAT.

2 Review of performance (Year-to-date, 2022 vs Year-to-date, 2021)

For the full year ended 31 December 2022, the Group registered improved sales of RM6.66 billion, a 16.2% increase from RM5.7 billion in the previous year. This was driven by the positive growth of both domestic and export sales, which increased by 12.9% and 29.3% respectively. The core Food and Beverage (F&B) segment maintained its positive momentum while the Out-of-Home (OOH) business serving restaurants, hotels and other hospitality-related sales channels bounced back strongly following the end of the remaining movement restrictions in the second quarter of 2022.

As we celebrated our 110 years in Malaysia, we remained focused on our mission to deliver high quality products under the brands trusted by millions of Malaysians who use our products on a daily basis, while playing our role to contribute positively to the society and to the environment. Once again, we focused on optimizing the end-to-end value chain of our core products, while delivering a notable stream of product innovations that have resonated well with the needs and expectations of Malaysians.

Amongst other activities, we continued to drive awareness on the benefits of plant-based diets with the consolidation of Harvest Gourmet as the brand of choice in this new emerging consumer space. MAGGI continued to bring great food and culinary solutions to the table of Malaysians, such as our healthier choice MAGGI Nutri-licious Noodles range and our range of marination recipes. We also catered for occasional moments of indulgence with the introduction of the NESCAFÉ GOLD Cappuccino Ice Cream, among other exciting products. This went hand in hand with effective consumer engagement and excellence in sales execution, covering all channels, both online and offline. Our Nestlé Professional business fully recovered from the impact of the pandemic, as Malaysians fully embraced the end of travel and hospitality restrictions.

For the full year under review, the Group turned in PBT of RM859.5 million and PAT of RM620.3 million, reflecting an increase of 14.3% and 8.9% respectively, compared with the previous year. Stronger sales, multiple cost-saving initiatives and reduced COVID-19 expenses helped to mitigate the impact of higher commodity prices, unfavourable exchange rates and the impact of the Prosperity Tax on PAT. The rebound in our exports sales post-COVID was critical to alleviate the pressure on our margins and helped to moderate the intensity of price increases needed to offset the impact of global food commodities inflation.

In line with the Group's commitment to deliver value to shareholders, the Board declared a third interim dividend of RM1.22 per share for the financial year ending 31 December 2022, 20 sen higher than the third interim dividend of 2021.

In tandem with financial performance, the Group's Environment, Social and Governance (ESG) efforts were again a key priority throughout 2022.

On the environmental side, we pioneered the adoption of renewable electricity through the Green Electricity Tariff framework; we took new and industry pioneering steps to eliminate the use of virgin plastics, such as the adoption of recycled-PET for all our range of NESCAFÉ and MILO Ready-to-Drink (RTD) bottles; and the adoption of paper to replace plastic in MAGGI bowls as well as in a growing number of Ice Cream products. Our ongoing community Door-to-Door Collection and Recycling programme grew to reach over 112,000 households in urban communities across Selangor and Kuala Lumpur, while we expanded also to rural areas of Selangor with our KitaR Recycling Programme. Through Project RELeaf, we also made further progress accelerating our tree planting efforts in line with our aspiration to plant three million trees by the second half of 2024.

Through our various community outreach programmes, we also contributed approximately RM15 million in donations to support and uplift communities in need throughout Malaysia. Our efforts were channelled via flood relief efforts by the Malaysian Red Crescent Society, supporting charity homes and distributing MAGGI bubur lambuk to B40 communities, alongside multiple other food aid initiatives.

3 Variation of results against previous quarter (Quarter 4, 2022 vs. Quarter 3, 2022)

For the fourth quarter ended 31 December 2022, the Group registered a marginally lower turnover of RM1.65 billion, 2.1% lower compared to the third quarter of 2022.

Profit Before Tax was higher at RM183.3 million, mainly due to timing of some expenses and cost saving initiatives.

4 Current year prospects

Moving forward in 2023, the volatile economic environment is expected to persist due to continued inflationary pressures alongside uncertainties in commodity and currency prices, with signs of recession looming in some of the world's major economies. Food commodities prices and food inflation in particular will remain high throughout the first half of 2023, but we expect a progressive improvement in the later part of the year.

Against this backdrop, we will redouble our efforts to stay focused on what matters: meeting and serving the needs of Malaysians while further investing in capabilities to drive sustainable profitable growth. We remain convinced that nurturing the strong bonds of the rakyat with our brands, on a foundation of trust and quality, while remaining in touch with the needs of evolving lifestyles will remain the best strategy to cope with a challenging external environment and deliver ultimately another year of solid and sustainable results.

5 Profit forecast

We do not issue any profit forecast.

6 Income tax expense

| 3 months ended 31.12.2022 RM'000 | 12 months ended 31.12.2022 RM'000 |
|--|---|
| 41,854 | 218,858 |
| - | (4,288) |
| 41,854 | 214,570 |
| 8,622 | 34,016 |
| - | (9,443) |
| 8,622 | 24,573 |
| 50,476 | 239,143 |

Current tax

Malaysian - current period
- prior year

Total current tax expense

Deferred tax

Origination and reversal of temporary differences
Over provision in prior year

Total deferred tax expense

Total income tax expense

The Group's effective tax rate for the current quarter and year ended 31 December 2022 were 27.5% and 27.8% respectively due to the impact of *Cukai Makmur* (Prosperity Tax) for YA2022.

7 Unquoted investments

Not applicable in this quarter.

8 Quoted investments

Not applicable to the Group.

9 Status of corporate proposals

There were no corporate proposals in this quarter.

