

HIAP TECK VENTURE BERHAD
(Registration No. 199701005844 (421340-U))
(Incorporated in Malaysia)

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income for first quarter ended 31 October 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31/10/2022	31/10/2021	31/10/2022	31/10/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	397,828	406,626	397,828	406,626
Cost of Sales	(434,931)	(332,105)	(434,931)	(332,105)
Gross Profit/(loss)	(37,103)	74,521	(37,103)	74,521
Other Income	2,904	681	2,904	681
Operating Expenses	(10,859)	(9,243)	(10,859)	(9,243)
Profit/(loss) from Operations	(45,058)	65,959	(45,058)	65,959
Finance Costs	(4,960)	(3,506)	(4,960)	(3,506)
Finance Income	711	607	711	607
Share of profit of equity-accounted investees, net of tax	1,311	23,273	1,311	23,273
Profit/(loss) Before Tax	(47,996)	86,333	(47,996)	86,333
Tax expense	(799)	(15,258)	(799)	(15,258)
Profit/(loss) for the Period	(48,795)	71,075	(48,795)	71,075
Other Comprehensive Income				
Fair value profit on other investments	11	60	11	60
Foreign currency translation differences for foreign operations	51	58	51	58
	62	118	62	118
Total Comprehensive Income/(loss)	(48,733)	71,193	(48,733)	71,193
Profit/(Loss) Attributable to:				
Owners of the parent	(49,139)	71,088	(49,139)	71,088
Non-Controlling Interests	343	(13)	343	(13)
	(48,795)	71,075	(48,795)	71,075
Total Comprehensive Income/(Loss) Attributable to:				
Owners of the parent	(49,077)	71,206	(49,077)	71,206
Non-Controlling Interests	343	(13)	343	(13)
	(48,733)	71,193	(48,733)	71,193
Earnings/(Loss) Per Share (EPS)				
(a) Basic (sen)	(2.82)	4.11	(2.82)	4.11
(b) Diluted (sen)	(2.83)	3.85	(2.83)	3.85

The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 July 2022 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Registration No. 199701005844 (421340-U))
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Condensed Consolidated Statements of Financial Position as at 31 October 2022

	31/10/2022 (Unaudited)	31/07/2022 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	264,207	257,217
Right-of-use assets	4,840	5,067
Investment properties	10,126	10,190
Investment in joint venture	551,148	549,837
Other investments	789	778
Deferred tax assets	2,853	2,853
Other Receivable	26,737	26,737
	<u>860,700</u>	<u>852,679</u>
Current assets		
Inventories	442,154	641,703
Trade and other receivables	382,747	365,630
Current tax assets	7,466	6,103
Other investments	12,031	11,922
Cash and cash equivalents	142,546	150,061
	<u>986,944</u>	<u>1,175,419</u>
Total assets	<u>1,847,644</u>	<u>2,028,098</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	872,654	872,654
Treasury shares	(7,499)	(7,499)
Translation reserves	(275)	(326)
Fair value reserves	(1,821)	(1,832)
Retained earnings	360,417	409,557
	<u>1,223,476</u>	<u>1,272,554</u>
Non-Controlling Interests	(100)	(443)
Total equity	<u>1,223,376</u>	<u>1,272,111</u>
Non-current liabilities		
Lease liabilities	4,096	4,239
Deferred tax liabilities	15,886	15,908
	<u>19,982</u>	<u>20,147</u>
Current liabilities		
Loans and borrowings	532,548	608,483
Trade and other payables	69,270	115,204
Lease liabilities	780	845
Derivative liabilities	-	3
Contract liabilities	-	1,129
Current tax payable	1,688	10,176
	<u>604,286</u>	<u>735,840</u>
Total liabilities	<u>624,268</u>	<u>755,987</u>
Total equity and liabilities	<u>1,847,644</u>	<u>2,028,098</u>
Net assets per share attributable to owners of the parent (RM)	0.70	0.73

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 July 2022 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Registration No. 199701005844 (421340-U))
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Condensed Consolidated Statements of Cash Flows for the period ended 31 October 2022

