

**HUP SENG INDUSTRIES BERHAD** 199101015786 (226098-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement of Comprehensive Income****For the period ended 31 December 2022****The figures have not been audited**

	Note	<u>2022</u> CURRENT QUARTER ENDED 31 December RM'000	<u>2021</u> CURRENT QUARTER ENDED 31 December RM'000	<u>2022</u> 12 MONTHS CUMULATIVE TO DATE RM'000	<u>2021</u> 12 MONTHS CUMULATIVE TO DATE RM'000
Revenue		94,933	81,806	318,194	295,833
Cost of sales		(66,774)	(58,905)	(239,912)	(214,160)
<b>Gross profit</b>		<b>28,159</b>	<b>22,901</b>	<b>78,282</b>	<b>81,673</b>
Other income		784	868	2,932	2,547
Administrative expenses		(5,070)	(3,964)	(18,364)	(18,614)
Selling and marketing expenses		(7,105)	(6,550)	(27,383)	(28,287)
<b>Operating profit</b>		<b>16,768</b>	<b>13,255</b>	<b>35,467</b>	<b>37,319</b>
Finance cost		(7)	(15)	(26)	(27)
<b>Profit before tax</b>	10	<b>16,761</b>	<b>13,240</b>	<b>35,441</b>	<b>37,292</b>
Income tax expense	23	(4,324)	(3,530)	(9,360)	(10,052)
<b>Profit for the period</b>		<b>12,437</b>	<b>9,710</b>	<b>26,081</b>	<b>27,240</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>12,437</b>	<b>9,710</b>	<b>26,081</b>	<b>27,240</b>
Profit attributable to :					
Owners of the Parent		12,437	9,710	26,081	27,240
Total Comprehensive Income for the period, net of tax attributable to :					
Owners of the Parent		12,437	9,710	26,081	27,240
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	32(a)	1.55	1.21	3.26	3.41
-Diluted	32(b)	1.55	1.21	3.26	3.41

*( The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements )*

**HUP SENG INDUSTRIES BERHAD** 199101015786 (226098-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement of Financial Position****As at 31 December 2022****The figures have not been audited**

	Note	As at 31/12/2022 RM'000	As at 31/12/2021 RM'000
<b><u>ASSETS:</u></b>			
<b>Non-current assets:</b>			
Property, plant and equipment		72,671	72,755
Investment properties		1,274	1,337
Right-of-use assets		5,258	5,554
Deferred tax assets		318	510
<i>Sub total</i>		79,521	80,156
<b>Current assets:</b>			
Inventories		29,941	28,212
Trade and other receivables	11	40,169	31,615
Prepayments		763	478
Cash and bank balances	12	62,442	66,693
<i>Sub total</i>		133,315	126,998
<b>TOTAL ASSETS</b>		<b>212,836</b>	<b>207,154</b>
<b><u>EQUITY AND LIABILITIES:</u></b>			
<b>Equity attributable to</b>			
<b>Owners of the Company :</b>			
Share capital		80,000	80,000
Retained earnings		61,101	59,020
<b>TOTAL EQUITY</b> <i>Sub total</i>		<b>141,101</b>	<b>139,020</b>
<b>Non-current liabilities :</b>			
Deferred tax liabilities		6,661	6,712
Lease liabilities		191	326
Other payable		-	205
<i>Sub total</i>		6,852	7,243
<b>Current liabilities:</b>			
Trade and other payables		58,320	56,342
Lease liabilities		301	238
Refund liabilities		2,752	2,089
Income tax payable		3,510	2,222
<i>Sub total</i>		64,883	60,891
<b>TOTAL LIABILITIES</b>		<b>71,735</b>	<b>68,134</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>212,836</b>	<b>207,154</b>

( The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements )

**HUP SENG INDUSTRIES BERHAD** 199101015786 (226098-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement of Changes in Equity****The figures have not been audited****For the year ended 31 December 2022**

	Attributable to owners of the parent		
	Non-distributable	Distributable	Total
	Share capital RM'000	Retained earnings RM'000	RM'000
Opening balance at 1 January 2022	80,000	59,020	139,020
Total comprehensive income for the year	-	26,081	26,081
Transaction with the owners			
Dividends on ordinary shares	-	(24,000)	(24,000)
Total transaction with the owners	-	(24,000)	(24,000)
Closing balance at 31 December 2022	80,000	61,101	141,101