10 Loans and borrowings

Group Borrowings and Debt Securities are:

Short term - Unsecured loans

Revolving credit
Bank overdraft

Total short term loans

Long term - Unsecured loans

Loan from a related company

Total long term loans

| As at 31.12.2022 RM'000 |
|-------------------------------|
| 300,000 |
| 186,890 |
| 486,890 |
| 300,000 |
| 300,000 |

11 Derivatives

(a) Summary of outstanding derivative assets / (liabilities) as at 31.12.2022 :

| Type of derivatives | Notional Value RM'000 | Fair Value RM'000 | Difference RM'000 | Ageing |
|----------------------------|--------------------------|----------------------|----------------------|------------------|
| Forward exchange contracts | 1,044,312 | 1,028,871 | (15,441) | Less than 1 year |

(b) Fair value changes of financial liabilities

Other than derivatives which are classified as liabilities only when they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

12 Material litigation

Nestlé Products Sdn. Bhd. ("NPSB"), the wholly owned subsidiary of Nestlé (Malaysia) Berhad ("the Company") was served with a sealed Writ of Summons and Statement of Claim dated 6 March 2019, filed by Mad Labs Sdn. Bhd. ("Mad Labs"). The claim by Mad Labs against NPSB is for amongst others, the sum of RM139,344,262.25. An amended Writ of Summons dated 21 March 2019 was further filed by Mad Labs and served subsequently on 25 March 2019.

In the Statement of Claim, Mad Labs is alleging inter alia, the unauthorised and/or unlawful use of Mad Lab's QR Code, breach of an implied contract between Mad Labs and NPSB by reason of NPSB's continued use of the QR Code, unjust enrichment of NPSB by the use of the QR Code, compensation for the services which Mad Labs has rendered to NPSB and NPSB's negligence in using Mad Labs's QR Code on its products/packaging. NPSB has filed and served its Statement of Defence dated 22 April 2019 to dispute the claims made by Mad Labs. In addition to filing the Statement of Defence, NPSB has separately filed an action at the Intellectual Property Court ("IP Court") against Mad Labs and its sole Director and shareholder, Chow Kien Loon ("CKL") for amongst others, to challenge the ownership of Mad Labs in the QR Code, negligence, unlawful interference with trade as well as defamation and trade libel. Mad Labs and CKL have been served the sealed Writ of Summons and Statement of Claim dated 23 April 2019 filed by NPSB through its solicitors.

On 9 December 2019, the Kuala Lumpur High Court has allowed the consolidation and transfer of Mad Labs' claim to the IP Court to be heard together with NPSB's claim. The high court trial at the IP Court which commenced on 10 June 2021 remains on-going. Parties have since completed cross-examining and re-examining all trial witnesses that were called/subpoenaed and filed the first round of written submissions on 3 January 2023. The IP Court has directed for Parties to file their reply submissions on 20 February 2023 and Parties' representing solicitors are to attend court on 10 March 2023 to further provide oral submissions.

Based on the initial opinion rendered by Messrs. Zaid Ibrahim & Co., the then solicitors of NPSB, NPSB has a reasonably strong case against Mad Labs and CKL. Accordingly, the Board is of the opinion that no provision needs to be made for this claim.

13 Dividend

The Board of Directors has proposed a third interim dividend of 122 sen per share (2021: 102 sen per share) in respect of year ended 31 December 2022 which will be paid on 17 May 2023 to shareholders whose names appear on the Record of Depositors on 19 April 2023. Under current rules, single-tier dividends are not taxable in the hand of shareholders.

A Depositor shall qualify for entitlement only in respect of:

- shares transferred into the Depositor's Securities Account before 5.00 p.m. on 19 April 2023 in respect of ordinary transfers.
- shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

Total dividend year-to-date ("YTD") for the year ended 31 December 2022 is 262 sen per ordinary share (YTD 2021: 242 sen).

14 Profit for the period/year

| | 3 months ended 31 Dec | | 12 months ended 31 Dec | |
|---|-----------------------|----------------|------------------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Profit for the period/year is arrived at after charging: | | | | |
| Depreciation of property, plant and equipment | 39,549 | 41,567 | 165,087 | 157,991 |
| Depreciation of right-of-use assets | 8,147 | 7,318 | 32,173 | 34,993 |
| Amortisation of intangible assets | 289 | 289 | 1,159 | 1,158 |
| Finance cost of lease liabilities | 1,416 | 1,624 | 5,897 | 6,840 |
| Impairment loss on property, plant and equipment | 6,233 | 150 | 8,100 | 150 |
| Impairment loss on right-of-use assets | - | 1,162 | - | 1,162 |
| Property, plant and equipment written off | 91 | 2,276 | 1,971 | 2,675 |
| Loss on disposal of property, plant and equipment | - | - | 655 | - |
| Net loss on derivatives | - | - | 81 | 58 |
| Impairment loss on trade receivables | 41 | - | - | - |
| Net write-down of slow moving inventories | - | 5,474 | 2,665 | 6,137 |
| Net foreign exchange loss | 11,286 | 3,425 | 39,888 | 2,919 |
| and after crediting: | | | | |
| Gain on disposal of property, plant and equipment | 105 | 4,305 | - | 3,696 |
| Net gain on derivatives | 16 | - | - | - |
| Reversal of impairment loss on trade receivables | - | 115 | 257 | 504 |
| Reversal of provision of inventories | 35,748 | - | - | - |

15 Basic earnings per share**a. Basic earnings per share**

The calculation of the basic earnings per share is based on the net profit attributable to ordinary shareholders of RM620.3 million (RM569.8 million in December 2021) and the number of ordinary shares outstanding of 234.5 million (234.5 million in December 2021).

b. Diluted earnings per share

Not applicable for the Group.

BY ORDER OF THE BOARD
Tengku Ida Adura Binti Tengku Ismail
Company Secretary
(SSM PC No. 201908001581)
(MACS 01686)

Date : 21 February, 2023