	Current Year To-date 31/10/2022 RM'000	Preceding Year Corresponding Period 31/10/2021 RM'000
<u>Operating Activities</u>		
Profit/(Loss) Before Tax	(47,996)	86,333
Adjustments for:		
Depreciation of investment properties	64	54
Depreciation of property, plant and equipment	3,162	3,107
Depreciation of right-of use assets	227	46
Finance income:		
Other investments	(76)	(7)
Deposits with licensed banks	(635)	(600)
Gain on disposal of property, plant and equipment	(818)	(423)
Finance costs	4,960	3,506
Net overdue interest income	(339)	(188)
Net unrealised foreign exchange (gain) / loss	(1,003)	446
Property, plant and equipment written off	29	80
Write-down of inventories to net realisable value	27,442	6,348
Share of profit of equity-accounted joint venture, net of tax	(1,311)	(23,273)
Operating profit before changes in working capital	(16,294)	75,429
Net changes in inventory	172,124	45,480
Net changes in trade and other receivables	(22,921)	(136,194)
Net changes in trade and other payables	(46,870)	(8,217)
Cash generated from operations	86,039	(23,502)
Interest paid	(4,920)	(3,502)
Net overdue interest income	339	188
Net income tax paid	(10,673)	(5,225)
Net cash generated from operating activities	70,785	(32,041)
<u>Investing Activities</u>		
Finance income:		
Other investments	76	7
Deposits with licensed banks	635	600
(Increase)/Decrease in other investments	(109)	(125)
Proceeds from disposal of property, plant and equipment	1,139	546
Purchase of property, plant and equipment	(4,755)	(791)
Net cash (used in) / generated from investing activities	(3,014)	237
<u>Financing Activities</u>		
Payment of lease liabilities	(248)	(51)
Drawdown / (Repayment) of borrowings (net)	(75,935)	108,750
Proceed from issuance of ESOS	-	1,472
Net cash used in financing activities	(76,183)	110,171
Net Decrease in Cash and Cash Equivalents	(8,412)	78,367
Effect of exchange rate changes	897	(256)
Cash and Cash Equivalents at beginning of period	150,061	158,531
Cash and Cash Equivalents at end of period	142,546	236,642

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 July 2022 and the accompanying explanatory notes attached to the interim financial statements.

HIAP TECK VENTURE BERHAD
(Registration No. 199701005844 (421340-U))
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Condensed Consolidated Statements of Changes in Equity for the period ended 31 October 2022

	----- Attributable to equity holders of the parent ----->								
	----- Non-distributable -----				<-Distributable->				
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserves RM'000	Share Option Reserves RM'000	Fair Value Reserves RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
As at end of current quarter ended 31 October 2022									
Opening balance as at 1 August 2022	872,654	(7,499)	(326)	-	(1,832)	409,557	1,272,554	(443)	1,272,111
Total comprehensive income	-	-	51	-	11	(49,139)	(49,077)	343	(48,734)
Closing balance as at 31 October 2022	872,654	(7,499)	(275)	-	(1,821)	360,418	1,223,476	(100)	1,223,376
As at preceding year corresponding quarter ended 31 October 2021									
Opening balance as at 1 August 2021	865,088	(7,499)	(369)	6,407	(1,826)	264,923	1,126,724	(843)	1,125,881
Total comprehensive income	-	-	58	-	60	71,088	71,206	(13)	71,193
Transactions with owners									
Issuance of ordinary shares pursuant to:-									
- Share options exercised	1,601			(129)		-	1,472		1,472
Transactions with owners	1,601	-	-	(129)	-	-	1,472	-	1,472
Closing balance as at 31 October 2021	866,689	(7,499)	(311)	6,278	(1,766)	336,011	1,199,402	(856)	1,198,546

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 July 2022 and the accompanying explanatory notes attached to the interim financial statements.

Explanatory Notes on the Quarterly Report – First Quarter ended 31 October 2022

PART A : EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

1. Basis of preparation

These interim financial statements are unaudited and have been prepared in accordance with MFRS 134 “Interim Financial Reporting” issued by Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirement of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the Company’s annual audited financial statements for the year ended 31 July 2022. These explanatory notes attached to the 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 financial year ended 31 July 2022.