**For the corresponding year  
ended 31 December 2021**

	Attributable to owners of the parent		
	Non-distributable	Distributable	Total
	Share capital RM'000	Retained earnings RM'000	RM'000
Opening balance at 1 January 2021	80,000	59,780	139,780
Total comprehensive income for the year	-	27,240	27,240
Transaction with the owners			
Dividends on ordinary shares	-	(28,000)	(28,000)
Total transaction with the owners	-	(28,000)	(28,000)
Closing balance at 31 December 2021	80,000	59,020	139,020

*( The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements )*

**HUP SENG INDUSTRIES BERHAD** 199101015786 (226098-P)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS****Condensed Consolidated Statement of Cash Flows****For the period ended 31 December 2022****The figures have not been audited**

	Note	<b><u>2022</u></b> <b>12 months</b> <b>ended</b> <b>31/12/2022</b> <b>RM'000</b>	<b><u>2021</u></b> <b>12 months</b> <b>ended</b> <b>31/12/2021</b> <b>RM'000</b>
<b>Cash flows from operating activities:</b>			
<b>Profit before tax</b>		35,441	37,292
Adjustments for:			
Reversal of allowance for doubtful debts		(73)	(88)
Bad debts written off		6	1
Depreciation of property, plant and equipment		6,119	6,188
Depreciation of investment properties		63	63
Depreciation of right-of-use assets		537	486
Interest expense on lease liabilities		26	27
Interest income		(1,214)	(1,060)
Inventories written off		235	171
Gain on disposal of property, plant and equipment		(217)	(219)
Property, plant and equipment written off		260	340
Total adjustments		5,742	5,909
<b>Operating cash flows before changes in working capital</b>		41,183	43,201
Changes in working capital			
(Increase)/decrease in inventories		(1,964)	1,359
(Increase)/decrease in trade and other receivables		(8,487)	509
(Increase)/decrease in prepayments		(285)	74
Increase/(decrease) in trade and other payables		2,436	(2,334)
Total changes in working capital		(8,300)	(392)
<b>Cash flows generated from operations</b>		32,883	42,809
Interest expense on lease liabilities paid		(26)	(27)
Income taxes paid		(7,931)	(12,906)
<b>Net cash flows generated from operating activities</b>		24,926	29,876
<b>Cash flows from investing activities</b>			
Withdrawal of deposits with more than 3 months with licensed bank		1,039	4,000
Interest income received		1,214	1,060
Proceeds from disposal of property, plant and equipment		233	222
Purchase of property, plant and equipment		(6,311)	(2,756)
<b>Net cash flows (used in)/generated from investing activities</b>		(3,825)	2,526
<b>Cash flows from financing activities</b>			
Repayment for lease liabilities		(313)	(262)
Dividends paid on ordinary shares		(24,000)	(44,000)
<b>Net cash used in financing activities</b>		(24,313)	(44,262)
<b>Net decrease in cash and cash equivalents</b>		(3,212)	(11,860)
<b>Cash and cash equivalents at beginning of financial year</b>		65,654	77,514
<b>Cash and cash equivalents at end of financial period</b>	12	62,442	65,654

*( The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements )*

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 31 December 2022

## 1. Corporate information

Hup Seng Industries Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

## 2. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 31 December 2022, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

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

## 3. Significant accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2021, except for the adoption of the following which are applicable to the financial statements and are relevant to the operations:

### (I) Adoption of annual improvements and amendments

Description	Effective for annual periods beginning <u>on or after</u>
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3: Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022

The adoption of the above amendments do not have significant financial impact to the Group's consolidated financial statements for the current quarter.

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 31 December 2022

(II) Standards and amendments issued but not yet effective

At the date of authorisation of these interim financial statements, the followings standards and amendments were issued but not yet effective and have not been applied by the Group:

Description	Effective for annual periods beginning <u>on or after</u>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17: Insurance Contracts- Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the standard and amendments above will have no material impact on the financial statements in the year of initial adoption.

**4. Comments about seasonal or cyclical factors**

The Group's business operations are normally affected by seasonal factors occurring in certain periods of the financial year, such as Hari Raya Puasa, Chinese New Year, etc.

**5. Unusual Items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the cumulative financial period ended 31 December 2022.

