



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 30 September 2023 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	3 months ended 30 September			9 months ended 30 September		
	2023 RM'000	2022 RM'000	%	2023 RM'000	2022 RM'000	%
Revenue - Sale of goods	1,772,261	1,683,433	5.3%	5,365,592	5,016,162	7.0%
Cost of sales	(1,210,261)	(1,224,565)		(3,675,546)	(3,463,765)	
Gross profit	562,000	458,868	22.5%	1,690,046	1,552,397	8.9%
Operating expenses	(346,750)	(298,786)		(943,733)	(846,695)	
Operating profit	215,250	160,082	34.5%	746,313	705,702	5.8%
Finance costs	(15,121)	(11,055)		(44,409)	(31,413)	
Finance income	174	46		274	690	
Share of (loss)/profit of an equity-accounted associate, net of tax	(29)	484		254	1,170	
Profit before tax	200,274	149,557	33.9%	702,432	676,149	3.9%
Income tax expense	(66,572)	(36,909)		(190,666)	(188,667)	
Profit after tax	133,702	112,648	18.7%	511,766	487,482	5.0%
Minority interests	-	-		-	-	
Profit after tax and minority interest	133,702	112,648	18.7%	511,766	487,482	5.0%
Profit for the period	133,702	112,648	18.7%	511,766	487,482	5.0%
Other comprehensive income, net of tax						
Item that may be reclassified to profit or loss in subsequent periods						
Cash flow hedge	5,056	5,146		6,874	1,662	
Total other comprehensive income for the period, net of tax	5,056	5,146		6,874	1,662	
Total comprehensive income for the period	138,758	117,794	17.8%	518,640	489,144	6.0%
Basic earnings per share (sen)	57.02	48.04		218.24	207.88	
Proposed/Declared dividend per share-net (sen)	70.00	70.00		140.00	140.00	
	AS AT END OF CURRENT QUARTER			AS AT PRECEDING FINANCIAL YEAR END		
Net assets per share attributable to owners of the parent (RM)	2.96			2.67		

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
Assets		
Property, plant and equipment	1,675,349	1,669,316
Right-of-use assets	164,394	184,583
Intangible assets	200,228	62,183
Investment in an associate	6,122	6,288
Deferred tax assets	23,361	24,140
Trade and other receivables	9,079	8,283
Total non-current assets	2,078,533	1,954,793
Trade and other receivables	511,983	445,201
Inventories	871,624	1,115,083
Current tax assets	13,489	30,763
Cash and bank balances	40,607	8,171
Total current assets	1,437,703	1,599,218
Total assets	3,516,236	3,554,011
Equity		
Share capital	267,500	267,500
Hedging reserve	(521)	(7,395)
Retained earnings	427,737	366,211
Total equity attributable to owners of the parent	694,716	626,316
Liabilities		
Loans and borrowings	300,000	300,000
Lease liabilities	101,635	120,036
Employee benefits	80,615	84,267
Deferred tax liabilities	178,285	164,421
Total non-current liabilities	660,535	668,724
Trade and other payables	1,826,107	1,724,873
Loans and borrowings	300,078	486,890
Lease liabilities	27,111	27,496
Current tax liabilities	7,689	19,712
Total current liabilities	2,160,985	2,258,971
Total liabilities	2,821,520	2,927,695
Total equity and liabilities	3,516,236	3,554,011
Net assets per share attributable to owners of the parent (RM)	2.96	2.67

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	<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 2022	267,500	(744)	315,941	582,697
Cash flow hedge	-	1,662	-	1,662
Profit for the period	-	-	487,482	487,482
Total comprehensive income for the period	-	1,662	487,482	489,144
<u>Dividends to owners of the parent</u>				
- Interim dividend for the year 2021	-	-	(239,190)	(239,190)
- Interim dividend for the year 2022	-	-	(164,150)	(164,150)
At 30 September 2022	267,500	918	400,083	668,501
At 1 January 2023	267,500	(7,395)	366,211	626,316
Cash flow hedge	-	6,874	-	6,874
Profit for the period	-	-	511,766	511,766
Total comprehensive income for the period	-	6,874	511,766	518,640
<u>Dividends to owners of the parent</u>				
- Interim dividend for the year 2022	-	-	(286,090)	(286,090)
- Interim dividend for the year 2023	-	-	(164,150)	(164,150)
At 30 September 2023	267,500	(521)	427,737	694,716