2. Significant Accounting Policies

This interim financial report has been prepared based on accounting policies and methods of computation which are consistent with those adopted in the annual audited financial statements for the year ended 31 July 2022.

The Group has not adopted the following standards, interpretations and amendments that have been issued but not yet effective:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

2. Significant Accounting Policies (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS17, *Insurance Contracts – Initial application of MFRS17 and MFRS9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 August 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments to MFRS 1 and MFRS 141 which are not applicable to the Group.
- from the annual period beginning on 1 August 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group.

The initial application of the abovementioned accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

3. Audit qualification

There were no audit qualifications on the annual financial statements of the Group for the year ended 31 July 2022.

4. Seasonal or cyclical factors

The Group's business operations are not materially affected by any major seasonal factors except during Hari Raya and Chinese New Year festive seasons where business activities generally slow down.

5. Material unusual items

There were no items of an unusual nature or amount affecting assets, liabilities, equity, net income or cash flows during the quarter.

6. Material changes in estimates

There were no material changes in estimates of amount reported in prior interim period that have material impact in the current quarter under review.

7. Issuances, cancellation, repurchase, resale and repayment of debt and equity securities

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review. As at quarter ended 31 October 2022, a total of 5,492,000 buy-back shares were held as treasury shares and carried at cost.

8. Dividend paid

No dividend has been paid during the quarter under review.

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9. Segment information

The Group's activities are identified into the following business segments:

	← 3 months ended 31 October 2022 →						
	Trading RM'000	Manufac- turing RM'000	Property and Investment RM'000	Transport- ation RM'000	Mining explor- ation RM'000	Others/ Elimination RM'000	Group RM'000
SALES							
- External sales	249,704	147,075	-	23	1,026	-	397,828
- Intersegment sales	-	3,334	3,583	519	-	(7,436)	-
Total sales	249,704	150,409	3,583	542	1,026	(7,436)	397,828
RESULTS							
Finance income	243	389	70	9	-	-	711
Finance costs	2,977	1,943	40	-	-	-	4,960
Depreciation & amortisation	201	1,981	828	94	349	-	3,453
Share of profit of joint venture	-	-	-	-	-	-	1,312
Segment profit	(7,910)	(41,131)	(766)	(37)	536	1,312	(47,996)

	← 3 months ended 31 October 2021 →						
	Trading RM'000	Manufac- turing RM'000	Property and Investment RM'000	Transport- ation RM'000	Mining explor- ation RM'000	Others/ Elimination RM'000	Group RM'000
SALES							
- External sales	219,987	186,182	-	-	457	-	406,626
- Intersegment sales	-	920	2,965	589	-	(4,474)	-
Total sales	219,987	187,102	2,965	589	457	(4,474)	406,626
RESULTS							
Finance income	185	415	-	7	-	-	607
Finance costs	2,040	1,466	-	-	-	-	3,506
Depreciation & amortisation	194	2,269	466	94	184	-	3,207
Share of profit of joint venture	-	-	-	-	-	-	23,273
Segment profit	23,338	39,396	31	44	251	23,273	86,333

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10. Valuation of property, plant and equipment

The valuations of property, plant and equipment have been brought forward without amendments from the previous annual report.

11. Significant events

There were no material events subsequent to the end of the interim period up to the date of this report.

12. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the quarter under review.

13. Changes in contingent liabilities and assets

The contingent liabilities are as follow:

Contingent Liabilities :-	Group	
	As at 31.10.2022 RM'000	As at 31.07.2021 RM'000
In respect of Notices of Additional Assessment with penalties from Inland Revenue Board	13,423	13,423

14. Capital commitments

The amount of commitments not provided for in the interim financial reports as at 31 October 2022 is as follows:

	RM'000
Property, plant and equipment	
- Authorised and contracted for	51,500
- Authorised but not contracted for	9,700
	61,200

15. Related party transactions

Related party transactions for the quarter under review in which certain Directors have direct/indirect interest are as follows:

	Group	
	Current year quarter	Current year-to- date
	31.10.2022	31.10.2022
	RM'000	RM'000
Purchases of steel products by certain wholly owned subsidiaries of the Group from JK Ji Seng Sdn.Bhd.	76,850	76,850
Rent of office space by Hiap Teck Venture Berhad from Pedoman Cekap Sdn. Bhd.	249	249

These transactions have been entered into in the normal course of business and at arm's length basis and on terms no more favourable to the related party than those generally available to the public and are not detrimental to minority shareholders.

