

TECHBOND GROUP BERHAD

201601019667 (1190604-M)

(Incorporated in Malaysia)


UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2022 RM'000	Preceding year quarter 30/09/2021 RM'000	Current year- to-date 30/09/2022 RM'000	Preceding year-to-date 30/09/2021 RM'000
Revenue	23,393	15,277	23,393	15,277
Cost of sales	(18,595)	(11,514)	(18,595)	(11,514)
Gross profit	4,798	3,763	4,798	3,763
Other income	3,132	940	3,132	940
Finance income	174	148	174	148
Administration expenses	(2,278)	(2,518)	(2,278)	(2,518)
Distribution expenses	(907)	(564)	(907)	(564)
Other expenses	-	(1)	-	(1)
Profit before tax	4,919	1,768	4,919	1,768
Tax expense	(418)	(421)	(418)	(421)
Profit for the period	4,501	1,347	4,501	1,347
Other comprehensive income, net of tax:-				
Item that may be reclassify subsequently to profit or loss				
Foreign currency translation differences	524	196	524	196
Total comprehensive income for the period	5,025	1,543	5,025	1,543
Earnings per share (Note B11)				
- Basic (sen)	0.85	0.25	0.85	0.25
- Diluted (sen)	0.83	0.22	0.83	0.22

Note:-

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial report.

TECHBOND GROUP BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022⁽¹⁾**

	Unaudited As at 30/09/2022 RM'000	Audited As at 30/06/2022 RM'000
ASSETS		
Non-current assets		
Investment property	12,349	12,357
Property, plant and equipment	51,132	49,765
Land use rights	6,917	6,630
Other receivables	31	29
Total non-current assets	70,429	68,781
Current assets		
Inventories	35,530	44,027
Trade receivables	17,208	18,243
Other receivables	12,739	6,408
Current tax assets	810	1,246
Cash and cash equivalents	35,269	39,140
Total current assets	101,556	109,064
TOTAL ASSETS	171,985	177,845
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to the owners of the Company:-		
Share capital	143,826	143,826
Merger deficit	(78,938)	(78,938)
Exchange translation reserve	7,808	7,284
Retained earnings	92,055	87,554
Total equity	164,751	159,726
LIABILITIES		
Non-current liability		
Deferred tax liabilities	1,476	1,534
Total non-current liability	1,476	1,534

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022 (cont'd)⁽¹⁾**

	Unaudited As at 30/09/2022 RM'000	Audited As at 30/06/2022 RM'000
Current liabilities		
Trade payables	3,536	14,596
Other payables	2,222	1,849
Current tax liabilities	-	140
Total current liabilities	<u>5,758</u>	<u>16,585</u>
Total liabilities	<u>7,234</u>	<u>18,119</u>
TOTAL EQUITY AND LIABILITIES	<u>171,985</u>	<u>177,845</u>
Net assets per share (RM) ⁽²⁾	0.31	0.30

Notes:-

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial report.
- (2) The net assets per share is calculated based on the weighted average number of shares in issue of 529,397,000 as at 30 September 2022 and 529,395,000 as at 30 June 2022.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾

	← Non-distributable →			Distributable	
	Share capital RM'000	Merger deficit RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2021	143,821	(78,938)	6,578	79,003	150,464
Profit of the financial period	-	-	-	11,198	11,198
Other comprehensive income, net of tax	-	-	706	-	706
Total comprehensive income	-	-	706	11,198	11,904
Transactions with owners:-					
Dividends to owners of the company	-	-	-	(2,647)	(2,647)
Exercise of warrants conversion	5	-	-	-	5
Total transactions with owners	5	-	-	(2,647)	(2,642)
Balance as at 30 June 2022	143,826	(78,938)	7,284	87,554	159,726

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 (cont'd)⁽¹⁾

	← Non-Distributable →			Distributable	
	Share capital RM'000	Merger deficits RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2022	143,826	(78,938)	7,284	87,554	159,726
Profit of the financial period	-	-	-	4,501	4,501
Other comprehensive income, net of tax	-	-	524	-	524
Total comprehensive income	-	-	524	4,501	5,025
Transactions with owners:-					
Dividends to owners of the company	-	-	-	-	-
Exercise of warrants conversion	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance as at 30 September 2022	143,826	(78,938)	7,808	92,055	164,751

