



## **XiDeLang Holdings Ltd**

(Bermuda Company No. 43136)  
(Malaysian Foreign Company Registration No. 995210-W)

# **INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2022**

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## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31.12.2022 <sup>(1)</sup> RMB'000	Quarter ended 31.12.2021 <sup>(1)</sup> RMB'000	Financial period ended 31.12.2022 <sup>(1)</sup> RMB'000	Financial period ended 31.12.2021 <sup>(1)</sup> RMB'000
Revenue	112,267	114,391	248,410	252,226
Cost of Sales	(100,495)	(97,449)	(222,734)	(208,199)
Gross Profit ("GP")	11,772	16,942	25,676	44,027
Other Income	721	816	1,442	1,634
Distribution Costs	(231)	(635)	(391)	(1,153)
Administrative and Other Expenses	(20,023)	(64,865)	(33,833)	(90,913)
Finance Costs	(127)	(43)	(265)	(43)
<b>Loss Before Tax</b>	<b>(7,888)</b>	<b>(47,785)</b>	<b>(7,371)</b>	<b>(46,448)</b>
Taxation	296	2,276	(806)	2,162
<b>Loss for the Period</b>	<b>(7,592)</b>	<b>(45,509)</b>	<b>(8,177)</b>	<b>(44,286)</b>
<b>Other Comprehensive Income:</b>				
Foreign currency translations	-	-	-	-
Other Comprehensive Income, net of tax	-	-	-	-
<b>Total Comprehensive Loss</b>	<b>(7,592)</b>	<b>(45,509)</b>	<b>(8,177)</b>	<b>(44,286)</b>
<b>Loss attributable to:</b>				
Equity holders of the parent	(7,592)	(45,509)	(8,177)	(44,286)
<b>Total Comprehensive Loss attributable to:</b>				
Equity holders of the parent	(7,592)	(45,509)	(8,177)	(44,286)
<b>Earnings per share attributable to equity holders of the parent</b>				
- Basic <sup>(2)</sup> (RMB cent)	(0.36)	(2.15)	(0.39)	(2.09)
- Diluted <sup>(2)</sup> (RMB cent)	(0.36)	(2.15)	(0.39)	(2.09)

**Notes:**

(1) The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual report and audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

(2) Refer Note B9 for further details.



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	As at 31.12.2022 <sup>(1)</sup> RMB'000	As at 30.06.2022 RMB'000 (audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	487,286	493,426
Land use rights	41,809	42,418
Deferred tax assets	3,441	3,441
	532,536	539,285
<b>Current Assets</b>		
Inventories	7,499	5,783
Trade and other receivables (Note @)	87,296	159,622
Cash and cash equivalents	786,164	812,485
	880,959	977,890
<b>TOTAL ASSETS</b>	<b>1,413,495</b>	<b>1,517,175</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	13,437	13,437
Reserves	1,283,217	1,291,394
<b>TOTAL EQUITY</b>	1,296,654	1,304,831
<b>Non-current Liabilities</b>		
Deferred tax liabilities	16,276	16,210
<b>Current Liabilities</b>		
Trade and other payables (Note #)	87,286	183,594
Borrowings	12,400	12,400
Tax payable	879	140
	100,565	196,134
<b>TOTAL LIABILITIES</b>	116,841	212,344
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,413,495</b>	<b>1,517,175</b>
<b>Net assets per share (RMB)<sup>(2)</sup></b>	0.61	0.62

**Notes:**

- (1) *The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual report and audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Calculated based on the number of ordinary shares outstanding (excluding treasury shares) as at the end of the financial period/year.*

**Remark**

- (@) *Average credit terms granted to trade receivables by the Group are 120 to 150 days.*
- (#) *Average credit terms granted by trade payables to the Group are 120 days.*



### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Quarter and period ended	Non-distributable						Distributable		Total equity
	Share capital	Share premium	Capital redemption reserve	Statutory surplus reserve	Merger deficit	Exchange translation reserve	Treasury shares	Retained earnings	
31 December 2021 <sup>(1)</sup>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2021	13,437	42,863	858,446	49,277	(204,906)	33,401	(1)	659,040	1,451,557
Total comprehensive loss	-	-	-	-	-	-	-	(44,286)	(44,286)
Balance at 31 December 2021	13,437	42,863	858,446	49,277	(204,906)	33,401	(1)	614,754	1,407,271

  

Quarter and period ended	Non-distributable						Distributable		Total equity
	Share capital	Share premium	Capital redemption reserve	Statutory surplus reserve	Merger deficit	Exchange translation reserve	Treasury shares	Retained earnings	
31 December 2022 <sup>(1)</sup>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 July 2022	13,437	42,863	858,446	49,277	(204,906)	33,401	(1)	512,314	1,304,831
Total comprehensive loss	-	-	-	-	-	-	-	(8,177)	(8,177)
Balance at 31 December 2022	13,437	42,863	858,446	49,277	(204,906)	33,401	(1)	504,137	1,296,654

Note:

(1) The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual report and audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Financial period ended	
	31.12.2022 <sup>(1)</sup> RMB'000	31.12.2021 RMB'000
Loss before tax	(7,371)	(46,448)
Adjustments for non-operating cash flows:		
Non-cash items	6,999	65,293
Non-operating items	(1,177)	(1,591)
Operating profit/(loss) before working capital changes	(1,549)	17,254
Changes in working capital		
Net change in current assets	72,069	(34,998)
Net change in current liabilities	(96,308)	37,715
Cash (used in)/generated from operating activities	(25,788)	19,971
Income tax paid	-	-
Net cash (used in)/from operating activities	(25,788)	19,971
Investing activities		
Interest received	1,442	1,634
Proceeds from disposal of property, plant and equipment	49	-
Purchase of property, plant and equipment	(1,759)	(960)
Net cash (used in)/from investing activities	(268)	674
Financing activities		
Interest paid	(265)	(43)
Proceeds from issuance of new ordinary shares	-	-
Repayment of borrowings	(12,400)	
Drawdown of borrowings	12,400	12,400
Net cash (used in)/from financing activities	(265)	12,357
Net change in cash and cash equivalents	(26,321)	33,002
Cash and cash equivalents at beginning of financial period	812,485	833,829
Cash and cash equivalents at end of financial period	786,164	866,831
Cash and cash equivalents at end of financial period		
Cash and bank balances	786,164	866,831

*Note:*

- (1) *The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual report and audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.*



## A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)

### A1. BASIS OF PREPARATION

The condensed consolidated interim financial statements as contained in this interim financial report are unaudited and have been prepared under the historical cost convention except otherwise stated.

These unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements (“MMLR”) issued by Bursa Malaysia Securities Berhad (“Bursa Securities”).

These unaudited interim financial statements should be read in conjunction with the annual report and audited consolidated financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report. The explanatory notes contained herein provide an explanation of events and transactions that are significant to understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

The significant accounting policies and methods of computation applied in these unaudited interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 30 June 2022, save for the adoption of the following MFRS and Amendments to MFRSs during the current financial period as disclosed below:

#### Effective for annual periods commencing on or after 1 January 2022

Amendments to MFRSs contained in the document entitled “*Annual Improvements to MFRS Standards 2018-2020*”

Amendments to MFRS 3 *Reference to the Conceptual Framework*

Amendments to MFRS 116 *Property, Plant and Equipment – Proceeds before Intended Use*

Amendments to MFRS 137 *Onerous Contracts – Cost of Fulfilling a Contract*

The adoption of the above MFRS, Amendments to MFRSs and IC Interpretation did not have any significant financial impact to the Group upon their initial application.

