

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For The Third Quarter Ended 30 September 2023

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	30.9.2023 (Unaudited) RM' 000	30.9.2022 (Unaudited) RM'000	30.9.2023 (Unaudited) RM' 000	30.9.2022 (Unaudited) RM' 000
Revenue	126,851	139,552	349,173	473,695
Cost of sales	(109,394)	(122,308)	(311,581)	(391,056)
Gross profit	17,457	17,244	37,592	82,639
Other income	3,651	2,632	10,499	7,617
Administrative expenses	(3,644)	(3,283)	(10,245)	(9,073)
Other operating expenses	(1,421)	(1,439)	(4,078)	(4,390)
Operating profit	16,043	15,154	33,768	76,793
Finance costs	(488)	(522)	(1,598)	(1,598)
Profit/(Loss) before tax	15,555	14,632	32,170	75,195
Income tax expense	(4,221)	(5,927)	(9,784)	(17,818)
Profit/(Loss) after tax	11,334	8,705	22,386	57,377
Other comprehensive income				
Exchange difference on translation of foreign operations	(43)	(2)	25	-
Total comprehensive income for the period	11,291	8,703	22,411	57,377
Profit/(Loss) attributable to:				
Owners of the parent	8,083	6,624	15,182	34,404
Non-controlling interests	3,251	2,081	7,204	22,973
	11,334	8,705	22,386	57,377
Total comprehensive income attributable to:				
Owners of the parent	8,073	6,622	15,190	34,402
Non-controlling interests	3,218	2,081	7,221	22,975
	11,291	8,703	22,411	57,377
Weighted average number of shares in issue	196,544	196,544	196,544	196,544
Earnings per share in sen				
- Basic	4.11	3.37	7.72	17.50

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

MHC Plantations Bhd (4060-V)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
as at 30 September 2023

	As at 30.9.2023 (Unaudited) RM'000	As at 31.12.2022 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	466,803	472,094
Investment properties	45,264	45,264
Deferred tax assets	4,633	4,648
Investment in securities	281	281
Goodwill on consolidation	43,867	43,867
	<u>560,848</u>	<u>566,154</u>
Current assets		
Inventories	24,444	26,813
Biological assets	3,356	3,356
Trade and other receivables	26,581	23,523
Tax recoverable	1,459	1,176
Short term investments	38,115	42,816
Fixed deposits with licensed banks	39,211	41,942
Cash and bank balances	29,355	25,506
	<u>162,521</u>	<u>165,132</u>
TOTAL ASSETS	<u>723,369</u>	<u>731,286</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	196,544	196,544
Reserves	116,448	111,698
	<u>312,992</u>	<u>308,242</u>
Non-controlling interests	289,605	293,632
Total equity	<u>602,597</u>	<u>601,874</u>

**Condensed Consolidated Statement of Financial Position
as at 30 September 2023 (Contd.)**

	As at 30.9.2023 (Unaudited) RM'000	As at 31.12.2022 (Audited) RM'000
EQUITY AND LIABILITIES (CONTD.)		
Non-current liabilities		
Loans and borrowings	19,184	25,561
Deferred tax liabilities	49,714	50,636
Lease liabilities	3,271	2,868
	<u>72,169</u>	<u>79,065</u>
Current liabilities		
Trade and other payables	31,444	33,983
Loans and borrowings	11,700	10,948
Lease liabilities	1,143	1,025
Taxation	4,316	4,391
	<u>48,603</u>	<u>50,347</u>
Total liabilities	<u>120,772</u>	<u>129,412</u>
TOTAL EQUITY AND LIABILITIES	<u>723,369</u>	<u>731,286</u>
Net Tangible Asset Per Share (RM)	<u>1.37</u>	<u>1.35</u>
Net Asset Per Share (RM)	<u>1.59</u>	<u>1.57</u>

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

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statements of Changes in Equity (Unaudited)
For The Third Quarter Ended 30 September 2023