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	9 months ended 30.09.2023 RM'000	9 months ended 30.09.2022 RM'000
Cash flows from operating activities		
Profit before tax	702,432	676,149
<i>Adjustments for:</i>		
Amortisation and depreciation	153,713	150,410
Impairment loss on property, plant and equipment	47,999	1,867
Net finance costs	44,135	30,723
Loss on disposal of property, plant and equipment	820	785
Net write-down of slow moving inventories	741	38,413
<i>Add/Less:</i>		
Movement in working capital	127,101	(378,751)
Income tax paid	(171,929)	(145,379)
Others	2,899	10,874
Net cash from operating activities	907,911	385,091
Cash flows from investing activities		
Acquisition of property, plant and equipment	(188,387)	(169,953)
Acquisition of a subsidiary, net of cash acquired	(151,090)	-
Proceeds from disposal of property, plant and equipment	1,042	1,110
Others	694	1,170
Net cash used in investing activities	(337,741)	(167,673)
Cash flows from financing activities		
Finance costs paid	(44,409)	(31,413)
(Repayment of)/Proceeds from borrowings	(10,000)	85,000
Dividends paid	(286,090)	(239,190)
Payment of lease liabilities	(20,423)	(22,313)
Net cash used in financing activities	(360,922)	(207,916)
Net increase in cash and cash equivalents	209,248	9,502
Cash and cash equivalents at 1 January	(178,719)	(3,795)
Cash and cash equivalents at 30 September	30,529	5,707

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

INTERIM FINANCIAL REPORT

Notes:

1 Basis of preparation

This interim financial report 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 2022.

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

Other than as disclosed in Note 11 on page 6, 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 30 Sep 2023		9 months ended 30 Sep 2023	
	Assets acquired ¹	Assets disposed / write-off	Assets acquired ¹	Assets disposed / write-off
	RM'000	RM'000	RM'000	RM'000
Building (improvements and additions)	8,314	703	10,534	971
Plant and machinery, tools, furniture and equipment (including Asset Under Construction)	87,142	664	170,561	2,433
Motor vehicles	277	-	277	31
Information systems	2,671	-	7,155	42
	98,404	1,367	188,527	3,477

¹ Included in the assets acquired are plant and machinery, tools, furniture and equipment (including Asset Under Construction) and information systems acquired via the acquisition of a subsidiary amounting to RM1k and RM139k respectively.

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 30 Sep 2023		9 months ended 30 Sep 2023	
	Addition & modification ¹	Derecognition	Addition & modification ¹	Derecognition
	RM'000	RM'000	RM'000	RM'000
Building	731	1,161	1,956	1,161
Tools and equipment	-	-	842	-
	731	1,161	2,798	1,161

¹ Included in the addition & modification is the leases of building acquired via the acquisition of a subsidiary amounting to RM34k.

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

There was no dividend payment in this quarter.

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

Segment revenue and results

Revenue
Operating Profit

9 months ended 30 September 2023		
Food & Beverages RM'000	Others RM'000	Total RM'000
4,389,050	976,542	5,365,592
638,516	108,809	747,325

Segment revenue and results

Revenue
Operating Profit

9 months ended 30 September 2022		
Food & Beverages RM'000	Others RM'000	Total RM'000
4,142,356	873,806	5,016,162
625,928	80,691	706,619

The comments on page 7 apply to both segments Food & Beverages (82% of total sales) and Others (18% of total sales).

Reconciliations of reportable segment operating profit:

Total operating profit for reported segments

Other unallocated expense

Consolidated operating profit

9 months ended 30.09.2023 RM'000	9 months ended 30.09.2022 RM'000
747,325	706,619
(1,012)	(917)
746,313	705,702

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 Material events subsequent to the current quarter

There were no material events subsequent to the current quarter up to the date of this report.