The following MFRSs and Amendments to MFRSs have been issued by the MASB but have not been early adopted by the Group:

#### Effective for annual periods commencing on or after 1 January 2023

MFRS 17 *Insurance Contracts*

Amendment to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

Amendments to MFRS 101 *Disclosure of Accounting Policies*

Amendments to MFRS 108 *Definition of Accounting Estimates*

Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*



#### **A1. BASIS OF PREPARATION (cont'd)**

Effective for annual periods commencing on or after 1 January 2024  
Amendments to MFRS 116 *Lease Liability in a Sale and Leaseback*  
Amendments to MFRS 101 *Non-current Liabilities with Covenants*

Deferred

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group is in the process of assessing the impact of implementing these accounting standards and amendments, since the effects would only be observable for the future financial years.

#### **A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the Group's most recent annual audited financial statements for the financial year ended 30 June 2022 were not subject to any qualification.

#### **A3. SEASONALITY OR CYCLICALITY OF OPERATION**

Save for the seasonality that is inherent in the sportswear industry, our Group's operations are not exposed to any anomalous cyclical fluctuation.

#### **A4. UNUSUAL ITEMS**

Save for the impact due to COVID-19 pandemic on the overall economic environment which our Group is inevitably exposed to, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

#### **A5. MATERIAL CHANGES IN ESTIMATES**

There were no significant changes in estimates of amounts reported in prior financial years that have a material impact on the current quarter and financial period under review.

#### **A6. DEBTS AND EQUITY SECURITIES**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current quarter and financial period under review.



## A7. DIVIDEND PAID

The Board of Directors did not recommend any payment of dividend during the current quarter and financial period under review (*Quarter and financial period ended 31 December 2021: Nil*).

## A8. SEGMENT INFORMATION

The Group's activities are predominantly in designing, manufacturing and marketing of sports shoes as well as designing and marketing of sports apparel, accessories and equipment within the People's Republic of China ("PRC" or "China"). The Group's operations are concentrated in Jinjiang City, Fujian Province of the PRC, which represents its principal place of business and in which the assets and liabilities of the Group are located.

The Group's chief operating decision maker, the Group's Chief Executive Officer in this context manages the operations within the Group as a whole in single segment and relies on internal reports which are similar to those currently disclosed externally to make decisions about allocation of resources.

The Group evaluates performance on the basis of revenue from the respective operations. The analysis is as follows:

	Own branding manufacturer RMB'000	Original design manufacturer ("ODM") RMB'000	Total RMB'000
<b>Quarter ended</b>			
<b>31 December 2022</b>			
Revenue – footwear	-	112,267	112,267
<hr/>			
<b>Quarter ended</b>			
<b>31 December 2021</b>			
Revenue – footwear	6,702	107,689	114,391
<hr/>			
	Own branding manufacturer RMB'000	Original design manufacturer ("ODM") RMB'000	Total RMB'000
<b>Financial period ended</b>			
<b>31 December 2022</b>			
Revenue – footwear	-	248,410	248,410
<hr/>			
<b>Financial period ended</b>			
<b>31 December 2021</b>			
Revenue – footwear	39,884	212,342	252,226
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## A8. SEGMENT INFORMATION (cont'd)

During the financial period under review, the Group derived all of its revenue from the PRC. In view of the vast geographical areas within the PRC, customers can be stratified on a regional basis within the PRC. The following is an analysis of the Group's revenue by region by location of customers, irrespective of the origin of the goods/services and based on the following regional groupings:

- Eastern region includes Jiangsu and Shandong.
- Southern region includes Fujian, Hubei, Hunan, Jiangxi and Anhui.
- Western region includes Sichuan, Guangxi, Guizhou, Yunnan, Chongqing, Gansu, Xinjiang and Shaanxi.
- Northern region includes Beijing, Henan, Heilongjiang, Liaoning, Shanxi and Jilin.