**6. Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 31 December 2022

## 7. Capital management, debt and equity securities

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders and issue new shares, where necessary. For capital management purposes, the Group considers shareholders' equity and total liabilities to be the key components in the Group's capital structure. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as the total liabilities to total equity. Total equity is the sum of total equity attributable to shareholders. The gearing ratio as at 31 December 2022 and 31 December 2021, which are within the Group's objectives for capital management, are as follows:

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
Total liabilities	71,735	68,134
Total equity	141,101	139,020
Total capital	80,000	80,000
Gearing ratio	51%	49%

The increase in the gearing ratio is mainly due to the increase in total liabilities arising from trade and other payables and tax payable.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period to date.

## 8. Dividends

	Date of payment	Cumulative to date 31.12.2022 RM'000
Dividend paid on per ordinary share:		
- Interim dividend of 1 sen per share (single-tier) for 2021 declared on 28 February 2022	05.04.2022	8,000
- Interim dividend of 1 sen per share (single-tier) for 2022 declared on 29 August 2022	07.10.2022	8,000
- Interim dividend of 1 sen per share (single-tier) for 2022 declared on 23 November 2022	29.12.2022	8,000
		<u>24,000</u>

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 31 December 2022

## 9. Operating Segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- I. The biscuit manufacturing segment is in the business of manufacture and sales of biscuits.
- II. The beverage manufacturing segment is in the business of manufacture and wholesale of coffee mix and all kinds of foodstuff.
- III. The trading division segment is in the business of sales and distribution of biscuits, confectionery and other foodstuff.

	Biscuit manufacturing division RM'000	Beverage manufacturing division RM'000	Trading division RM'000	Total RM'000
<b>Quarter ended 31.12.2022</b>				
Revenue *	70,384	1,898	73,218	145,500
Profit for reportable segments	8,031	137	9,188	17,356
<b>12 months cumulative to date</b>				
Revenue *	236,828	6,837	245,098	488,763
Profit for reportable segments	11,513	125	25,978	37,616

### Reconciliation of profit or loss

Profit or loss for the financial period ended 31.12.2022	Quarter ended RM'000	Cumulative to date RM'000
Total profit for reportable segments	17,356	37,616
Profit from inter-segment sales	8	(99)
Other income	199	651
Unallocated expenses	(802)	(2,727)
Profit before tax	16,761	35,441

\* Revenue reported above represents revenue generated from the reportable segments. Inter-segment sales for the current quarter and 12 months cumulative to date are RM50,567,000 and RM170,569,000 respectively.

Trading division mainly comprises domestic sales. Biscuits remain the dominant range which represents about 94% of the total sales, while beverages and other agents' products make up the balance. The comments on Note 19 apply to the above three reportable operating segments.

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 31 December 2022

## 10. Profit before tax

Included in the profit before tax are the following items:

	Quarter ended		Cumulative to date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(393)	(264)	(1,214)	(1,060)
Rental income	(86)	(78)	(319)	(281)
Reversal of impairment losses on trade receivable (Note 11)	(1)	(1)	(6)	(5)
Reversal of allowance for doubtful debts (Note 11)	(71)	(235)	(73)	(88)
Bad debts written off	2	-	6	1
Depreciation of property, plant and equipment	1,552	1,550	6,119	6,188
Depreciation of investment properties	15	14	63	63
Depreciation of right-of-use assets	137	117	537	486
Gain on disposal of property, plant and equipment	(25)	(216)	(217)	(219)
Interest expense on lease liabilities	7	15	26	27
Inventories written off	29	39	235	171
Property, plant and equipment written off	74	113	260	340
Realised exchange (gain)/losses	(79)	124	126	296

## 11. Trade and other receivables

	As at	
	31.12.2022	31.12.2021
	RM'000	RM'000
Trade receivables		
Third parties	40,196	31,257
Less: Allowance for doubtful debts	(342)	(467)
Trade receivables, net	39,854	30,790
Other receivables	315	825
Total trade and other receivables	40,169	31,615

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 31 December 2022

**Trade receivables**

The ageing analysis of the Group's trade receivables is as follows:

	As at	
	31.12.2022	31.12.2021
	RM'000	RM'000
Neither past due nor impaired	27,718	23,689
1 to 30 days past due not impaired	10,229	6,609
31 to 60 days past due not impaired	1,125	448
61 to 90 days past due not impaired	779	43
More than 121 days past due not impaired	3	1
	12,136	7,101
Impaired	342	467
	<u>40,196</u>	<u>31,257</u>

Receivables that are impaired

Movement in allowance accounts :