11 Changes in the composition of the Group

On 22 February 2023, the Group has entered into a conditional share purchase agreement with Wyeth (Hong Kong) Holding Company Limited for the acquisition of the entire equity interest in Wyeth Nutrition (Malaysia) Sdn. Bhd. for a cash consideration of RM165.0 million ("Proposed Acquisition"). The Proposed Acquisition was approved by the shareholders at an Extraordinary General Meeting held on 26 April 2023 and was completed on 30 June 2023.

Summary of effects of the Proposed Acquisition on the consolidated statement of financial position of the Group is illustrated as follows:

Identifiable net assets as at acquisition date	RM'000
Assets	
Property, plant and equipment	140
Right-of-use assets	34
Deferred tax assets	2
Trade and other receivables	45,352
Inventories	19,510
Cash and bank balances	13,910
Current tax assets	1,012
Total Assets	<u>79,960</u>
Liabilities	
Trade and other payables	(53,839)
Lease liabilities	(35)
Total liabilities	<u>(53,874)</u>
Total identifiable net assets acquired	26,086
Goodwill arising on acquisition *	138,914
Purchase consideration transferred	<u>165,000</u>

* Subject to Purchase Price Allocation ("PPA") exercise to be completed within one year from the acquisition date.

Summary of effects of the Proposed Acquisition on the consolidated statement of cash flows:

	RM'000
Cash consideration	165,000
Less: Cash and cash equivalents of subsidiary acquired	(13,910)
Net cash outflow on the acquisition	<u>151,090</u>

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 9.

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 30.09.2023 RM'000	9 months ended 30.09.2023 RM'000
Sales of goods	283,593	892,280
Rendering of services	11,091	30,967
Purchases of goods and services	619,192	1,517,684
Purchases of plant and equipment	30,727	53,952
Royalty expenses	97,091	275,980
IT shared service expenses	14,566	43,195
Finance costs	3,703	11,214

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 3, 2023 vs Quarter 3, 2022)

For the third quarter ended 30 September 2023, the Group recorded a turnover of RM1.77 billion, marking a 5.3% increase from the same quarter last year. Domestic sales remained a key contributor with double-digit growth of 11.7%. This was partially offset by export sales, which were lower in comparison to a very high baseline in the previous year's corresponding quarter.

The positive momentum reflects the solid work done by the Group to continue delivering high-quality, great-tasting, and nutritious products which meet the expectations of Malaysians. Through excellence in sales execution and across all steps in the value chain, we continue to protect the relevance of our brands and product offerings across all commercial channels. Our core products have continued to deliver a good performance, while our recent innovations have been well-received by consumers, giving us confidence to continue delivering sustainable profitable growth.

Innovation was again significant in the quarter. The Group further expanded its presence in the fast-growing Dairy Free Drinks space with the launch of Nestlé GOODNES, with two initial varieties, Oat and Oat & Almond. A range of new ice cream products were also launched, namely Nestlé MILO Kaw, LA CREMERIA Mango Sticky Rice and LA CREMERIA Hazelnut, as well as the popular Nestlé Boba Brown Sugar in a convenient take-home pint format. Other innovations included the limited-edition KIT KAT Salted Caramel Cookies and MAGGI Noodles *Cili Ala Kampung* in a bowl format.

The quarter saw intense brand events and activities, with special efforts continuing to educate communities on the importance of healthy eating and active lifestyles. Special mention to the big comeback of the MILO Malaysia Breakfast Day with large-scale events in Putrajaya, Kuching and Kota Kinabalu, attracting more than 60,000 participants; as well as the fourth edition of the NESTLÉ OMEGA PLUS Walk A Million Miles campaign that saw 30,000 Malaysians joining virtually to walk collectively over two million miles, the highest result since this virtual event was first launched.

Profit Before Tax (PBT) and Profit After Tax (PAT) both increased to RM200.3 million and RM133.7 million respectively in Q3 2023. This was driven by robust domestic sales coupled with the Group's continuous drive to enhance internal efficiencies and cost saving initiatives, as well as a more moderate impact of commodity costs. The Wyeth business, integrated for the first time in this quarter, delivered positive results as per expectations. Following a thorough assessment, the Group recognized impairment losses related to some idle and obsolete assets no longer in use, following the substantial investments in recent years to constantly upgrade and modernize the Group's industrial infrastructure and manufacturing footprints.