Note:-

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

TECHBOND GROUP BERHAD

201601019667 (1190604-M)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022⁽¹⁾

	Current year- to-date 30/09/2022 RM'000	Preceding year-to-date 30/09/2021 RM'000
OPERATING ACTIVITIES		
Profit before taxation	4,919	1,768
Adjustments for:-		
Amortisation of land use rights	51	48
Depreciation of investment property	8	8
Depreciation of property, plant and equipment	793	719
Fair value gain on short-term demand deposits	(163)	-
Interest income	(11)	(148)
Net impairment loss on trade receivables	(16)	-
Net unrealised gain on foreign exchange	(2,828)	(695)
Operating profit before working capital changes	2,753	1,700
Changes in working capital:-		
Inventories	9,299	(3,811)
Receivables	(4,628)	3,443
Payables	(10,918)	(1,817)
Cash generated used in operations	(3,494)	(485)
Tax paid	(155)	(480)
Finance income received	174	148
Net cash flows used in operating activities	(3,475)	(817)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(549)	(168)
Net cash flows used in investing activities	(549)	(168)
FINANCING ACTIVITIES		
Proceeds from conversion of warrants into ordinary shares	-	5
Dividend paid	-	(2,647)
Net cash flows used in financing activities	-	(2,642)

TECHBOND GROUP BERHAD

201601019667 (1190604-M)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 (cont'd)⁽¹⁾**

	Current year- to-date 30/09/2022 RM'000	Preceding year- to-date 30/09/2021 RM'000
CASH AND CASH EQUIVALENTS		
Net changes	(4,024)	(3,627)
Effect of foreign currency translation differences	153	134
At beginning of financial period	39,140	38,022
At end of financial period	35,269	34,529
Cash and cash equivalents at the end of the financial period comprises:-		
Cash and bank balances	8,797	10,583
Fixed deposits with licensed banks	-	7,817
Short-term demand deposits	26,472	16,129
	35,269	34,529

Note:-

- (1) The Unaudited Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial report

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING**A1. Basis of preparation**

The interim financial report of the Group is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) (“Listing Requirements”).

This interim financial report should be read in conjunction with the Group audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to this interim financial report.

A2. Standards issued but not yet effective

The new and amended standards that are issued but not yet effective up to the date of issuance of the Group’s and the Company’s financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective:-

Amendments to MFRSs effective 1 January 2022:

Amendments to MFRS 3	References to the Conceptual Framework
Amendments to MFRS 116*	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Provision, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvement to MFRS Standards 2018 – 2020	

MFRSs and Amendments to MFRSs effective 1 January 2023:

Amendments to MFRS 4*#	Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17*# and Amendments to MFRS 17*#	Insurance Contracts and amendment to MFRS 17 Insurance Contracts
Amendments to MFRS 17*	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure 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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A2. Standards issued but not yet effective (cont'd)

Amendments to MFRSs – effective date deferred indefinitely:

MFRS 10*# and 128*#	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Company's operation

Not applicable to the Group's operation

The initial application of the above applicable standards and amendments are not expected to have any significant impacts to the financial statements.

A3. Auditors' report

There was no qualification on the audited financial statements of the Group for the financial year ended 30 June 2022.

A4. Seasonal or cyclical factors

The business operations of the Group were not materially affected by any seasonal and cyclical factors during the current quarter and financial period-to-date under review.

A5. Material unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A6. Material changes in estimates

There were no changes in estimates that have a material effect in the current quarter and financial period-to-date under review.

A7. Debt and equity securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity securities for the current quarter and financial period-to-date under review.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)****A8. Dividend paid**

No dividend has been paid during the current quarter and financial period under review.

A9. Segmental information

The Group's operating segments are adhesives, sealants and supporting products and services. These operating segments are required to be organised and managed for the purpose of making decisions about resource allocation and performance assessment. The segmental results are as follows:-

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2022 RM'000	Preceding year quarter 30/09/2021 RM'000	Current year- to-date 30/09/2022 RM'000	Preceding year- to-date 30/09/2021 RM'000
Revenue				
Adhesives and sealants	22,757	14,646	22,757	14,646
Supporting products and services	636	631	636	631
	<u>23,393</u>	<u>15,277</u>	<u>23,393</u>	<u>15,277</u>
Profit before tax				
Adhesives and sealants	4,727	1,691	4,727	1,691
Supporting products and services	192	77	192	77
	<u>4,919</u>	<u>1,768</u>	<u>4,919</u>	<u>1,768</u>

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)

A10. Property, plant and equipment

(i) Acquisitions and disposals

There were additions of property, plant and equipment during the current quarter and financial period-to-date under review.

