



INNATURE BERHAD

(Registration No. 199401034915 (320598-X))

INTERIM FINANCIAL REPORT
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2022

29 NOVEMBER 2022

INNATURE BERHAD

(Registration No. 199401034915 (320598-X))

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	Quarter ended		9 months ended	
		30.9.2022	30.9.2021	30.9.2022	30.9.2021
		RM'000	RM'000	RM'000	RM'000
Revenue		35,268	22,309	108,579	88,223
Operating expenses					
Changes in inventories		(12,303)	(8,555)	(36,944)	(30,819)
Rental expenses		(1,355)	1,397	(4,197)	709
Employee related expenses		(9,126)	(6,770)	(26,953)	(22,547)
Distribution expenses		(673)	(886)	(1,911)	(2,355)
Advertising and promotion expenses		(962)	(622)	(2,646)	(2,318)
Depreciation and amortisation expenses		(4,514)	(4,694)	(13,524)	(14,708)
Other operating expenses		(402)	(999)	(2,968)	(5,462)
Total operating expenses		(29,335)	(21,130)	(89,143)	(77,500)
Profit from operations		5,933	1,179	19,436	10,722
Other income/(expenses)		308	220	585	(220)
Finance income		210	319	484	973
Finance costs		(361)	(660)	(857)	(1,381)
Profit before tax	20	6,090	1,057	19,648	10,094
Tax expenses	21	(1,527)	(334)	(4,937)	(2,833)
Profit after tax		4,563	722	14,711	7,261
Profit attributable to owners of the Company		4,563	722	14,711	7,261
Basic earnings per share attributable to owners of the Company (sen)	22	0.65	0.10	2.08	1.03
Other selected financial data:					
Gross profit ⁽¹⁾		22,965	13,753	71,635	57,404
Gross profit margin		65.1%	61.7%	66.0%	65.1%
Operating profit margin		16.8%	5.3%	17.9%	12.2%
Profit before tax (PBT) margin		17.3%	4.7%	18.1%	11.4%
Profit after tax (PAT) margin		12.9%	3.2%	13.5%	8.2%

⁽¹⁾ computed based on revenue less changes in inventories (cost of goods sold).

The unaudited consolidated statements of profit or loss should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Quarter ended		9 months ended	
Note	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Profit after tax	4,563	722	14,711	7,261
Other comprehensive income, net of tax				
<u>Item that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	872	523	1,992	1,290
Total comprehensive income for the period	<u>5,435</u>	<u>1,245</u>	<u>16,703</u>	<u>8,551</u>
Total comprehensive income attributable to owners of the Company	<u>5,435</u>	<u>1,245</u>	<u>16,703</u>	<u>8,551</u>

The unaudited consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	30.9.2022 RM'000	31.12.2021 RM'000
Assets			
Plant and equipment		8,020	8,952
Right-of-use assets		17,368	19,746
Intangible assets		52,434	52,656
Deferred tax assets		603	808
Receivables and deposits		5,751	6,414
Total non-current assets		84,176	88,576
Inventories		26,614	35,041
Receivables, deposits and prepayments		7,674	6,331
Current tax assets		65	53
Other investments	23	8,950	42,507
Cash and cash equivalents		50,938	11,299
Total current assets		94,241	95,231
Total assets		178,417	183,807
Liabilities			
Provision for restoration costs		1,773	1,838
Loans and borrowings	24	-	27
Lease liabilities		7,722	9,699
Total non-current liabilities		9,495	11,564
Provision for restoration costs		504	437
Loans and borrowings	24	68	159
Lease liabilities		10,517	11,011
Contract liabilities		860	785
Payables and accruals		10,161	13,755
Current tax liabilities		3,620	1,960
Total current liabilities		25,730	28,107
Total liabilities		35,225	39,671
Net assets		143,192	144,136

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UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	30.9.2022 RM'000	31.12.2021 RM'000
Equity			
Share capital		50,326	50,326
Reserves		92,866	93,810
Total equity		<u>143,192</u>	<u>144,136</u>
Other selected financial data:			
Net current assets / working capital		68,511	67,124
Net assets per share (sen)		20.29	20.42
Net gearing ratio (times) *		(0.42)	(0.37)

* computed based on net borrowings (total bank borrowings less cash and cash equivalents and other investments) divided by total equity. Negative net gearing ratio denotes a net cash position.