We continue to invest year in and year out to keep our industrial assets competitive and efficient, while reducing our environmental impact. Once again, this year we will see good progress in our key published measurements. Indeed, constantly making progress in our ESG initiatives through our multiple programmes remains of the highest priority. We are further scaling up our efforts to eliminate plastic waste by advancing our partnership with several municipalities to reach already 170,000 households in Selangor and Kuala Lumpur. A key highlight in this respect is the recently expanded partnership with Majlis Bandaraya Shah Alam and KPT Recycle Sdn Bhd, a waste management company specialising in innovative, environmentally responsible solutions, to further accelerate our current household coverage.

We are furthering our efforts to uplift local farming communities by expanding our Farmer Connect programme to Sabah and Sarawak, where we have joined hands with the Malaysian Cocoa Board to promote sustainable cocoa farming and the adoption of Regenerative Agriculture practices, with the ultimate objective of increasing the local cocoa ingredients used for the manufacturing of our products. Our reforestation initiative, Project RELeaf made further progress in the quarter, and we are on track to deliver the second million trees planted by mid-2024, as per our earlier announcement.

2 Review of performance (Year-to-date, 2023 vs Year-to-date, 2022)

For the nine months ended 30 September 2023, the Group registered a turnover of RM5.37 billion, marking a 7.0% increase compared with RM5.02 billion in last year's corresponding period mainly due to the double-digit growth in domestic sales, driven by robust demand. This was slightly tempered by reduced export sales, which had benefited from a robust recovery in 2022 as the global economy reopened after the pandemic.

The Group's PBT of RM702.4 million and PAT of RM511.8 million for the first nine months of the year reflects a moderate increase of 3.9% and 5.0% respectively. This was supported by sales growth and continuous focus on internal efficiencies and saving initiatives to offset the impact of volatile commodity prices and unfavourable exchange rates. The improved PAT was also supported by the absence of the *Cukai Makmur* (Prosperity Tax) imposed in 2022.

In line with the Group's commitment to delivering value for shareholders, the Board declared a second interim dividend of RM0.70 per share for the financial year ending 31 December 2023, consistent with the second interim dividend of 2022.

3 Variation of results against previous quarter (Quarter 3, 2023 vs Quarter 2, 2023)

For the third quarter ended 30 September 2023, the Group registered a turnover of RM1.77 billion, slightly higher compared to the second quarter of 2023, mainly due to solid domestic sales on the back of sustained consumer demand.

Profit Before Tax was lower at RM200.3 million, mainly due to the higher operating expenses.

4 Current year prospects

As we move into the final quarter of the year, we stand firm in our commitment to driving the sustainable growth of the Group. Despite facing an uncertain environment, notably the challenges posed by the weakened Malaysian Ringgit and ongoing volatility in commodity and energy prices, we continue to leverage our strong foundation and proven capabilities in providing relevant product offerings that meet the diverse needs of Malaysians. Alongside this, our ESG agenda ensures that we remain on the frontlines to help shape a greener future for Malaysia.

5 Profit forecast

We do not issue any profit forecast.

6 **Income tax expense**

	3 months ended 30.09.2023 RM'000	9 months ended 30.09.2023 RM'000
Current tax		
Malaysian - Current period	52,657	174,249
- Under provision in prior year	3,943	3,943
Total current tax expense	56,600	178,192
Deferred tax		
Origination and reversal of temporary differences	(1,602)	(853)
Under provision in prior year	11,574	13,327
Total deferred tax expense	9,972	12,474
Total income tax expense	66,572	190,666

The Group's effective tax rates for the current quarter and nine months ended 30 September 2023 were 33.2% and 27.1% respectively. The current quarter tax rate was higher than the statutory tax rate of 24% mainly due to impact of the impairment losses which are not tax deductible and inadequate provision for prior year tax expenses accounted for at time of submission of tax return.