There were no material disposals during the current quarter and financial period-to-date under review.

(ii) Impairment losses

There were no impairment losses during the current quarter and financial period-to-date under review.

(iii) Valuation

The Group has not carried out any valuation on its property, plant and equipment during the current quarter and financial period-to-date under review.

A11. Material events subsequent to the end of the quarter

There were no material events subsequent to the end of the current quarter and financial period-to-date under review that have not been reflected in the interim financial report.

A12. Changes in the composition of the group

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

A13. Contingent liabilities and contingent assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this interim financial report.

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (cont'd)****A14. Material capital commitments**

The capital commitments of the Group as at the end of the quarter under review were as follows:-

	RM'000
Authorised and contracted for:-	
Shah Alam Factory complex	121

A15. Significant related party transactions

Significant related party transactions in the current quarter and current period-to-date are as follows:-

	Current year quarter 30/09/2022 RM'000	Current period- to-date 30/09/2022 RM'000
Rental expenses charged by a company in which the Directors have interests	23	23
Rental income charged to a company in which the Directors have interests	(*)	(*)

*Amount below RM1,000

A16. Fair value of financial liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current quarter and financial period-to-date under review.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS**B1. Review of Performance****(a) Comparison with the corresponding quarter in the previous financial year**

For the three-month period ended 30 September 2022 (“Current Quarter”), the Group registered a revenue of RM23.39 million, which was an improvement of 53.13% year-on-year (“YoY”) from RM15.28 million achieved in the previous year corresponding quarter. The double-digit improvement was predominantly owing to recovery of orders as demand from Vietnam and Malaysia markets was impacted by the lockdown imposed in the respective countries a year ago. For the Current Quarter, industrial adhesives and sealants continued to be the Group anchor revenue contributor, accounting for 97.28% or RM22.76 million of the total revenue.

The top-line improvement was amplified on the profit after tax and non-controlling interest (“PATNCI” or “net profit”) level where it soared 234.15% YoY to an all-time quarterly high of RM4.50 million in the Current Quarter against the RM1.35 million in the previous year corresponding quarter. This was chiefly attributed to the top-line improvement that was further boosted by higher unrealised foreign exchange gain.

B2. Comparison with Immediate preceding quarter

	Individual quarter 3 months ended		Changes	
	30/09/2022 RM'000	30/06/2022 RM'000	RM'000	%
Revenue	23,393	24,447	(1,054)	(4.31%)
Profit before tax	4,919	4,781	138	2.89%
Profit for the period	4,501	4,440	61	1.37%

On a quarter-on-quarter (“QoQ”) basis, the Group’s revenue slipped 4.31% QoQ to RM23.39 million from RM24.45 million in the immediate preceding quarter as a result of lower demand from our customers. Nevertheless, net profit for the Current Quarter was up 1.37% QoQ to RM4.50 million versus RM4.44 million in the immediate preceding quarter, mainly driven by increase in unrealised foreign exchange gain.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B3. Prospects

The Group anticipates the business operating landscape for the financial year under review to remain challenging underpinned by various developing factors such as inflationary pressures, rising interest rates, the ongoing geopolitical conflicts and fluctuations in commodity prices, to name a few.

Notwithstanding the above, the Group continues to forge ahead with our growth plans on a cautious and prudent basis. Our robust balance sheet will play a pivotal role as we journey through the headwinds ahead. The Group's strategic plans to expand and diversify our customer base continued to chart good progress as we managed to secure new customers from different segments and successfully penetrated into several new countries. This is certainly good news for us as this would enhance our income stream.

Meanwhile, our game-changing upstream polymerization plant in Vietnam made new breakthrough, having passed some of the potential customers' stringent internal tests. The Group remains upbeat on this front while exercising caution at the same time given the fluctuating input cost and raw material shortage.

On balance, the long-term outlook of the Group continues to be positive backed by the aforementioned factors, while also mindful of the demanding environment ahead. The Board opines that the financial performance in the upcoming financial year to be satisfactory, barring any unforeseen circumstances.