The unaudited consolidated statements of financial position should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Note	← Non-distributable →		→ Distributable		Total equity RM'000
	Share capital RM'000	Business combination reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	
At 1 January 2021	50,326	4,636	(594)	84,308	138,676
Profit for the period	-	-	-	7,261	7,261
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	-	-	1,290	-	1,290
Total comprehensive income for the period	-	-	1,290	7,261	8,551
Dividend declared, representing total transaction with owners	8			(10,588)	(10,588)
At 30 September 2021	50,326	4,636	696	80,981	136,639
At 1 January 2022	50,326	4,636	403	88,771	144,136
Profit for the period	-	-	-	14,711	14,711
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	-	-	1,992	-	1,992
Total comprehensive income for the period	-	-	1,992	14,711	16,703
Dividend declared, representing total transaction with owners	8			(17,647)	(17,647)
At 30 September 2022	50,326	4,636	2,395	85,835	143,192

The unaudited consolidated statements of changes in equity should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	9 months ended	
Note	30.9.2022	30.9.2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	19,648	10,094
Adjustments for:		
Changes in lease payments arising from rent concessions	(334)	(4,463)
Depreciation and amortisation expenses	13,524	14,708
Unrealised foreign exchange (gain)/loss	(89)	(206)
Plant and equipment written off	97	71
Fair value (gain)/loss on other investments	(172)	216
Finance income	(484)	(973)
Finance costs	857	1,381
Writedown of inventories	164	487
Operating profit before changes in working capital	33,212	21,316
Changes in working capital:		
Inventories	8,926	1,761
Receivables, deposits and prepayments	(349)	(1,217)
Payables, accruals and contract liabilities	(4,053)	3,278
Provision for restoration costs	(28)	(41)
Cash generated from operations	37,708	25,096
Income tax paid	(3,051)	(3,594)
Net cash generated from operating activities	34,657	21,502
Cash flows from investing activities		
Acquisition of plant and equipment	(2,261)	(825)
Acquisition of intangible assets	-	(161)
Disposal/(placement) of other investments	33,888	(8,440)
Interest received	447	952
Net cash generated from/(used in) investing activities	32,074	(8,474)

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

		9 months ended	
	Note	30.9.2022	30.9.2021
		RM'000	RM'000
Cash flows from financing activities			
Dividends paid	8	(17,647)	(17,647)
Repayment of hire purchase		(118)	(113)
Repayment of lease liabilities		(9,660)	(6,511)
Interest paid for lease liabilities		(853)	(1,372)
Interest paid for hire purchase		(4)	(9)
Net cash used in financing activities		(28,282)	(25,652)
Net increase/(decrease) in cash and cash equivalents		38,449	(12,624)
Effect of exchange rate fluctuations on cash held		1,190	458
Cash and cash equivalents at beginning of the period		11,299	23,967
Cash and cash equivalents at end of the period		50,938	11,801
Cash and cash equivalents comprise the following:			
Cash and bank balances		50,938	11,801

The unaudited consolidated statements of cash flows should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached in this interim financial report.

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1. BASIS OF PREPARATION

The interim financial statements (“Interim Financial Report”) of InNature Berhad (“InNature” or the “Company”) and its subsidiaries (collectively, the “Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: *Interim Financial Reporting* issued by Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards (“IFRS”) 134: *Interim Financial Reporting* issued by International Accounting Standards Board (“IASB”), and Paragraph 9.22 of Main Market Listing Requirements issued by Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”).

The Interim Financial Report should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes in this Interim Financial Report.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in the Interim Financial Report are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 December 2021, except for the adoption of the new and amended MFRS and Issues Committee (“IC”) Interpretations which are relevant to the Group during the current financial period. The adoption of the new and amended MFRS and IC Interpretations did not have a material effect on the financial performance or position of the Group.

3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors’ report of the Group’s consolidated financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

4. SEASONAL AND CYCLICAL FACTORS

Being in the retail industry, the Group’s operations are subject to peaks and troughs in revenue generation throughout the year. Generally, the Group records higher sales during major festive and school holiday seasons in the respective country of which the Group operates.

5. UNUSUAL ITEMS

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

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6. CHANGES IN ESTIMATES

There were no major changes in estimates that have had material effect on the results of current financial period.

7. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period.