### *Revenue by region*

	Quarter Ended		Financial Period Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RMB'000	RMB'000	RMB'000	RMB'000
Within the PRC:				
- Eastern region	-	-	-	2,435
- Southern region	112,267	110,096	248,410	227,004
- Western region	-	3,124	-	17,186
- Northern region	-	1,171	-	5,601
	112,267	114,391	248,410	252,226

## A9. MATERIAL EVENTS

There was no material event subsequent to the end of the current quarter that have not been reflected in this interim financial report and/or announced to Bursa Securities.

## A10. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes in the composition of the Group during the current quarter and financial period under review.



#### **A11. CHANGES IN CONTINGENT LIABILITIES**

There are no material contingent liabilities as at the date of this report.

#### **A12. CAPITAL COMMITMENTS**

Capital commitments not provided for in the financial statements as at 31 December 2022 is as follows:

	<b>As at 31.12.2022 RMB'000</b>
<b>Property, plant and equipment</b>	
Approved but not contracted for	<u>31,142</u>

#### **A13. RELATED PARTY TRANSACTIONS**

There was no related party transaction entered into by the Group during the current quarter and financial period under review (*Quarter and financial period ended 31 December 2021: Nil*).

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## B. ADDITIONAL INFORMATION REQUIRED BY THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### B1. ANALYSIS OF PERFORMANCE

	Quarter ended 31.12.2022 RMB'000	Quarter ended 31.12.2021 RMB'000	Financial period ended 31.12.2022 RMB'000	Financial period ended 31.12.2021 RMB'000
Revenue	112,267	114,391	248,410	252,226
Gross profit	11,772	16,942	25,676	44,207
Loss before tax	(7,888)	(47,785)	(7,371)	(46,448)

#### Revenue

Our Group's total revenue stood at RMB112.3 million and RMB248.4 million for the current quarter and financial period under review respectively, decreased marginally by approximately 1.9% and 1.5% as compared to the preceding year corresponding quarter and financial period.

This was mainly due to increased revenue from ODM division, in line with the gradual recovery of market activities from the impact/disruption caused by the COVID-19 pandemic; partially mitigated by decrease in revenue from Own-Branding division following the strategic realignment of business focus to concentrate on ODM division. Our Group has resolved to cease the supply of own-branding sportswear in view of the intensifying market competition and the adverse impact/disruption to our authorised distributors' operations caused by the COVID-19 pandemic.

#### Profitability

Our Group's gross profit stood at RMB11.8 million and RMB25.7 million for the current quarter and financial period under review, lower as compared to the preceding year corresponding quarter and financial period; mainly due to lower margin as a result of rising costs of production caused by the COVID-19 pandemic of which we were unable to fully pass-on to the customers.

Our Group recorded loss before tax of approximately RMB7.9 million and RMB7.4 million respectively for the current quarter and financial period under review, improved as compared to the preceding year corresponding quarter and financial period; mainly due to overall decrease in administrative and other expenses due to non-recurrence of credit loss allowance being recognised in relation to balances owing from our authorised distributors, which represented one-off expenses accounted for in preceding year corresponding quarter and financial period after taking into consideration the financial distress faced by our authorised distributors as they experienced adverse impact and disruption to their operations caused by the ongoing COVID-19 pandemic



## B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Quarter ended	
	31.12.2022	30.09.2022
	RMB'000	RMB'000
Revenue	112,267	136,143
Gross profit	11,772	13,904
(Loss)/Profit before tax	(7,888)	517
Loss after tax / Loss attributable to equity holders of the parent	(7,592)	(585)

Revenue for the current quarter under review decreased by approximately 17.5% as compared to preceding quarter, mainly due to lower revenue from ODM division. The market activities were facing certain degree of volatility due to the resurgence of COVID-19 cases where partial lockdown/control measures were implemented from time to time by the China Government.

Our Group recorded loss before tax and loss after tax of approximately RMB7.8 million and RMB7.6 million respectively for the current quarter under review, as compared to a profit before tax position and lower loss after tax for the preceding quarter, mainly due to the moderation of revenue and gross profit as well as increase in administrative and other expenses (mainly due to accrual of bonuses) during the current quarter under review.