B4. Profit forecast

The Group did not issue any profit forecast in any form of public documentation and announcement.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)****B5. Tax expense**

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2022 RM'000	Preceding year quarter 30/09/2021 RM'000	Current year- to-date 30/09/2022 RM'000	Preceding year- to-date 30/09/2021 RM'000
Current tax	475	438	475	438
Deferred tax	(57)	(17)	(57)	(17)
Total	<u>418</u>	<u>421</u>	<u>418</u>	<u>421</u>

The effective tax rate of the Group for the current year quarter and current year-to-date was lower than the Malaysia statutory rate of 24% due to tax exemption granted for subsidiary in Vietnam and non-taxable unrealised gain on foreign exchange.

B6. Status of corporate proposals

There were no corporate proposals announced that are not completed as at the date of this interim financial report.

B7. Borrowings

The Group does not have any bank borrowings, trade facilities and hire purchase loans outstanding.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B8. Material litigation

Save as disclosed below, our Group is not involved in any material litigation, claim and/or arbitration, either as plaintiff or defendant and our Board is not aware of any proceeding, pending or threatened against our Group, or of any fact which is likely to give rise to a proceeding which might materially affect the business or financial position of our Group:-

- (i) Techbond (Vietnam) Co. Ltd (“**Techbond Vietnam**”), a wholly-owned subsidiary of our Company, had on 10 October 2019 filed a lawsuit against Innopack Vietnam Co. Ltd (“**Defendant**”) at the People’s Court of District 7, Ho Chi Minh City (“**Vietnam Court**”), for a sum of VND5,342,920,000 (equivalent to approximately RM945,697*) (“**Amount Owing**”), of which VND5,170,000,000 (equivalent to approximately RM915,090*) (“**Sales Amount**” or “**Principal**”) represents the amount due and owing by the Defendant in relation to the goods sold and delivered by Techbond Vietnam to the Defendant pursuant to the sales contract dated 2 January 2019 entered into between Techbond Vietnam and the Defendant (collectively referred to as the “**Parties**”) while the remaining VND172,920,000 (equivalent to approximately RM30,607*) represents the late interest payment for the Sales Amount accumulated up to September 2019.

Subsequently, on 29 November 2019, the Parties had reached an agreement that the Amount Owing shall be paid by the Defendant in six (6) instalments as follows:-

Instalment	Period	Amount (VND’million)			Total amount equivalent to RM*
		Principal	Interest	Total	
First	20 to 30 December 2019	1,000.00	-	1,000.00	177,000
Second	20 to 29 February 2020	170.00	172.92	342.92	60,697
Third	20 to 30 March 2020	1,000.00	-	1,000.00	177,000
Fourth	20 to 30 April 2020	1,000.00	-	1,000.00	177,000
Fifth	20 to 30 May 2020	1,000.00	-	1,000.00	177,000
Sixth	20 to 30 June 2020	1,000.00	-	1,000.00	177,000
	Total	5,170.00	172.92	5,342.92	945,697

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)**B8. Material litigation (cont'd)**

The Parties have also agreed that in the event the Defendant fails to pay any of the instalments as set out above, the Defendant shall pay all the outstanding amount in one lump sum payment to Techbond Vietnam. In such event, such outstanding amount will be subject to interest calculated using the rate as prescribed under Clause 2, Article 468 of the 2015 Civil Code of Vietnam from the date when Techbond Vietnam submits the request for judgment enforcement for such default until all such outstanding amount have been fully settled by the Defendant ("**Late Payment Interest**").

In addition, the court fee for this trade dispute case of VND56,671,460 (equivalent to approximately RM10,031*) ("**Court Fee**") paid by Techbond Vietnam, shall be payable by the Defendant.

The Vietnam Court had then on 9 December 2019 issued a decision to recognise the abovementioned agreements between the Parties.