At 1 January	467	652
Reversal for the period (Note 10)	(73)	(88)
Written off	(46)	(92)
Reversal of impairment losses (Note 10)	(6)	(5)
	<u>342</u>	<u>467</u>

**12. Cash and bank balances**

Cash and bank balances comprised the following amounts:

	As at	
	31.12.2022	31.12.2021
	RM'000	RM'000
Cash and bank balances	7,042	6,154
Short-term deposits with licensed banks	55,400	59,500
Cash and cash equivalents	62,442	65,654
Long-term deposits of more than 3 months with licensed banks	-	1,039
	<u>62,442</u>	<u>66,693</u>

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 31 December 2022

### 13. Foreign exchange exposure

The Group's exposures to foreign currency are as follows:

	As at	
	31.12.2022	31.12.2021
	RM'000	RM'000
Trade and other receivables		
United States Dollars	820	387
Singapore Dollars	3,447	3,938

### 14. Events after the reporting period

There were no material events subsequent to the end of the current quarter.

### 15. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to date.

### 16. Changes in contingent liabilities and contingent assets

The Group has no contingent liabilities or contingent assets since the last annual date of the statement of financial position as at 31 December 2021.

### 17. Capital commitments

Approved capital commitments not recognised in the interim financial statements as at 31 December 2022 are as follows:

	RM'000
Capital expenditure:	
Approved but not contracted for property, plant and equipment	91
Contracted but not provided for property, plant and equipment	452
	<u>543</u>

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 31 December 2022

**18. Related party transactions**

	Current quarter ended 31.12.2022 RM	12 months cumulative to date 31.12.2022 RM
Rental of premises payable to:		
-Hup Seng Brothers Holdings Sdn. Bhd. #	24,150	96,600

Note:

# Certain directors of the Group are also directors and shareholders of Hup Seng Brothers Holdings Sdn. Bhd.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of  
Bursa Malaysia Securities Berhad  
For the period ended 31 December 2022

**19. Performance review**

**Financial review for current quarter and financial year to date**

	3 months Quarter ended		Changes		12 months cumulative to date		Changes	
	31.12.2022 RM'000	31.12.2021 RM'000	Amount RM'000	%	31.12.2022 RM'000	31.12.2021 RM'000	Amount RM'000	%
Revenue	94,933	81,806	13,127	16	318,194	295,833	22,361	8
Operating profit	16,768	13,255	3,513	27	35,467	37,319	(1,852)	(5)
Profit before interest and tax	16,768	13,255	3,513	27	35,467	37,319	(1,852)	(5)
Finance cost	(7)	(15)	(8)	(53)	(26)	(27)	(1)	(4)
Profit before tax	16,761	13,240	3,521	27	35,441	37,292	(1,851)	(5)
Profit after tax	12,437	9,710	2,727	28	26,081	27,240	(1,159)	(4)
Profit attributable to: Owners of the Parent	12,437	9,710	2,727	28	26,081	27,240	(1,159)	(4)

The Group's revenue for the current quarter ended 31 December 2022 has increased by 16% to RM94,933,000 from RM81,806,000 in the quarter ended 31 December 2021. Domestic sales grew 23% or RM13.8 million compared to previous corresponding period mainly from all channels. On the other hand, export market saw a decline of about 3% or RM0.7 million mainly as a result of slower offtakes from China.

The Group registered a profit before tax of RM16,761,000 which was higher by 27% or RM3.5 million as compared to a profit before tax of RM13,240,000 in the preceding corresponding quarter. The increase in profit before tax is mainly due to the improvement in sales contribution.

The Group's revenue for the twelve months ended 31 December 2022 has increased by 8% to RM318,194,000 from RM295,833,000 as compared with the preceding year corresponding period. Domestic sales registered an increase of 9% or RM19.9 million from all channels. Export sales registered an increase of 4% or about RM2.5 million mainly from Saudi Arabia, Maldives and Indonesia.