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PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

16. Review of performance

Table 1: Financial review for current quarter and financial year to date for the quarter ended 31 October 2022.

	Individual Quarter		Changes		Cumulative Quarter		Changes	
	Current Year Quarter	Preceding Year Corresponding Quarter	Amount	%	Current Year To-date	Preceding Year Corresponding Period	Amount	%
	31/10/2022	31/10/2021	RM'000	%	31/10/2022	31/10/2021	RM'000	%
Revenue	397,828	406,626	(8,798)	-2%	397,828	406,626	(8,798)	-2%
Gross profit/(loss)	(37,103)	74,521	(111,624)	-150%	(37,103)	74,521	(111,624)	-150%
Profit/(loss) from operations	(45,058)	65,959	(111,017)	-168%	(45,058)	65,959	(111,017)	-168%
Share of profit of equity-accounted investees, net of tax	1,311	23,273	(21,962)	-94%	1,311	23,273	(21,962)	-94%
Profit/(loss) before tax	(47,996)	86,333	(134,329)	-156%	(47,996)	86,333	(134,329)	-156%
Profit/(loss) for the period	(48,795)	71,075	(119,870)	-169%	(48,795)	71,075	(119,870)	-169%
Profit/(loss) attributable to:								
Owners of the parent	(49,138)	71,088	(120,226)	-169%	(49,138)	71,088	(120,226)	-169%
Non-controlling interests	343	(13)	356	2738%	343	(13)	356	-2738%
	(48,795)	71,075	(119,870)	-169%	(48,795)	71,075	(119,870)	-169%

Group revenue for the current quarter under review declined marginally at 2% to RM397.828 million as compared to the preceding year's corresponding quarter of RM406.626 million mainly attributed to lower average selling price partly offset by higher sales volume.

The Trading division registered a 14% increase in revenue to RM249.704 million as compared to RM219.987 million in the preceding year's corresponding quarter mainly contributed by higher sales quantity. In contrast, the Manufacturing division reported a 20% drop in revenue to RM150.409 million as compared to RM187.102 million the preceding year's corresponding quarter due to lower selling price.

The Group incurred a loss from operations of RM45.058 million for the current quarter as compared to preceding year's corresponding quarter profit from operations of RM65.959 million mainly due to low selling price, high costs of inventories and the write-down of inventories to net realisable value of RM27.442 million.

On the whole, the Group suffered a loss before tax of RM47.996 million in the current quarter, as contrast to a profit before tax of RM86.333 million in the preceding year's corresponding quarter. This significant loss was mainly attributed to higher costs of goods sold for the Group's downstream operating subsidiaries and the write-down of inventories to net realisable value. Share of profit from JV entity was lower at RM1.311 million in the current quarter as compared to RM23.273 million in the preceding year corresponding quarter mainly caused by the declining selling prices and higher cost of raw materials.

17. Comparison with immediate preceding quarter's results

Table 2: Financial review for current quarter compared with immediate preceding quarter

	Individual Quarter		Changes	
	Current Year Quarter 31/10/2022	Immediate Preceding Quarter 31/07/2022	Amount	%
	RM'000	RM'000	RM'000	%
Revenue	397,828	386,495	11,333	3%
Gross profit/(loss)	(37,103)	16,964	(54,067)	-319%
Profit/(loss) from operations	(45,058)	6,678	(51,736)	-775%
Share of profit of equity-accounted investees, net of tax	1,311	22,746	(21,435)	-94%
Profit/(loss) before tax	(47,996)	25,649	(73,645)	-287%
Profit/(loss) for the period	(48,795)	24,530	(73,325)	-299%
Profit/(loss) attributable to:				
Owners of the parent	(49,138)	24,476	(73,614)	-301%
Non-controlling interests	343	54	289	535%
	(48,795)	24,530	(73,325)	-299%

For the current quarter under review, Group revenue increased by 3% to RM397.828 million from RM386.495 million in the immediate preceding quarter (“4Q2022”) due to higher sales volumes though partly offset by lower selling price.