### ADDITIONAL INFORMATION – TRADE RECEIVABLES

	As at	
	31.12.2022	30.09.2022
	RMB'000	RMB'000
Trade receivables – third party	89,260	112,498
Allowance for expected credit loss	(1,964)	(2,475)
	87,296	110,023

The normal credit terms granted by our Group ranging from 120 to 150 days. Our Group will monitor closely the credit risk exposure amid the COVID-19 pandemic.



### B3. TAX INCOME/(EXPENSES)

	Quarter ended		Financial period ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RMB'000	RMB'000	RMB'000	RMB'000
Tax income/(expenses)	296	2,276	(806)	2,162

As our Group's principal operations are carried out in China, the effective tax rate reported by our Group is generally correlated to the statutory tax rate applicable in China.

For the current quarter and financial period under review, our Group recorded tax income of approximately RMB0.3 million and tax expenses of RMB0.8 million respectively, as compared to tax income of approximately RMB2.3 million and RMB2.2 million in the preceding year corresponding quarter and financial period; mainly due to lower amount of reversal of deferred tax liabilities for the current quarter and financial period under review.

### B4. OUTLOOK AND PROSPECTS

The unresolved geopolitical tensions, coupled with the COVID-19 pandemic, continue to cast shadows over the global economy and create uncertainties over market activities. The industry outlook for the near term is anticipated to experience higher degree of volatility, particularly with the resurgence of COVID-19 cases in recent months despite the increasing vaccination rate globally. Consumers are expected to remain prudent on spending, while market competitions are expected to intensify with industry players remain conservative in terms of operations and expansion.

Our Group will continue to closely monitor the development and is committed to take proactive and practical actions to safeguard the interests of our Group and our shareholders and stakeholders. Our Group is of the view that the demands for the sportswear within the domestic China market and global markets will recover gradually in the mid and long-term, upon stabilisation and containment of the COVID-19 pandemic.

Our Group will strive to sustain the financial stability of the Group and mitigate the adverse impact to the financial performance of the Group due to the external factors beyond the control of the Group. Barring any unforeseen circumstances and subject to the easing and containment of COVID-19 pandemic, our Group is cautiously optimistic to record positive performance for the financial year ending 30 June 2023.

### B5. Profit Forecast

Not applicable as no profit forecast was previously published.

## B6. STATUS OF CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS

### Private placement and rights issue of warrants in 2012

The status of utilisation, as of 31 December 2022 is as follows:

<b>(In RM)</b>			<b>Proposed</b>	<b>Actual</b>	<b>Deviation</b>		
	<b>Purpose</b>	<b>Intended Timeframe</b>	<b>Utilisation RM'000</b>	<b>Utilisation RM'000</b>	<b>Amount RM'000</b>	<b>%</b>	
i)	Purchase machinery and equipment for new design and production centre	Before 30 June 2023	29,100	27,683	1,417	4.9 #	N1
ii)	Estimated expenses in relation to the Proposals	Immediate	600	600	-	-	
			29,700	28,283	1,417		

<b>(In RMB)</b>			<b>Proposed</b>	<b>Actual</b>	<b>Deviation</b>		
	<b>Purpose</b>	<b>Intended Timeframe</b>	<b>Utilisation RMB'000</b>	<b>Utilisation RMB'000</b>	<b>Amount RMB'000</b>	<b>%</b>	
i)	Purchase machinery and equipment for new design and production centre	Before 30 June 2023	53,670	48,219	5,451	10.2 #	N1
ii)	Estimated expenses in relation to the Proposals	Immediate	1,107	1,107	-	-	
			54,777	49,326	5,451		

N1 *In line with the Group's strategic re-positioning of business focus, the Group is making appropriate alteration to the types of machinery and equipment to be invested in. In view of that and taking into consideration the current market volatility and uncertainty caused by the COVID-19 pandemic, a longer period is required for the remaining funds to be fully utilised. Barring any unforeseen circumstances, the Group expects the remaining funds to be fully utilised before 30 June 2023.*