The profit before tax, on the other hand, has decreased to RM35,441,000 when compared with the preceding year corresponding period of RM37,292,000 a decrease of about 5%. The increased competitive nature in the industry and overall escalating commodity prices of materials for the better part of the year are the contributing factors.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of  
Bursa Malaysia Securities Berhad  
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## 20. Comment of material change in profit before taxation

	Current quarter	Immediate preceding quarter	Changes	
	31.12.2022 RM'000	30.09.2022 RM'000	Amount RM'000	%
Revenue	94,933	70,194	24,739	35
Operating profit	16,768	5,267	11,501	218
Profit before interest and tax	16,768	5,267	11,501	218
Finance cost	(7)	(7)	0	-
Profit before tax	16,761	5,260	11,501	219
Profit after tax	12,437	3,836	8,601	224
Profit attributable to:				
Owners of the Parent	12,437	3,836	8,601	224

The Group's revenue has increased by 35% to RM94,933,000 in the current quarter ended 31 December 2022 as compared to RM70,194,000 in the preceding quarter. Domestic market increased by 36% or RM19.5 million mainly from all channels. Export market increased by about 33% or RM5.2 million mainly from Myanmar, Indonesia, Vietnam and Thailand.

Profit before tax has increased by about 219% to RM16,761,000 as compared to RM5,260,000 in the preceding quarter. Higher sales recorded and declining prices of certain raw materials prices during the quarter contributed to the increase in profit before tax.

## 21. Commentary of prospects

2023 is bound to be a very challenging year, the operating environment is expected to remain highly competitive. The Group will have to be cautious and stay vigilant.

Recognizing and understanding the changing business environment, the Group will continue to monitor closely the movement of commodity prices, evaluate and adjust the pricing strategies and/or re-sizing major products when the need arises.

Nevertheless, the Group will continue to maintain and improve product quality, innovating products portfolio, reducing costs and broadening the distributor network to drive for higher sales and growth in market share. The Group will leverage operational efficiencies and cost savings initiatives to ensure that a better performance is achieved in the coming year.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of  
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## 22. Profit forecast or profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

## 23. Income tax expense

	3 months		Cumulative	
	Quarter ended		to date	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
-Malaysia income tax	4,053	3,425	9,219	10,206
-Deferred taxation	271	105	141	(154)
	<u>4,324</u>	<u>3,530</u>	<u>9,360</u>	<u>10,052</u>

Major components of tax expenses

	12 months	
	Current	Cumulative
	quarter ended	to date
	31.12.2022	31.12.2022
	RM'000	RM'000
Current tax expense	4,053	9,219
Deferred tax expense	271	141
	<u>4,324</u>	<u>9,360</u>
Profit before taxation	<u>16,761</u>	<u>35,441</u>
Taxation at the Malaysian statutory tax rate of 24%	4,023	8,506
Adjustments:		
-Non-deductible expenses	308	868
-Expenses with double deduction	(7)	(14)
Income tax expense	<u>4,324</u>	<u>9,360</u>
Effective tax rate	26%	26%

## 24. Sale of unquoted investments and properties

There were no sale of unquoted investments and properties for the current quarter and financial year to date.

## 25. Quoted securities

There were no purchase and sale of quoted securities for the current quarter and financial year to date.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of  
Bursa Malaysia Securities Berhad  
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**26. Corporate proposals**

There were no corporate proposals announced but not completed not earlier than seven (7) days from 14 February 2023.

**27. Borrowings and debt securities**

There were no group borrowings and debt securities as at the end of the reporting period.

**28. Derivative financial instruments**

As at the reporting date of 31 December 2022, the Group has no outstanding derivative financial instruments.

**29. Gains/losses arising from fair value changes of financial liabilities**

There are no gains/losses arising from fair value changes of any financial liabilities.

**30. Changes in material litigation**

There were no material litigation not earlier than seven (7) days from 14 February 2023.

**31. Dividend payable**

Other than as disclosed in Note 8 above, the Board of Directors recommends the payment of an interim single-tier dividend of 1 sen per ordinary share in respect of the year ended 31 December 2022 for the financial quarter under review. The entitlement date will be announced in due course.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of  
Bursa Malaysia Securities Berhad  
For the period ended 31 December 2022

### 32. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.

	3 months quarter ended		12 months quarter ended	
	31.12.22	31.12.21	31.12.22	31.12.21
<b>(a) Basic</b>				
Profit for the period (RM'000)	12,437	9,710	26,081	27,240
Weighted average number of ordinary shares for earnings per share ('000)	800,000	800,000	800,000	800,000
Basic earnings per share (sen)	1.55	1.21	3.26	3.41
<b>(b) Diluted</b>				
Diluted earnings per share (sen)	1.55	1.21	3.26	3.41

### 33. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2021 was not qualified.

### 34. Authorization for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 14 February 2023.