Loss from operations in the current quarter was at RM 45.058 million as compared to profit from operations for preceding quarter of RM6.678 million. This was mainly attributed to lower selling price, high costs of inventories and the write-down of inventories to net realisable value. Consequently, the Group incurred a loss before tax for the Group in 1Q2023 at RM47.996 million as compared to profit before tax of RM25.649 million in 4Q2022.

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18. Prospects

The global economic environment has deteriorated significantly in 2022 as inflation risk full materialised along with other major headwinds, namely the Russia-Ukraine war and China's lockdowns. The Russia-Ukraine war exacerbated the inflationary pressure that was ignited by the post-lockdown supply and demand imbalances as the war disrupted energy and food supplies and intervened with the normalisation of supply chains,

The World Steel Association in October 2022 issued its latest Short Range Outlook for 2022 and 2023 forecasted that global steel demand will contract by 2.3% in 2022 after increasing by 2.8% in 2021. In 2023 steel demand will see a marginal recovery of 1.0%, reflecting the repercussion of persistently high inflation and rising interest rates globally. High inflation, monetary tightening, and China's slowdown contributed to a difficult 2022, but infrastructure demand is expected to lift 2023 steel demand slightly.

The Malaysian economy registered a stronger growth of 14.2% in the third quarter of 2022 (2Q 2022: 8.9%) driven by strong domestics demand, underpinned by improvements in labour market and incomes conditions, as well as on going policy support. Malaysian Iron and Steel Industry Federation ("MISIF") has earlier forecasted the Apparent Steel Consumption ("ASC") for Malaysia to grow 11% in 2022 to 7.8 million MT and then a further 9% in 2023 to 8.5 million MT.

Downside risks remain as the country is not spared from the external environment and is susceptible to weaker-than-expected global growth, further escalation of geopolitical conflicts, supply chain disruptions and further monetary tightening. The growth in domestic steel demand is currently driven by private consumption. Major infrastructure projects has yet to be rolled out but with the stability of political landscape and more focus on economy will spur construction activities and help boost multi-year demand for domestic steel.

Against this backdrop, the Group takes cognizance of the challenges and volatility in steel prices and financial markets, and will continue to adopt prudent procurement strategies and inventory management to optimize financial performance and preserve balance sheet strength. With inflation rate starting to dip and the recent relaxation of China's Covid lockdown policies, Management is cautiously optimistic on the Group's performance in the coming quarter.

19. Variance of actual and forecast profit

Not applicable.

20. Tax

	Group	
	Current year quarter 31.10.2022	Current year-to- date 31.10.2022
	RM'000	RM'000
	Income tax	
- current year	822	822
- prior year	-	-
Deferred tax	(23)	(23)
	799	799

The Group's effective tax rate for the year was lower than the statutory income tax rate of 24% mainly due to losses incurred by certain subsidiaries where no group relief on losses were available.

21. Status of corporate proposal

There was no corporate proposal as at the date of this announcement.

22. Loans and borrowings

The Group's borrowings are as follows:

	As at 31.10.2022 RM'000	As at 31.07.2022 RM'000
Short-Term Loan		
Bankers' acceptances	286,386	289,826
Post shipment buyer loan	126,364	119,115
Accepted bills	99,798	169,542
Revolving credit	20,000	30,000
	532,548	608,484

All borrowings are secured by corporate guarantees of the Company. The financial impact of the guarantees is not material as the subsidiaries concerned are in positive financial standings to meet their obligations as and when they fall due.

23. Material litigation

There is no material litigation for the quarter under review, except for the following:

As announced on 30 September 2021, 26 October 2021, 3 March 2022, 8 April 2022, 16 June 2022, 18 August 2022, 26 August 2022, 2 September 2022, 29 November 2022 and 1 December 2022

Hiap Teck Venture Berhad (the “Company”) has earlier engaged in discussions with Lembaga Hasil Dalam Negeri (“LHDN”) on certain audit findings for the Years of Assessment (“YA”) from 2013 to 2019 involving additional tax assessments and penalties of up to RM13.5 million. Based on legal advice obtained, Management has been advised that HTVB has merits in maintaining its stand on the audit issues raised by LHDN.