Notwithstanding the above, the Defendant has failed to settle its first instalment payment of VND1,000,000,000 (equivalent to RM177,000*) by 30 December 2019 to Techbond Vietnam. Accordingly, Techbond Vietnam had on even date instructed its lawyers to file a request for judgement enforcement with the Vietnam Court to recover the full Amount Owing from the Defendant. The Vietnam Court had on 6 January 2020 issued a decision allowing the judgment enforcement against the Defendant ("**Decision**"). In the Decision, the Vietnam Court asserted that the Defendant is liable to pay the Amount Owing in one lump sum, the Court Fee and the Late Payment Interest to Techbond Vietnam and these amounts shall be paid by the Defendant within ten (10) days from the date of receipt of the Decision. However, the Defendant has failed to make the said payment within the stipulated timeframe.

As at 5 June 2020, Techbond Vietnam has received a total of VND 1,408,000,000 (approximately equivalent to RM 253,440) outstanding amount from the Defendant. In view that the Defendant had made several payments, the Board has decided to temporarily suspend the Decision on Judgement Enforcement dated 6 January 2020 until the outstanding amount is fully settled. The Board reserved the right to withdraw the suspension and serve the Enforcement on the Defendant in the event the Defendant default in the balance of the outstanding amount.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)

B8. Material litigation (cont'd)

The Defendant had subsequently defaulted in paying the balance outstanding amount owed to Techbond Vietnam of which Techbond Vietnam had received a total of VND2,660,000,000 (approximately equivalent to RM470,820*) from the Defendant out of the total outstanding amount of VND5,170,000,000 (approximately equivalent to RM915,090*).

In view of the above, the Board had decided to waive the suspension and decided to enforce the Enforcement on the Defendant. Bankruptcy action has been commenced unto the Defendant following the Court session held on November 25, 2021 in Vietnam which was not attended by the representative of the Defendant.

Note:-

* *Translated to RM based on the exchange rate of VND100 : RM0.0177, being the 5:00 p.m. middle rate as set forth in the statistical release of Bank Negara Malaysia as at 31 December 2019.*

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)**B9. Dividend**

During the quarter under review, the Board of Directors recommended a final single-tier dividend of 0.5 sen per ordinary share amounting to approximately RM2.65 million in respect of the financial year ended 30 June 2022 which is subject to shareholders' approval at the forthcoming Annual General Meeting.

Subject to the approval, the entitlement of the final single-tier dividend will be determined based on shareholders registered in the record of depositors as at 30 December 2022 and the payment date will be on 17 January 2023.

B10. Earnings per share ("EPS")

The basic and diluted EPS for the current quarter and financial period is computed as below:-

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2022	Preceding year quarter 30/09/2021	Current year- to-date 30/09/2022	Preceding year-to-date 30/09/2021
Profit after tax attributable to the owners of the Company (RM '000)	4,501	1,347	4,501	1,347
Weighted average number of ordinary shares in issue ('000)	529,397	529,395	529,397	529,395
Basic EPS (sen) ⁽¹⁾	0.85	0.25	0.85	0.25
Diluted EPS (sen) ⁽²⁾	0.83	0.22	0.83	0.22

Notes:-

- (1) Basic EPS is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the period under review.
- (2) Diluted EPS is calculated by dividing the profit attributable to owners of the company by the weighted average diluted number of ordinary shares outstanding during the period and after accounting for the effect of all dilutive potential ordinary shares arising from the exercising of outstanding warrants.

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (cont'd)**B11. Profit before tax**

Profit before tax is arrived at after charging/(crediting):-

	Individual quarter		Cumulative quarter	
	Current year quarter 30/09/2022 RM'000	Preceding year quarter 30/09/2021 RM'000	Current year- to-date 30/09/2022 RM'000	Preceding year-to-date 30/09/2021 RM'000
Amortisation of land use rights	51	48	51	48
Depreciation of investment property	8	8	8	8
Depreciation of property, plant and equipment	793	719	793	719
Fair value gain on short-term demand deposits	(163)	-	(163)	-
Interest income	(11)	(148)	(11)	(148)
Net realised gain on foreign exchange	(104)	(65)	(104)	(65)
Net unrealised gain on foreign exchange	(2,828)	(695)	(2,828)	(695)
Rental income	(177)	(177)	(177)	(177)
Rental expenses	38	38	38	38
Net impairment loss on trade receivables	(16)	-	(16)	-

* Amount below RM1,000

Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

The Group does not have the following items for the financial period under review:-

- (i) interest expense;
- (ii) gain or loss on disposal of quoted or unquoted investments;
- (iii) gain or loss on derivatives; and
- (iv) impairment of assets