



XiDeLang Holdings Ltd

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

INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2023

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Quarter ended 30.06.2023 ⁽¹⁾ RMB'000	Quarter ended 30.06.2022 ⁽¹⁾ RMB'000	Financial year ended 30.06.2023 ⁽¹⁾ RMB'000	Financial year ended 30.06.2022 ⁽¹⁾ RMB'000
Revenue	129,579	144,507	451,324	443,878
Cost of Sales	(116,399)	(147,197)	(403,691)	(398,799)
Gross Profit ("GP")	13,180	(2,690)	47,633	45,079
Other Income	718	791	3,162	3,201
Reversal of / (Allowance for) Expected Credit Loss	(979)	(1,808)	795	(1,808)
Distribution Costs	(41)	(44,844)	(433)	(48,304)
Administrative and Other Expenses	(16,835)	(29,938)	(69,198)	(143,394)
Finance Costs	(138)	(138)	(538)	(316)
Loss Before Tax	(4,095)	(78,627)	(18,579)	(145,542)
Taxation	(2,487)	1,448	(3,033)	4,550
Loss for the Period	(6,582)	(77,179)	(21,612)	(140,992)
Other Comprehensive Income:				
Foreign currency translations	-	-	-	-
Other Comprehensive Income, net of tax	-	-	-	-
Total Comprehensive Loss	(6,582)	(77,179)	(21,612)	(140,992)
Loss attributable to:				
Equity holders of the parent	(6,582)	(77,179)	(21,612)	(140,992)
Total Comprehensive Loss attributable to:				
Equity holders of the parent	(6,582)	(77,179)	(21,612)	(140,992)
Earnings per share attributable to equity holders of the parent				
- Basic ⁽²⁾ (RMB cent)	(0.31)	(3.65)	(1.02)	(6.66)
- Diluted ⁽²⁾ (RMB cent)	(0.31)	(3.65)	(1.02)	(6.66)

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.*

The comparative figures (ended 30 June 2022) may vary as compared to the previously announced interim financial report due to adjustments made upon finalisation of the audited financial statements for the financial year ended 30 June 2022.

(2) *Refer Note B9 for further details.*



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

	As at 30.06.2023 ⁽¹⁾ RMB'000	As at 30.06.2022 RMB'000 (audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	480,430	493,426
Land use rights	41,201	42,418
Deferred tax assets	-	3,441
	521,631	539,285
Current Assets		
Inventories	7,646	5,783
Trade and other receivables (Note @)	128,775	159,622
Cash and cash equivalents	764,199	812,485
	900,620	977,890
TOTAL ASSETS	1,422,251	1,517,175
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	13,437	13,437
Reserves	1,269,782	1,291,394
TOTAL EQUITY	1,283,219	1,304,831
Non-current Liabilities		
Deferred tax liabilities	15,803	16,210
Current Liabilities		
Trade and other payables (Note #)	110,689	183,594
Borrowings	12,400	12,400
Tax payable	140	140
	123,229	196,134
TOTAL LIABILITIES	139,032	212,344
TOTAL EQUITY AND LIABILITIES	1,422,251	1,517,175
Net assets per share (RMB)⁽²⁾	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 30 June 2022 ⁽¹⁾	Non-distributable					Distributable			Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Statutory surplus reserve RMB'000	Merger deficit RMB'000	Exchange translation reserve RMB'000	Treasury shares RMB'000	Retained earnings 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
- as previously reported	-	-	-	-	-	-	-	(5,734)	(5,734)
- prior year adjustments	-	-	-	-	-	-	-	-	-
As restated	13,437	42,863	858,446	49,277	(204,906)	33,401	(1)	653,306	1,445,823
Total comprehensive loss	-	-	-	-	-	-	-	(140,992)	(140,992)
Balance at 30 June 2022	13,437	42,863	858,446	49,277	(204,906)	33,401	(1)	512,314	1,304,831
Quarter and period ended 30 June 2023 ⁽¹⁾	Non-distributable					Distributable			Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital redemption reserve RMB'000	Statutory surplus reserve RMB'000	Merger deficit RMB'000	Exchange translation reserve RMB'000	Treasury shares RMB'000	Retained earnings 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	-	-	-	-	-	-	-	(21,612)	(21,612)
Balance at 30 June 2023	13,437	42,863	858,446	49,277	(204,906)	33,401	(1)	490,702	1,283,219

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.