Accordingly, the Company has initiated legal proceedings to challenge the basis and validity of the said notices and penalties imposed. The judicial review application lodged by the Company against the Minister of Finance (“MOF”) before the KL High Court in October 2021. The first case management was held on 26 October 2021 in which the Company was granted with an interim stay of all further proceedings including the enforcement of the Notices pending the hearing of Attorney General Chambers (AGC)’s appeal in a similar matter pending before the Court of Appeal.

At the latest case management, the Court initially fixed for hearing on 28 November 2022 before the KL High Court but was vacated due to public holiday. In this regard, the Court fixed for case management on 30 November 2022 to fix a new hearing date in which the Court fixed for hearing on 16 March 2023 in relation to leave for the Company’s judicial review application

The Company’s tax counsel applied for the interim stay order to be extended until the hearing on 16 March 2023 in order to preserve the rights of the Company. The KL High Court granted an extension for the interim stay of all further proceedings including the enforcement of the Notices until 16 March 2023. Consequent to this interim stay order, the Company need not pay the disputed taxes.

24. Dividend

The Board of Directors does not recommend any dividend for the period under review.

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25. Earnings per share (“EPS”)

a) Basic EPS

The basic earnings per share is calculated by dividing the Group’s net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares in issue.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.2022	Preceding Year Corresponding Quarter 31.10.2021	Current Year To-Date 31.10.2022	Preceding Year Corresponding Period 31.10.2021
Profit attributable to owners of the parent (RM'000)	(49,138)	71,088	(49,138)	71,088
Weighted average number of ordinary shares in issue ('000)	1,742,230	1,731,113	1,742,230	1,731,113
Basic earnings per share (sen)	(2.82)	4.11	(2.82)	4.11

b) Diluted EPS

The diluted earnings per share is calculated by dividing the Group’s net profit attributable to ordinary equity holders for the period by the weighted average number of ordinary shares that would have been in issue during the year, excluding treasury shares held by the Company at the opening of the quarter and financial year under review.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.2022	Preceding Year Quarter 31.10.2021	Current Year- to-date 31.10.2022	Preceding Year- to-date 31.10.2021
Profit attributable to owners of the parent (basis) (RM'000)	(49,138)	71,088	(49,138)	71,088
Weighted average number of ordinary shares in issue (basic) ('000)	1,742,230	1,731,113	1,742,230	1,731,113
Effect of treasury shares held	(5,492)	(5,492)	(5,492)	(5,492)
Effect of ESOS vested	-	118,909	-	118,909
Weighted average number of ordinary shares in issue (diluted) ('000)	1,736,738	1,844,530	1,736,738	1,844,530
Diluted earnings per share (sen)	(2.83)	3.85	(2.83)	3.85

26. Profit/(Loss) from operations

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.10.2022 RM'000	Preceding Year Corresponding Quarter 31.10.2021 RM'000	Current Year-to-date 31.10.2022 RM'000	Preceding Year Corresponding Period 31.10.2021 RM'000
<i>Profit/(Loss) for the period is arrived at after charging:</i>				
Depreciation of property, plant and equipment	3,162	3,107	3,162	3,107
Depreciation of investment properties	64	54	64	54
Depreciation of right-of-use assets	227	46	227	46
Finance costs	4,960	3,506	4,960	3,506
Write-down of inventories to net realisable value	27,442	6,348	27,442	6,348
Property, plant and equipment written off	29	80	29	80
<i>and after crediting / (charging):</i>				
Gain on disposal of property, plant and equipment	818	423	818	423
Finance income:				
Other investments	76	7	76	7
Deposits with licensed banks	634	600	634	600
Net foreign exchange gain / (loss)				
Realised	472	(37)	472	(37)
Unrealised	1,003	(446)	1,003	(446)
Net overdue interest income	339	118	339	188
Rental income	437	240	437	240
Share of profit of equity-accounted joint venture, net of tax	1,311	23,273	1,311	23,273

27. Authorisation for Issue

The Interim Financial Statements were authorised for issue by the Board of Directors on 15 December 2022.

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