	Non-Distributable						Distributable		Total	Non-controlling Interests	Total Equity
	Share Capital RM' 000	Capital Reserve RM' 000	Other Reserve RM' 000	Revaluation Reserve RM' 000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Capital Reserve RM' 000	Retained Profits RM' 000			
Opening balance at 1 Jan 2022	196,544	5,737	(32,523)	789	(63)	(292)	8	115,041	285,241	281,898	567,139
Total comprehensive income for the period	-	-	(111)	-	36	-	-	34,404	34,329	22,975	57,304
Dividends paid to the equity holders of the Company	-	-	-	-	-	-	-	(11,793)	(11,793)	-	(11,793)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(8,601)	(8,601)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	(50)	(50)
Closing balance at 30 September 2022	196,544	5,737	(32,634)	789	(27)	(292)	8	137,652	307,777	296,222	603,999
Opening balance at 1 Jan 2023	196,544	5,737	(32,670)	789	(61)	(298)	8	138,193	308,242	293,632	601,874
Total comprehensive income for the period	-	-	-	-	-	7	-	15,182	15,189	7,239	22,428
Dividends paid to the equity holders of the Company	-	-	-	-	-	-	-	(11,793)	(11,793)	-	(11,793)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(8,601)	(8,601)
Capital reduction in a subsidiary	-	-	-	-	-	-	-	-	-	(273)	(273)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	1,354	1,354	(2,392)	(1,038)
Closing balance at 30 September 2023	196,544	5,737	(32,670)	789	(61)	(291)	8	142,936	312,992	289,605	602,597

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

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Cash Flows (Unaudited)
For The Third Quarter Ended 30 September 2023

	9 months ended	
	30.9.2023 (Unaudited) RM' 000	30.9.2022 (Unaudited) RM' 000
Operating activities		
Profit before taxation	32,170	75,195
Adjustments for:		
Depreciation and amortisation	22,711	22,427
Reversal of allowance for expected credit losses	(125)	(3)
Interest expense	1,598	1,598
(Gain)/Loss on disposal of property, plant and equipment	141	-
Other receivables written off	35	-
Property, plant and equipment written off	206	316
Interest income	(1,702)	(878)
Total adjustments	22,864	23,459
Operating cash flows before changes in working capital	<u>55,034</u>	<u>98,654</u>
Changes in working capital:		
Inventories	2,369	(1,100)
Receivables	(3,589)	3,940
Payables	(1,928)	(8,717)
Total changes in working capital	<u>(3,148)</u>	<u>(5,877)</u>
Cash generated from operations	51,886	92,777
Interest received	1,702	863
Interest paid	(1,598)	(1,603)
Tax refunded	137	-
Tax paid	(11,186)	(16,104)
Net cash flows from/(used in) operating activities	40,941	75,933
Investing activities		
Proceeds from disposal of property, plant and equipment	719	10
Increase in investment in a subsidiary	(1,039)	-
Purchase of property, plant and equipment	(16,589)	(8,257)
Net change in short term investments	4,701	(9,312)
Net cash flows (used in)/from investing activities	(12,208)	(17,559)
Financing activities		
Drawdown of revolving credit	15,000	20,000
Drawdown of term loan	-	100
Purchase of treasury shares in a subsidiary	-	(161)
Repayment of revolving credit	(15,000)	(27,100)
Repayment of term loan	(5,625)	(8,829)
Repayment of lease liabilities	(1,270)	(827)
Capital reduction in a subsidiary	(273)	-
Dividends paid to the equity holders of the Company	(11,793)	(11,793)
Dividends paid to non-controlling shareholders	(8,584)	(8,601)
Net cash flows from/(used in) financing activities	<u>(27,545)</u>	<u>(37,211)</u>
Net increase/(decrease) in cash and cash equivalents	1,188	21,162
Effect on exchange rate changes on cash and cash equivalents	38	2
Cash and cash equivalents as at 1 January	<u>62,827</u>	<u>46,440</u>
Cash and cash equivalents as at 30 September	<u>64,053</u>	<u>67,604</u>
Cash and cash equivalents :		
Fixed deposits with licensed banks	39,211	33,690
Cash and bank balances	29,355	38,529
	68,566	72,219
Less : Fixed deposits pledged	(4,513)	(4,615)
	<u>64,053</u>	<u>67,604</u>

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

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the financial period ended 30 September 2023 have been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

The accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2022.

At the date of authorization of these interim financial statements, the following MFRSs were issued but not yet effective and have not been applied by the Group:

Amendments to MFRSs	Effective Date
• Amendments to MFRS 101: Presentation of Financial statements (Classification of Liabilities as Current or Non-current)	1 Jan 2024
• Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback)	1 Jan 2024
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 Jan 2024

3. Auditors’ report

The auditor’s report on the preceding annual financial statements was not qualified.

4. Seasonal and cyclical factors

The business of the Group is cyclical in nature and the third quarter is normally the peak production season.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2023.