The comparative figures (ended 30 June 2022) may vary as compared to the previously announced interim financial report due to adjustments made upon finalisation of the audited financial statements for the financial year ended 30 June 2022.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Financial year ended	
	30.06.2023 ⁽¹⁾ RMB'000	30.06.2022 RMB'000
Loss before tax	(18,579)	(145,542)
Adjustments for non-operating cash flows:		
Non-cash items	15,800	78,830
Non-operating items	(2,324)	(2,714)
Operating (loss)/profit before working capital changes	(5,103)	(69,426)
Changes in working capital		
Net change in current assets	29,779	(75,472)
Net change in current liabilities	(72,904)	112,744
Cash (used in)/generated from operating activities	(48,228)	(32,154)
Income tax paid	-	-
Net cash (used in)/from operating activities	(48,228)	(32,154)
Investing activities		
Interest received	2,862	3,188
Proceeds from disposal of property, plant and equipment	49	54
Purchase of property, plant and equipment	(2,431)	(4,516)
Net cash from/(used in) investing activities	480	(1,274)
Financing activities		
Interest paid	(538)	(316)
Repayment of borrowings	(12,400)	-
Drawdown of borrowings	12,400	12,400
Net cash (used in)/from financing activities	(538)	12,084
Net change in cash and cash equivalents	(48,286)	(21,344)
Cash and cash equivalents at beginning of financial period	812,485	833,829
Cash and cash equivalents at end of financial period	764,199	812,485
Cash and cash equivalents at end of financial period		
Cash and bank balances	764,199	812,485

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.*

The comparative figures (ended 30 June 2022) may vary as compared to the previously announced interim financial report due to adjustments made upon finalisation of the audited financial statements for the financial year ended 30 June 2022.

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 16 *Lease Liability in a Sale and Leaseback*

Amendments to MFRS 101 *Non-current Liabilities with Covenants*

Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

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 year under review. Following the uplifting of lockdown measures by the China Government, our Group will step-up our marketing efforts to secure new customers in order to enhance our revenue base and improve our Group's future financial performance.

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 year 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 year under review.



A7. DIVIDEND PAID

The Board of Directors did not recommend any payment of dividend during the current quarter and financial year under review (*Quarter and financial year ended 30 June 2022: 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
Quarter ended			
30 June 2023			
Revenue – footwear	-	129,579	129,579
Quarter ended			
30 June 2022			
Revenue – footwear	-	144,507	144,507
	Own branding manufacturer RMB'000	Original design manufacturer ("ODM") RMB'000	Total RMB'000
Financial year ended			
30 June 2023			
Revenue – footwear	-	451,324	451,324
Financial year ended			
30 June 2022			
Revenue – footwear	39,884	403,994	443,878



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 Year Ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RMB'000	RMB'000	RMB'000	RMB'000
Within the PRC:				
- Eastern region	-	-	-	2,435
- Southern region	129,579	144,507	451,324	423,591
- Western region	-	-	-	17,186
- Northern region	-	-	-	666
	129,579	144,507	451,324	443,878

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 changes in the composition of the Group during the current quarter and financial year under review.



A11. CHANGES IN CONTINGENT LIABILITIES

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

A12. CAPITAL COMMITMENTS

Save for the capital expenditures to be funded by the gross proceeds raised from corporate exercises as disclosed in Note B6, there are no material capital commitments not provided for in the financial statements as at 30 June 2023.