# *Differential rate of deviation between RMB and RM was due to fluctuations in exchange rate.*

## B6. STATUS OF CORPORATE PROPOSALS AND UTILISATION OF PROCEEDS (cont'd)

### Rights Issue in 2014

The status of utilisation, as of 31 December 2022 is as follows:

<b>(In RM)</b>			<b>Proposed</b>	<b>Actual</b>	<b>Deviation</b>	
	<b>Purpose</b>	<b>Intended Timeframe</b>	<b>Utilisation RM'000</b>	<b>Utilisation RM'000</b>	<b>Amount RM'000</b>	<b>%</b>
i)	Construction of the second stage of the new Design & Production Centre ("Stage 2 Construction")	Within 3 years	83,700	-	83,700	100
ii)	Estimated expenses in relation to the Proposals	Immediate	1,000	1,000	-	-
			84,700	1,000	83,700	

<b>(In RMB)</b>			<b>Proposed</b>	<b>Actual</b>	<b>Deviation</b>	
	<b>Purpose</b>	<b>Intended Timeframe</b>	<b>Utilisation RMB'000</b>	<b>Utilisation RMB'000</b>	<b>Amount RMB'000</b>	<b>%</b>
i)	Construction of the second stage of the new Design & Production Centre ("Stage 2 Construction")	Within 3 years	151,246	-	151,246	100
ii)	Estimated expenses in relation to the Proposals	Immediate	1,807	1,807	-	-
			153,053	1,807	151,246	

N2 *The utilisation for the funds raised is expected to be within three (3) years from the commencement of Stage 2 Construction. At this juncture, taking into consideration the market volatility and uncertainty caused by the COVID-19 pandemic, this may take longer time to commence. All the funds are currently kept in the Group's banking account maintained with the Industrial and Commercial Bank of China.*



## B7. BORROWINGS

The Group's borrowings consist of short-term loan from financial institution, arranged in the PRC and denominated in RMB.

As at 31 December 2022, the Group's outstanding borrowings are as follows:

	Secured RMB'000	Unsecured RMB'000	Total RMB'000
<b>Current (<i>within 12 months</i>)</b>			
Short-term bank loan	12,400	-	12,400
	<u>12,400</u>	<u>-</u>	<u>12,400</u>

## B8. CHANGES IN MATERIAL LITIGATION

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group.

## B9. EARNINGS PER SHARE

### (1) Basic Earnings per Share ("BEPS")

The basic earnings per share ("BEPS") is calculated as follows:

	Quarter ended		Financial period ended	
	31.12.2022 RMB'000	31.12.2021 RMB'000	31.12.2022 RMB'000	31.12.2021 RMB'000
<b>Basic earnings per share</b>				
Loss attributable to equity holders of the parent	<u>(7,592)</u>	<u>(45,509)</u>	<u>(8,177)</u>	<u>(44,286)</u>
Weighted average number of ordinary shares in issue ('000)	<u>2,116,226</u>	<u>2,116,226</u>	<u>2,116,226</u>	<u>2,116,226</u>
	<b>RMB cent</b>	<b>RMB cent</b>	<b>RMB cent</b>	<b>RMB cent</b>
BEPS	<u>(0.36)</u>	<u>(2.15)</u>	<u>(0.39)</u>	<u>(2.09)</u>

### (2) Diluted Earnings per Share ("DEPS")

As of 31 December 2022, the Group does not have any potential ordinary shares, which, upon conversion, could result in dilution to earnings per share in future financial periods. Accordingly, the DEPS is the same as BEPS.



## B10. FINANCIAL INSTRUMENTS

### Derivatives

The Group does not have any derivative financial instruments.

### Disclosures of Gains/Losses arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities reported by the Group during the financial period under review.