8. DIVIDENDS

The following dividend was recognised by the Company:

	RM per share RM	Total amount RM'000	Payment date
Company			
9 months ended 30 September 2022			
In respect of the financial year ended 31 December 2021:			
- Final dividend	0.015	10,588	31 March 2022
In respect of the financial year ending 31 December 2022:			
- Interim dividend	0.01	<u>7,059</u>	30 September 2022
		<u>17,647</u>	
9 months ended 30 September 2021			
In respect of the financial year ended 31 December 2020:			
- Second interim dividend	0.01	7,059	15 June 2021
In respect of the financial year ended 31 December 2021:			
- Interim dividend	0.005	<u>3,529</u>	15 June 2021
		<u>10,588</u>	

The Company did not declare any dividend subsequent to 30 September 2022 and up to the date of this Interim Financial Report.

9. CHANGES IN COMPOSITION OF THE GROUP

There was no change to the composition of the Group during the current financial period.

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10. CONTINGENT LIABILITIES

	30.9.2022	31.12.2021
	RM'000	RM'000
Company		
Corporate guarantees granted to a subsidiary for credit facilities	1,000	1,000
Bank guarantees granted to subsidiaries for tenancy agreements	909	546
	<u>1,909</u>	<u>1,546</u>

11. CAPITAL COMMITMENTS

	30.9.2022	31.12.2021
	RM'000	RM'000
Group		
Plant and equipment		
Approved but not contracted for	23,530	26,555
Contracted but not commenced	294	28
	<u>23,824</u>	<u>26,583</u>
Leases as a leasee		
Contracted but not commenced	<u>2,533</u>	<u>2,500</u>

12. MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Group				
Rental of office and retail outlets ⁽¹⁾	<u>149</u>	<u>87</u>	<u>452</u>	<u>324</u>

⁽¹⁾ The Group rented office and several retail outlets in Malaysia from an entity in which certain Directors of the Company have interests. The transaction was entered into in the normal course of business under normal trade terms.

13. STATUS OF CORPORATE PROPOSAL

There is no corporate proposal announced but not completed as at the date of this Interim Financial Report.

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14. UTILISATION OF PROCEEDS FROM IPO

The utilisation of proceeds from IPO as at 30 September 2022 is as follows:

Utilisation of proceeds	Proposed utilisation RM'000	Actual	Transfer RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation from the date of Listing
		utilisation up to 30 September 2022 RM'000			
(i) Capital expenditure	34,500	(10,676)	-	23,824	Within 48 months
(ii) Working capital	837	(1,188)	351	-	Within 36 months
(iii) New business	5,700	(3,988)	-	1,712	Within 48 months
(iv) Listing-related expenses	6,370	(6,019)	(351)	-	Within 3 months
Total	47,407	(21,871)	-	25,536	

The utilisation of proceeds should be read in conjunction with the IPO Prospectus dated 29 January 2020, and the Company's announcement on 18 February 2020. The unutilised balance of RM351,000 allocated for listing-related expenses were transferred to working capital in 2020.

15. MATERIAL LITIGATION

There is no material litigation involving the Group subsequent to 31 December 2021 and up to the date of this Interim Financial Report.

16. SEGMENT INFORMATION

The Group does not have reportable segments as the principal activities of entities within the Group are essentially relate to the marketing of The Body Shop ("TBS") and Natura products. Segment information of the Group is presented on the basis of geographical segments, based on the geographical location of customers, assets and liabilities.

Please refer to Note 17 on the Group's segment financial results and segment financial position.

17. PERFORMANCE REVIEW

Quarter-on-Quarter Review

	Quarter ended	
	30.9.2022	30.6.2022
	RM'000	RM'000
Group		
Revenue	35,268	39,570
Profit after tax	4,563	5,617

Quarter-on-quarter, the Group's revenue and PAT were lower by 10.9% and 18.8% respectively due to the absence of major festivities. The Group benefitted from the Hari Raya celebration in Malaysia in the previous quarter.

Year-on-Year Review

3Q2022 vs 3Q2021

	3Q2022				3Q2021			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
Revenue from external customers								
The Body Shop	26,957	6,850	907	34,714	17,670	3,262	799	21,731
Natura	554	-	-	554	578	-	-	578
	27,511	6,850	907	35,268	18,248	3,262	799	22,309
Segment PAT								
The Body Shop	4,594	(50)	131	4,675	1,420	(480)	60	1,000
Natura	23	-	-	23	(310)	-	-	(310)
	4,617	(50)	131	4,698	1,110	(480)	60	690
Investment holding				(135)				32
PAT				4,563				722

The Group continues to benefit from the normalisation of operating environment post Covid-19 pandemic in 3Q2022. Overall, Group revenue increased 58.1%, with Malaysia, Vietnam and Cambodia each recording higher revenue by 50.8%, 110.0% and 13.5% respectively.