6. Changes in estimates

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

7. Equity and debt securities

There were no issuance, cancellation, resale, repurchase and repayment of equity or debt securities during the financial period ended 30 September 2023.

8. Dividend paid

On 31 March 2023, the Board approved the following single-tier dividend:

(i) A single-tier interim dividend of 3.0 sen per ordinary share totalling RM5,896,319 in respect for the financial year ending 31 December 2023 and paid on 9 May 2023; and

(ii) A single-tier “bumper profit” special dividend of 3.0 sen per ordinary share totalling RM5,896,319 in respect for the financial year ended 31 December 2022 and paid on 9 May 2023.

No interim dividend has been paid during the current quarter ended 30 September 2023.

9. Segment information

The Group has three reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s reportable segments:

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products
- c. Power Plant – Power Generation and sales of biomass by-products

Information about reportable segments

	Results for 3 months ended 30 September							
	Plantation		Oil Mill		Power Plant		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	5,923	6,751	107,678	120,053	13,018	12,275	126,619	139,079
Inter-segment revenue	22,046	11,010	-	-	-	-	22,046	11,010
Segment profit/(loss)	8,011	7,304	5,465	6,724	3,565	1,799	17,041	15,827

9. Segment information (Cont'd)

	3 months ended 30.9.2023 (Unaudited)	3 months ended 30.9.2022 (Unaudited)
	RM'000	RM'000
Segment profit is reconciled to consolidated profit before tax as follows:		
Segment profit	17,041	15,827
Other non-reportable segments	(47)	50
Amortisation of group land cost	(631)	(631)
Elimination of inter-segment profits	21	(1)
Unallocated corporate (expenses)/income	(829)	(613)
Consolidated profit/(loss) before tax	<u>15,555</u>	<u>14,632</u>

	Results for 9 months ended 30 September							
	Plantation		Oil Mill		Power Plant		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	18,386	27,472	296,712	405,164	33,362	39,834	348,460	472,470
Inter-segment revenue	56,607	66,155	-	-	-	-	56,607	66,155
Segment profit/(loss)	19,057	50,323	11,797	15,990	4,673	11,819	35,527	78,132

	9 months ended 30.9.2023 (Unaudited)	9 months ended 30.9.2022 (Unaudited)
	RM'000	RM'000
Segment profit is reconciled to consolidated profit before tax as follows:		
Segment profit	35,527	78,132
Other non-reportable segments	178	863
Amortisation of group land cost	(1,892)	(1,892)
Elimination of inter-segment profits	216	(525)
Unallocated corporate (expenses)/income	(1,859)	(1,383)
Consolidated profit/(loss) before tax	<u>32,170</u>	<u>75,195</u>

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 2023.

11. Contingent Assets and Liabilities

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2022.

12. Capital commitments

	RM'000
Capital expenditure:	
Approved and contracted for	33,064
Approved but not contracted for	<u>19,874</u>
	<u>52,938</u>

13. Subsequent event

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

Information required by BMSB Listing Requirements

1. Review of performance

Financial review for current quarter and financial year to date

	Individual Period (3rd Quarter)			Cumulative Period (9 months ended)			
	Current year Quarter 30.9.2023 (Unaudited) RM'000	Preceding Year Corresponding Quarter 30.9.2022 (Unaudited) RM'000	Changes (%)	Current Year To- date 30.9.2023 (Unaudited) RM'000	Preceding Year Corresponding Period 30.9.2022 (Unaudited) RM'000	Changes (%)	
Revenue	126,851	139,552	-9%	349,173	473,695	-26%	
Operating profit	16,043	15,154	6%	33,768	76,793	-56%	
Profit before tax	15,555	14,632	6%	32,170	75,195	-57%	
Profit after tax	11,334	8,705	30%	22,386	57,377	-61%	
Profit attributable to ordinary equity holders of the Parent	8,083	6,624	22%	15,182	34,404	-56%	
<i>Operational Statistics</i>							
Production:							
FFB	(mt)	39,755	32,987	21%	105,436	93,198	13%
CPO	(mt)	25,165	23,725	6%	67,158	63,361	6%
PK	(mt)	6,767	5,849	16%	18,019	16,559	9%
Average selling price:							
FFB	(RM/mt)	688	746	-8%	699	1,085	-36%
CPO	(RM/mt)	3,803	4,241	-10%	3,866	5,470	-29%
PK	(RM/mt)	2,028	2,430	-17%	2,015	3,469	-42%
Quantity sold:							
CPO	(mt)	24,907	24,627	1%	67,585	63,500	6%
PK	(mt)	6,387	6,422	-1%	17,582	16,667	5%
Oil Extraction Rate (%)		18.98	19.62	-3%	19.04	19.34	-2%
Electricity Export(MWh)		18,614	15,364	21%	46,798	43,451	8%