A13. RELATED PARTY TRANSACTIONS

There was no related party transaction entered into by the Group during the current quarter and financial year under review (*Quarter and financial year ended 30 June 2022: 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 30.06.2023 RMB'000	Quarter ended 30.06.2022 RMB'000	Financial year ended 30.06.2023 RMB'000	Financial year ended 30.06.2022 RMB'000
Revenue	129,579	144,507	451,324	443,878
Gross profit	13,180	(2,690)	47,633	45,079
Loss before tax	(4,095)	(78,627)	(18,579)	(145,542)

Revenue

Our Group's total revenue stood at RMB129.6 million for the current quarter under review, decreased by approximately 10.3% as compared to preceding year corresponding quarter; mainly due to lower orders from ODM division as a result of the global economic uncertainties.

Our Group's total revenue stood at RMB451.3 million for the current financial year under review, relatively consistent with the total revenue level achieved for the preceding year.

Profitability

Our Group's gross profit stood at RMB13.2 million and RMB47.6 million respectively for the current quarter and financial year under review, showing improvement as compared to gross loss of RMB2.7 million and gross profit of RMB45.1 million respectively for the preceding year corresponding quarter and preceding year. This was mainly due to better margin achieved as the average unit selling price has increased.

Our Group recorded loss before tax of approximately RMB4.1 million and RMB18.6 million respectively for the current quarter and financial year under review, improved notably as compared to preceding year corresponding quarter and preceding year; mainly due to overall decrease in operating expenses as a result of:

- (i) non-recurrence of bad debts written off in relation to balances owing from our authorised distributors, which represented one-off expenses accounted for in preceding year 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; and
- (ii) reversal of property taxes over-provided in prior year, which was partially offset by land use taxes under-provided in prior year.



B2. VARIATION OF RESULTS AGAINST PRECEDING QUARTER

	Quarter ended	
	30.06.2023	31.03.2023
	RMB'000	RMB'000
Revenue	129,579	73,335
Gross profit	13,180	8,777
Loss before tax	(4,095)	(7,113)
Loss after tax / Loss attributable to equity holders of the parent	(6,582)	(6,853)

Revenue for the current quarter under review increased by approximately 76.7% as compared to preceding quarter, mainly due to higher revenue from ODM division as a result of the gradual recovery of market activities post festive season and with the COVID-19 pandemic transitioning into the endemic phase.

Our Group recorded loss before tax and loss after tax of approximately RMB4.1 million and RMB6.6 million respectively for the current quarter under review, showing improvement in financial performance as compared to the preceding quarter. This was mainly backed by the improvement in revenue and gross profit recorded during the current quarter under review.

ADDITIONAL INFORMATION – TRADE RECEIVABLES

	As at	
	30.06.2023	31.03.2023
	RMB'000	RMB'000
Trade receivables – third party	131,403	82,428
Allowance for expected credit loss	(2,628)	(1,649)
	<u>128,775</u>	<u>80,779</u>

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 (EXPENSES)/CREDIT

	Quarter ended		Financial year ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RMB'000	RMB'000	RMB'000	RMB'000
Tax (expenses)/credit	(2,487)	1,448	(3,033)	4,550

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 year under review, our Group recorded tax expenses of approximately RMB2.5 million and RMB3.0 million respectively, as compared to tax credit of approximately RMB1.4 million and RMB4.6 million in the preceding year corresponding quarter and preceding year; mainly due to:

- (i) additional sum recognised for reversal of deferred tax assets during the current quarter and financial year under review; and
- (ii) lower sum of reversal of deferred tax liabilities for the current quarter and financial year under review, in line with lower quantum of loss before tax recorded for the current quarter and financial year 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 of the geopolitical situation and global economy, as well as containment of the COVID-19 pandemic.

Following the uplifting of lockdown measures by the China Government, our Group will step-up our marketing efforts to secure new customers in order to enhance our revenue base and improve our Group's future financial performance. Our Group will continue to put in efforts 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 stabilisation of the geopolitical situation and global economy as well as containment of COVID-19 pandemic, our Group is cautiously optimistic that the financial performance for the financial year ending 30 June 2024 will gradually improve.