Despite the return of footfall to physical stores, the Group's digital & remote channels continue to made up 15.1% of its revenue in 3Q2022. Components of digital & remote channels include e-commerce (4.2% of Group revenue) and conversational and social commerce (9.9% of Group revenue).

PAT of the Group grew 531.6% in 3Q2022, driven mainly by (i) rebound in revenue; (ii) improvement in gross profit margin to 65.1% due to lesser write-down of inventories; and (iii) higher reimbursements from Natura by RM956k. Geographically, all operating countries of the Group recorded better financial results during the reporting quarter.

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Store count of the Group recorded a net reduction by 3 to 113 stores as at 30 September 2022, having closed 4 in Malaysia and Vietnam, and reopened 1 in Malaysia during the reporting quarter.

9M2022 vs 9M2021

	9M2022				9M2021			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
Revenue from external customers								
The Body Shop	83,437	21,010	2,692	107,139	66,371	17,836	2,434	86,641
Natura	1,440	-	-	1,440	1,582	-	-	1,582
	<u>84,877</u>	<u>21,010</u>	<u>2,692</u>	<u>108,579</u>	<u>67,953</u>	<u>17,836</u>	<u>2,434</u>	<u>88,223</u>
Segment PAT								
The Body Shop	14,601	247	311	15,158	8,117	511	232	8,860
Natura	28	-	-	28	(1,520)	-	-	(1,520)
	<u>14,628</u>	<u>247</u>	<u>311</u>	<u>15,186</u>	<u>6,597</u>	<u>511</u>	<u>232</u>	<u>7,340</u>
Investment holding				(475)				(79)
PAT				<u>14,711</u>				<u>7,261</u>

The Group recorded higher revenue and PAT by 23.1% and 102.6% respectively in 9M2022 amid reduced Covid-19 restrictions. Geographically, each operating country of the Group was profitable albeit at varying phases of business recovery.

Digital & remote channels continue to contribute 15.1% to the Group revenue in 9M2022. Components of digital & remote channels include e-commerce (9M2022: 4.6% of Group revenue) and conversational and social commerce (9M2022: 9.7% of Group revenue).

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Healthy Balance Sheet and Cash Flow

	30.9.2022				31.12.2021			
	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000	Malaysia RM'000	Vietnam RM'000	Cambodia RM'000	Group RM'000
Segment assets								
The Body Shop	129,248	35,136	5,951	170,335	119,691	33,327	5,135	158,153
Natura	2,999	-	-	2,999	3,689	-	-	3,689
	<u>132,247</u>	<u>35,136</u>	<u>5,951</u>	<u>173,334</u>	<u>123,380</u>	<u>33,327</u>	<u>5,135</u>	<u>161,842</u>
Investment holding				5,083				21,965
Total assets				<u>178,417</u>				<u>183,807</u>
Segment liabilities								
The Body Shop	22,303	11,322	707	34,332	26,348	11,219	707	38,274
Natura	763	-	-	763	1,300	-	-	1,300
	<u>23,066</u>	<u>11,322</u>	<u>707</u>	<u>35,095</u>	<u>27,648</u>	<u>11,219</u>	<u>707</u>	<u>39,574</u>
Investment holding				130				97
Total liabilities				<u>35,225</u>				<u>39,671</u>
Net assets				<u>143,192</u>				<u>144,136</u>

The Group's financial position remains in net cash as at 30 September 2022 with net assets of RM143.2 million, and cash and fixed income funds of RM59.9 million. The Group generated net operating cashflow of RM34.7 million in 9M2022, and paid RM17.6 million as dividends to shareholders.

18. PROSPECTS

We expect an improving 4Q2022 performance quarter-on-quarter with year-end festivities around the corner. We will be setting up promotional kiosks to showcase our limited-edition products and festive gifts at various locations to fulfil year-end seasonal demand. Our plan to open 3 more stores by year-end are on track. Overall, we believe that the Group is on a strong footing, and we will remain resilient in the face of a challenging global economic outlook.