## B11. DISCLOSURE ON SELECTED EXPENSE/INCOME ITEMS AS REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Included in profit before tax comprised the following income/(expense) items:

	Quarter ended		Financial period ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	721	816	1,442	1,634
Interest expense	(127)	(43)	(265)	(43)
Depreciation and amortisation expenses	(4,125)	(4,110)	(8,246)	(8,221)
Reversal/(Provision) of allowance for expected credit loss	511	(48,503)	1,459	(57,069)
Assets written off	-	(3)	-	(3)
Loss on disposal of property, plant and equipment	(213)	-	(213)	-
Foreign exchange gain/(loss)	N/A	N/A	N/A	N/A
Other income including investment income	N/A	N/A	N/A	N/A
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Gain/Loss on disposal of quoted or unquoted investments or properties	N/A	N/A	N/A	N/A
Impairment of assets	N/A	N/A	N/A	N/A
Gain/Loss on derivatives	N/A	N/A	N/A	N/A

"N/A" denotes not applicable.

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## **APPENDICES – FINANCIAL STATEMENTS TRANSLATED INTO RINGGIT MALAYSIA (FOR ILLUSTRATIVE PURPOSE ONLY)**

The Board of Directors wish to highlight that the presentation currency adopted by the Group in preparing the interim financial statements is Renminbi (“RMB”) as allowed under the MFRS Framework.

The following supplementary financial statements in Ringgit Malaysia (“RM”) (which include condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows) are shown for reference only and have been translated at single exchange rate of RMB1 to RM0.6322 at 31 December 2022. The translation should not be construed as a representation that the RMB amounts actually have been or could be converted into RM at this or any other rate.

In addition, due to the changes of presentation currency on adoption of MFRS Framework, the comparative financial information contained in the following supplementary financial statements translated into RM would not be consistent with previously announced interim and annual financial statements as those statements were prepared using RM as the presentation currency (which was a requirement under the previous FRS Framework).

List of supplementary financial statements in Ringgit Malaysia (“RM”):

**Appendix A – Condensed Consolidated Statement of Comprehensive Income**

**Appendix B – Condensed Consolidated Statement of Financial Position**

**Appendix C – Condensed Consolidated Statement of Changes in Equity**

**Appendix D – Condensed Consolidated Statement of Cash Flows**



**APPENDIX A –  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
(UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 31.12.2022 RM'000	Quarter ended 31.12.2021 RM'000	Financial period ended 31.12.2022 RM'000	Financial period ended 31.12.2021 RM'000
Revenue	70,975	72,318	157,045	159,457
Cost of Sales	<u>(63,533)</u>	<u>(61,607)</u>	<u>(140,812)</u>	<u>(131,623)</u>
Gross Profit ("GP")	7,442	10,711	16,233	27,834
Other Income	456	516	912	1,033
Distribution Costs	(146)	(401)	(247)	(729)
Administrative and Other Expenses	(12,659)	(41,008)	(21,389)	(57,475)
Finance Costs	<u>(80)</u>	<u>(27)</u>	<u>(168)</u>	<u>(27)</u>
<b>Loss Before Tax</b>	(4,987)	(30,209)	(4,659)	(29,364)
Taxation	<u>187</u>	<u>1,439</u>	<u>(510)</u>	<u>1,367</u>
<b>Loss for the Period</b>	<u><u>(4,800)</u></u>	<u><u>(28,770)</u></u>	<u><u>(5,169)</u></u>	<u><u>(27,997)</u></u>
<b>Other Comprehensive Income:</b>				
Foreign currency translations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Comprehensive Income, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Loss</b>	<u><u>(4,800)</u></u>	<u><u>(28,770)</u></u>	<u><u>(5,169)</u></u>	<u><u>(27,997)</u></u>
<b>Loss attributable to:</b>				
Equity holders of the parent	<u>(4,800)</u>	<u>(28,770)</u>	<u>(5,169)</u>	<u>(27,997)</u>
<b>Total Comprehensive Loss attributable to:</b>				
Equity holders of the parent	<u>(4,800)</u>	<u>(28,770)</u>	<u>(5,169)</u>	<u>(27,997)</u>
<b>Earnings per share attributable to equity holders of the parent</b>				
- Basic (sen)	(0.23)	(1.36)	(0.25)	(1.32)
- Diluted (sen)	(0.23)	(1.36)	(0.25)	(1.32)