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 30 June 2023 is as follows:

(In RM)			Proposed	Actual	Deviation		
	Purpose	Intended Timeframe	Utilisation RM'000	Utilisation RM'000	Amount RM'000	%	
i)	Purchase machinery and equipment for new design and production centre	Before 30 June 2024	29,100	27,847	1,253	4.3 #	N1
ii)	Estimated expenses in relation to the Proposals	Immediate	600	600	-	-	
			29,700	28,447	1,253		

(In RMB)			Proposed	Actual	Deviation		
	Purpose	Intended Timeframe	Utilisation RMB'000	Utilisation RMB'000	Amount RMB'000	%	
i)	Purchase machinery and equipment for new design and production centre	Before 30 June 2024	53,670	48,473	5,197	9.7 #	N1
ii)	Estimated expenses in relation to the Proposals	Immediate	1,107	1,107	-	-	
			54,777	49,580	5,197		

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 2024.*

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 30 June 2023 is as follows:

(In RM)			Proposed	Actual	Deviation		
	Purpose	Intended Timeframe	Utilisation RM'000	Utilisation RM'000	Amount RM'000	%	
i)	Construction of the second stage of the new Design & Production Centre ("Stage 2 Construction")	Within 3 years	83,700	-	83,700	100	N2
ii)	Estimated expenses in relation to the Proposals	Immediate	1,000	1,000	-	-	
			84,700	1,000	83,700		

(In RMB)			Proposed	Actual	Deviation		
	Purpose	Intended Timeframe	Utilisation RMB'000	Utilisation RMB'000	Amount RMB'000	%	
i)	Construction of the second stage of the new Design & Production Centre ("Stage 2 Construction")	Within 3 years	151,246	-	151,246	100	N2
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 30 June 2023, the Group's outstanding borrowings are as follows:

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

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	
	30.06.2023 RMB'000	30.06.2022 RMB'000	30.06.2023 RMB'000	30.06.2022 RMB'000
Basic earnings per share				
Loss attributable to equity holders of the parent	(6,582)	(77,179)	(21,612)	(140,992)
Weighted average number of ordinary shares in issue ('000)	2,116,226	2,116,226	2,116,226	2,116,226
	RMB cent	RMB cent	RMB cent	RMB cent
BEPS	(0.31)	(3.65)	(1.02)	(6.66)

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

As of 30 June 2023, 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 year ended	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	718	791	2,862	3,188
Interest expense	(138)	(138)	(538)	(316)
Depreciation and amortisation expenses	(4,017)	(4,138)	(16,353)	(16,486)
Reversal of /(Allowance for) expected credit loss	(979)	(1,808)	795	(1,808)
Bad debts written off	-	(3,464)	-	(60,533)
Assets written off	(29)	-	(29)	(3)
Loss on disposal of property, plant and equipment	-	(158)	(213)	(158)
Other income including investment income	-	-	300	13
Foreign exchange gain/(loss)	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.