1. Review of performance (Cont'd)

Current Quarter vs. Previous Year Corresponding Quarter

For the current quarter, the Group recorded a revenue of RM126.85 million which was 9% lower as compared to RM139.55 million in the preceding year corresponding quarter. The decrease in revenue was mainly due to the drop in average selling prices of crude palm oil (CPO), palm kernel (PK), fresh fruit bunches (FFB) by 10%, 17% and 8% respectively.

However, the Group recorded a profit before tax of RM15.56 million for this quarter which was 6% higher as compared to RM14.63 million in the preceding year corresponding quarter ended 30 September 2022. The increase in profit before tax was mainly due to the increase in FFB production and power export by 21% respectively.

Performance of the respective operating business segments for this quarter under review as compared to the previous corresponding quarter was analysed as follows:

- (i) Plantation – The increase in Segment profit by RM0.71 million (10%) from RM7.30 million to RM8.01 million was mainly due to a 21% increase in FFB production despite a drop in average FFB selling price by 8%.
- (ii) Oil Mill – The decrease in Segment profit by RM1.26 million (19%) from RM6.72 million to RM5.46 million was mainly due to a lower mill processing margin.
- (iii) Power Plant – The substantial increase in Segment profit by RM1.77 million (98%) from RM1.80 million to RM3.57 million mainly due to an increase in power export by 21% and a lower maintenance and repair cost for the biogas plant.

Current Year-to-date vs. Previous Year-to-date

For this financial period under review, the Group recorded a revenue of RM349.17 million and profit before tax of RM31.17 million as compared to a revenue of RM473.70 million and profit before tax of RM75.20 million in the preceding year corresponding period. The decreases in revenue and profit before tax were mainly due to the drop in average selling prices of CPO, PK, FFB and EFB Oil by 29%, 42%, 36% and 28% respectively despite the increases in the sales volume of FFB, CPO and PK by 13%, 6% and 5% respectively.

Performance of the respective operating business segments for this financial period under review as compared to the previous financial corresponding period was analysed as follows:

- (i) Plantation – The substantial decrease in Segment profit by RM31.26 million (62%) from RM50.32 million to RM19.06 million was mainly due to a 34% decrease in average FFB selling price and higher costs of production in the current period as a result of higher application of fertiliser and labour costs despite an increase in FFB production by 13%.
- (ii) Oil Mill – The decrease in Segment profit by RM4.19 million (26%) from RM15.99 million to RM11.80 million was mainly due to a lower mill processing margin.
- (iii) Power Plant – The substantial decrease in Segment profit by RM7.15 million (60%) from RM11.82 million to RM4.67 million mainly due to a decrease in EFB oil sales volume and average selling price by 7% and 28% respectively. The decrease in EFB oil sales volume was caused by the shutdown maintenance and repair of the biomass plant from October 2022. The biomass power plant resumed operation on 15 February 2023.

2. Financial review for current quarter compared with immediate preceding quarter

			Current quarter 30.9.2023 (Unaudited) RM'000	Immediate Preceding Quarter 30.6.2023 (Unaudited) RM'000	Changes (%)
Revenue			126,851	115,335	10%
Operating profit			16,043	10,210	57%
Profit before tax			15,555	9,556	63%
Profit after tax			11,334	6,531	74%
Profit attributable to ordinary equity holders of the Parent			8,083	4,281	89%
<i>Operational Statistics</i>					
Production:					
FFB	(mt)		39,755	33,428	19%
CPO	(mt)		25,165	21,942	15%
PK	(mt)		6,767	5,938	14%
Average selling price:					
FFB	(RM/mt)		688	691	0%
CPO	(RM/mt)		3,803	3,829	-1%
PK	(RM/mt)		2,028	1,983	2%
Quantity sold:					
CPO	(mt)		24,907	21,959	13%
PK	(mt)		6,387	6,195	3%
Oil Extraction Rate (%)			18.98	19.18	-1%
Electricity Export(MWh)			18,614	17,474	7%

The Group recorded a profit before tax of RM15.56 million in the quarter under review as compared to a profit before tax of RM9.56 million in the immediate preceding quarter. The increase in profit before tax was primarily driven by the increases in the sales volume of FFB, CPO and Power Export by 19%, 13% and 7% respectively and the lower maintenance and repair cost for power plants.