**APPENDIX B –  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(UNAUDITED)**

	As at 31.12.2022 RM'000	As at 30.06.2022 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	308,062	311,944
Land use rights	26,432	26,817
Deferred tax assets	2,175	2,175
	336,669	340,936
<b>Current Assets</b>		
Inventories	4,741	3,656
Trade and other receivables	55,189	100,913
Cash and cash equivalents	497,013	513,653
	556,943	618,222
<b>TOTAL ASSETS</b>	<b>893,612</b>	<b>959,158</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	8,495	8,495
Reserves	811,250	816,419
<b>TOTAL EQUITY</b>	<b>819,745</b>	<b>824,914</b>
<b>Non-current Liabilities</b>		
Deferred tax liabilities	10,290	10,248
<b>Current Liabilities</b>		
Trade and other payables	55,182	116,068
Borrowings	7,839	7,839
Tax payable	556	89
	63,577	123,996
<b>TOTAL LIABILITIES</b>	<b>73,867</b>	<b>134,244</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>893,612</b>	<b>959,158</b>
<b>Net assets per share (RM)</b>	<b>0.39</b>	<b>0.39</b>



**APPENDIX C –  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

Quarter and period ended 31 December 2022	----- <i>Non-distributable</i> ----->					<i>Distributable</i>		Total equity RM'000	
	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Statutory surplus reserve RM'000	Merger deficit RM'000	Exchange translation reserve RM'000	Treasury shares RM'000		Retained earnings RM'000
Balance at 1 July 2022	8,495	27,098	542,710	31,153	(129,542)	21,116	(1)	323,885	824,914
Total comprehensive loss	-	-	-	-	-	-	-	(5,169)	(5,169)
Balance at 31 December 2022	8,495	27,098	542,710	31,153	(129,542)	21,116	(1)	318,716	819,745



**APPENDIX D –  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)**

	Financial period ended	
	31.12.2022 RM'000	31.12.2021 RM'000
Loss before tax	(4,659)	(29,364)
Adjustments for non-operating cash flows:		
Non-cash items	4,425	41,278
Non-operating items	(744)	(1,006)
Operating profit/(loss) before working capital changes	<u>(978)</u>	<u>10,908</u>
Changes in working capital		
Net change in current assets	45,562	(22,126)
Net change in current liabilities	(60,886)	23,843
Cash (used in)/generated from operating activities	<u>(16,302)</u>	<u>12,625</u>
Income tax paid	-	-
Net cash (used in)/from operating activities	<u>(16,302)</u>	<u>12,625</u>
Investing activities		
Interest received	912	1,033
Proceeds from disposal of property, plant and equipment	31	-
Purchase of property, plant and equipment	(1,113)	(607)
Net cash (used in)/from investing activities	<u>(170)</u>	<u>426</u>
Financing activities		
Interest paid	(168)	(27)
Proceeds from issuance of new ordinary shares	-	-
Repayment of borrowings	(7,839)	-
Drawdown of borrowings	7,839	7,839
Net cash (used in)/from financing activities	<u>(168)</u>	<u>7,812</u>
Net change in cash and cash equivalents	(16,640)	20,863
Cash and cash equivalents at beginning of financial period	<u>513,653</u>	<u>527,147</u>
Cash and cash equivalents at end of financial period	<u>497,013</u>	<u>548,010</u>
Cash and cash equivalents at end of financial period		
Cash and bank balances	<u>497,013</u>	<u>548,010</u>