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 RM0.6455 at 30 June 2023. 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 30.06.2023 RM'000	Quarter ended 30.06.2022 RM'000	Financial year ended 30.06.2023 RM'000	Financial year ended 30.06.2022 RM'000
Revenue	83,643	93,279	291,330	286,523
Cost of Sales	<u>(75,136)</u>	<u>(95,016)</u>	<u>(260,583)</u>	<u>(257,425)</u>
Gross Profit ("GP")	8,507	(1,737)	30,747	29,098
Other Income	463	511	2,041	2,066
Reversal of / (Allowance for) Expected Credit Loss	(632)	(1,167)	513	(1,167)
Distribution Costs	(26)	(28,947)	(280)	(31,180)
Administrative and Other Expenses	(10,867)	(19,325)	(44,667)	(92,561)
Finance Costs	<u>(89)</u>	<u>(89)</u>	<u>(347)</u>	<u>(204)</u>
Loss Before Tax	(2,644)	(50,754)	(11,993)	(93,948)
Taxation	<u>(1,605)</u>	<u>935</u>	<u>(1,958)</u>	<u>2,937</u>
Loss for the Period	<u>(4,249)</u>	<u>(49,819)</u>	<u>(13,951)</u>	<u>(91,011)</u>
Other Comprehensive Income:				
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>
Total Comprehensive Loss	<u>(4,249)</u>	<u>(49,819)</u>	<u>(13,951)</u>	<u>(91,011)</u>
Loss attributable to:				
Equity holders of the parent	<u>(4,249)</u>	<u>(49,819)</u>	<u>(13,951)</u>	<u>(91,011)</u>
Total Comprehensive Loss attributable to:				
Equity holders of the parent	<u>(4,249)</u>	<u>(49,819)</u>	<u>(13,951)</u>	<u>(91,011)</u>
Earnings per share attributable to equity holders of the parent				
- Basic (sen)	(0.20)	(2.35)	(0.66)	(4.30)
- Diluted (sen)	(0.20)	(2.35)	(0.66)	(4.30)



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

	As at 30.06.2023 RM'000	As at 30.06.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	310,118	318,506
Land use rights	26,595	27,381
Deferred tax assets	-	2,221
	336,713	348,108
Current Assets		
Inventories	4,935	3,733
Trade and other receivables	83,124	103,036
Cash and cash equivalents	493,290	524,459
	581,349	631,228
TOTAL ASSETS	918,062	979,336
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	8,674	8,674
Reserves	819,644	833,595
TOTAL EQUITY	828,318	842,269
Non-current Liabilities		
Deferred tax liabilities	10,200	10,464
Current Liabilities		
Trade and other payables	71,450	118,509
Borrowings	8,004	8,004
Tax payable	90	90
	79,544	126,603
TOTAL LIABILITIES	89,744	137,067
TOTAL EQUITY AND LIABILITIES	918,062	979,336
Net assets per share (RM)	0.39	0.40



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

Quarter and period ended 30 June 2023 ⁽¹⁾	----- <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	8,674	27,668	554,127	31,808	(132,267)	21,560	(1)	330,700	842,269
Total comprehensive loss	-	-	-	-	-	-	-	(13,951)	(13,951)
Balance at 30 June 2023	8,674	27,668	554,127	31,808	(132,267)	21,560	(1)	316,749	828,318

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

	Financial year ended	
	30.06.2023 RM'000	30.06.2022 RM'000
Loss before tax	(11,993)	(93,948)
Adjustments for non-operating cash flows:		
Non-cash items	10,199	50,885
Non-operating items	(1,500)	(1,752)
Operating (loss)/profit before working capital changes	<u>(3,294)</u>	<u>(44,815)</u>
Changes in working capital		
Net change in current assets	19,222	(48,717)
Net change in current liabilities	(47,060)	72,776
Cash (used in)/generated from operating activities	<u>(31,132)</u>	<u>(20,756)</u>
Income tax paid	-	-
Net cash (used in)/from operating activities	<u>(31,132)</u>	<u>(20,756)</u>
Investing activities		
Interest received	1,847	2,058
Proceeds from disposal of property, plant and equipment	32	35
Purchase of property, plant and equipment	(1,569)	(2,915)
Net cash from/(used in) investing activities	<u>310</u>	<u>(822)</u>
Financing activities		
Interest paid	(347)	(204)
Repayment of borrowings	(8,004)	-
Drawdown of borrowings	8,004	8,004
Net cash (used in)/from financing activities	<u>(347)</u>	<u>7,800</u>
Net change in cash and cash equivalents	(31,169)	(13,778)
Cash and cash equivalents at beginning of financial period	<u>524,459</u>	<u>538,237</u>
Cash and cash equivalents at end of financial period	<u>493,290</u>	<u>524,459</u>
Cash and cash equivalents at end of financial period		
Cash and bank balances	<u>493,290</u>	<u>524,459</u>