3. Commentary on prospects

The Group expects FFB production to increase in the current financial year ending 31 December 2023 due to the improvement in the labour shortages and more replanted areas reaching maturity.

The Group expects CPO prices to remain firm in the remainder of 2023 in view of the recent weakness in Ringgit amid the prolonged Russia-Ukraine conflict.

The Group remains focused on improving cost efficiencies, increasing yields, and enhancing productivity through mechanization efforts and the replanting of older and less productive oil palm stands.

Based on the above, we expect the Group to perform satisfactorily for the financial year 2023.

4. Profit forecast

Not applicable as there was no profit forecast published.

5. Profit/(Loss) before taxation

This is arrived at after crediting/ (charging):

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) on disposal of plant and equipment	(124)	-	(141)	-
Reversal of allowance for expected credit losses	59	-	125	3
Interest income	608	400	1,702	878
Interest expense	(488)	(522)	(1,598)	(1,598)
Depreciation and amortisation	(7,599)	(7,543)	(22,711)	(22,426)
Other receivables written off	(35)		(35)	-
Property, plant and equipment written off	(132)	(8)	(206)	(316)

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

6. Income tax expense

Taxation is provided at the prevailing statutory rate based on the operating profit for the quarter as follows:

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Current tax:				
-Malaysian income tax	4,254	3,856	9,929	15,430
-Under/(over) provision of tax	559	2,212	852	2,412
	4,813	6,068	10,781	17,842
Deferred tax				
- relating to origination and reversal of temporary differences	(712)	(330)	(1,151)	(93)
- under/(over) provision of tax	120	189	154	69
	(592)	(141)	(997)	(24)
Total income tax expense	4,221	5,927	9,784	17,818

The Group's effective tax rate for the current quarter is slightly lower than the statutory tax rate of 24% due to over provision in the prior quarters while the effective tax rate for the cumulative quarter was higher than the statutory tax rate of 24% due to the non-recognition of deferred tax asset arising from losses in certain subsidiaries.

7. Corporate proposal

There was no corporate proposal for the current quarter under review.

8. Borrowings

The total borrowings incurred by the Group and outstanding as at end of the current quarter are as follows:

	As at	
	30.9.2023	31.12.2022
	(Unaudited)	(Audited)
	RM'000	RM'000
Short term borrowings		
Secured:		
Term loans	7,500	6,748
Short term revolving credits	4,100	4,100
Unsecured:		
Short term revolving credits	100	100
	11,700	10,948
Long term borrowings		
Secured:		
Term loans	19,184	25,561
Total borrowings		
Secured:		
Term loans	26,684	32,309
Short term revolving credits	4,100	4,100
Unsecured:		
Short term revolving credits	100	100
	30,884	36,509

9. Trade and Other Receivables

		As at	
		30.9.2023	31.12.2022
		(Unaudited)	(Audited)
		RM'000	RM'000
Current			
Trade receivables:			
- Non-related parties		14,303	13,432
Less: Allowance for doubtful debts		(219)	(224)
		14,084	13,208
Other receivables, net		12,497	10,315
		26,581	23,523

The credit period of trade receivables is generally for a period of one month.

The ageing analysis of trade receivables is as follows:

		As at	
		30.9.2023	31.12.2022
		(Unaudited)	(Audited)
		RM'000	RM'000
Neither past due nor impaired		14,065	13,208
1 - 30 days past due not impaired		30	-
31 - 60 days past due not impaired		-	-
61 - 90 days past due not impaired		-	-
More than 90 days past due not impaired		208	224
		238	224
Impaired		(219)	(224)
		14,084	13,208

10. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly, there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 September 2023.

11. Changes in material litigation

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

12. Dividend payable

No interim dividend has been declared for the current quarter ended 30 September 2023.

13. Earnings per share

a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 196,543,970 (2018 – 196,543,970) in issue during the financial period.

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	30.9.2023	30.9.2022	30.9.2023	30.9.2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to the owners of the Company	8,083	6,624	15,182	34,404
Weighted average number of ordinary shares in issue	196,544	196,544	196,544	196,544
Basic earnings per share (sen)	4.11	3.37	7.72	17.50

b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been presented.

14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 22 November 2023.