19. PROFIT FORECAST / PROFIT GUARANTEE

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

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20. PROFIT BEFORE TAX

Profit before tax is arrived at after crediting/(charging) the following income/(expenses):

Group	Quarter ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Revenue				
- Retailing	35,255	22,306	108,541	88,187
- Consultancy fees	13	3	38	36
	35,268	22,309	108,579	88,223
Gain/(loss) on foreign exchange				
- realised	41	36	320	(211)
- unrealised	117	177	89	206
	158	213	409	(5)
Rental expenses				
- before MFRS 16 adjustments	(5,034)	(2,461)	(15,046)	(11,636)
- less: minimum lease payments (MFRS 16 adjustments)	3,679	3,858	10,849	12,345
	(1,355)	1,397	(4,197)	709
Depreciation and amortisation				
- plant and equipment	(1,129)	(1,166)	(3,362)	(3,613)
- intangible assets	(96)	(76)	(291)	(227)
- right-of-use assets (MFRS 16 adjustments)	(3,290)	(3,452)	(9,871)	(10,868)
	(4,514)	(4,694)	(13,524)	(14,708)
Royalty expense	(289)	(227)	(990)	(862)
Inventories written down	(13)	(375)	(164)	(487)
Finance income comprises interest income from				
- bank balances and fixed deposits	179	107	403	364
- fixed income funds	31	212	81	609
	210	319	484	973
Finance costs comprise interest expenses on				
- hire purchase	(1)	(3)	(4)	(9)
- lease liabilities (MFRS 16 adjustments)	(360)	(657)	(853)	(1,372)
	(361)	(660)	(857)	(1,381)

Save as disclosed above and elsewhere in this Interim Financial Report, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Listing Requirements are not applicable.

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20. TAX EXPENSES

	Quarter ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Group				
Tax expenses				
- arising from Malaysia	1,520	490	4,866	2,808
- arising outside Malaysia	7	(156)	71	25
	<u>1,527</u>	<u>334</u>	<u>4,937</u>	<u>2,833</u>
Effective tax rate (%)	<u>25.1%</u>	<u>31.6%</u>	<u>25.1%</u>	<u>28.1%</u>

Effective tax rate (“ETR”) is computed by dividing tax expenses with profit before tax for the financial period. The Group’s ETR is generally higher than Malaysia’s statutory tax rate as a result of non-deductible expenses and deferred tax benefit not recognised for Natura Malaysia’s losses. ETR was lower year-on-year in 3Q2022 and 9M2022 following the improvement in Natura Malaysia’s results.

21. EARNINGS PER SHARE (“EPS”)

	Quarter ended		9 months ended	
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	<u>4,563</u>	<u>722</u>	<u>14,711</u>	<u>7,261</u>
Weighted average number of ordinary shares in issue	<u>705,881</u>	<u>705,881</u>	<u>705,881</u>	<u>705,881</u>
Basic EPS (sen)	<u>0.65</u>	<u>0.10</u>	<u>2.08</u>	<u>1.03</u>

Diluted earnings per ordinary share is not presented as the Group has no shares or other instruments with potential dilutive effects as at 30 September 2022 and 30 September 2021.

22. OTHER INVESTMENT

	30.9.2022	31.12.2021
	RM'000	RM'000
Group		
Fixed deposits of more than 3 months but less than 12 months	2,126	4,961
Fixed income funds	<u>6,824</u>	<u>37,546</u>
	<u>8,950</u>	<u>42,507</u>

INNATURE BERHAD

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23. LOANS AND BORROWINGS

	30.9.2022	31.12.2021
	RM'000	RM'000
Group		
Non-current		
RM denominated hire purchase (unsecured)	-	27
Current		
RM denominated hire purchase (unsecured)	68	159
	<u>68</u>	<u>186</u>

24. SUBSEQUENT EVENT

Disposal of Subsidiary

In June 2022, InNature entered into a share purchase agreement (the "SPA") with Natura Cosmetics Asia Pacific Pte Ltd ("Natura AP") to dispose its entire shareholding in Ola Beleza Sdn Bhd ("Ola Beleza") to Natura AP (the "Disposal") at a cash consideration of RM2,040,121. Ola Beleza is a wholly owned subsidiary of InNature engaging in the business of distribution and commercialisation of certain Natura products in Malaysia. Natura AP is a member of Natura & Co, a multinational cosmetics and personal care corporation carrying the brands of Natura, The Body Shop, Aesop and Avon.

The Disposal was completed on 3 October 2022 upon fulfilment of conditions precedent in the SPA, on which date Ola Beleza ceases to be a subsidiary of InNature. As part of the post-completion obligations, the Company continues to provide assistance in the transition of Ola Beleza to Natura AP for a period of 6 months.