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 announced but not completed at the date of this report.

10 **Loans and borrowings**

Group Borrowings and Debt Securities are:

	As at 30.09.2023 RM'000
Short term - Unsecured loans	
Revolving credit	290,000
Bank overdraft	10,078
Total short term loans	300,078
Long term - Unsecured loans	
Loan from a related company	300,000
Total long term loans	300,000

11 **Derivatives**

a. **Summary of outstanding derivative assets / (liabilities) as at 30.09.2023 :**

Type of derivatives	Notional Value RM'000	Fair Value RM'000	Difference RM'000	Ageing
Forward exchange contracts	977,711	976,971	(740)	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 trial at the IP Court has since been completed on 10 April 2023 and on 29 September 2023, the IP Court has delivered verbally, the following decision and findings:

- Mad Labs does not own any proprietary or intellectual property rights ("IPR") in the QR Code that was generated for trial use by NPSB. The claim by Mad Labs for damages on royalty basis (for use of the QR Code by NPSB) amounting to RM139,344.262.25 is therefore dismissed;
- Mad Labs' claim for breach of an implied contract (between Mad Labs and NPSB by reason of NPSB's continued use of the QR Code after the end of the trial period) was dismissed;
- Mad Labs and CKL were negligent in failing to take all reasonable steps to delink the QR Code and prevent the redirection of traffic via the QR Code to offensive websites. Damages to be separately assessed in favour of NPSB;
- NPSB's report to the Malaysian Communications and Multimedia Commission was not malicious or mala fide. Mad Labs' claim was dismissed;
- Notwithstanding that Mad Labs has no IPR ownership in the QR Code, the QR Code is nevertheless generated by and under the exclusive control of Mad Labs which gave rise to Mad Labs having the 'right to sell' the QR Code to NPSB. By reason of NPSB's continued use of the QR Code after the trial period without the permission of Mad Labs, NPSB shall compensate Mad Labs for such use and unjust enrichment at the expense of Mad Labs. Damages are to be separately assessed in favour of Mad Labs;
- A permanent injunction is also granted against NPSB to restrain use of the QR Code (This has no operational impact on the Company as NPSB has ceased to use the QR Code since sometime in 2019);
- Mad Labs and CKL did not commit any form of defamation. The statements issued by them when viewed in totality, were not defamatory and thus, NPSB's claim for defamation is dismissed. NPSB's claim for unlawful interference with trade has also been dismissed;
- Damages and costs are to be separately assessed and determined at a later date.

At this juncture, the Board is of the opinion that no provision needs to be made for this claim.

13 Dividend

The Board of Directors has declared an interim dividend of 70 sen per share (2022: 70 sen per share) in respect of year ending 31 December 2023 which will be paid on 14 December 2023 to shareholders whose names appear on the Record of Depositors on 20 November 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:

- a. shares transferred to the Depositor's Securities Account before 5.00 p.m. on 20 November 2023 in respect of ordinary transfers.
- b. 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 ending 31 December 2023 is 140 sen per ordinary share (YTD 2022: 140 sen).

14 Profit for the period

	3 months ended 30 September		9 months ended 30 September	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	44,998	43,355	131,018	125,514
Depreciation of right-of-use assets	6,830	8,593	21,826	24,026
Amortisation of intangible assets	289	290	869	870
Finance cost of lease liabilities	1,221	1,483	3,859	4,481
Impairment loss on property, plant and equipment	44,339	1,475	47,999	1,867
Property, plant and equipment written off	823	975	1,615	1,880
Loss on disposal of property, plant and equipment	302	1,139	820	785
Net loss on derivatives	69	71	123	97
Impairment loss on trade receivables	59	-	106	-
Net write-down of slow moving inventories	-	40,083	741	38,413
Net foreign exchange loss	8,385	11,609	9,988	28,602
and after crediting:				
Reversal of impairment loss on trade receivables	-	57	-	298
Net reversal of slow moving inventories	5,016	-	-	-

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 RM511.8 million (RM487.5 million in September 2022) and the number of ordinary shares outstanding of 234.5 million (234.5 million in September 2022).

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 : 26 October, 2023