



INNATURE BERHAD

(Registration No. 199401034915 (320598-X))

INTERIM FINANCIAL REPORT  
FOR THE 1<sup>st</sup> QUARTER ENDED 31 MARCH 2023

25 MAY 2023

INNATURE BERHAD

(Registration No. 199401034915 (320598-X))

INTERIM FINANCIAL REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2023

**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	Note	Quarter ended	
		31.03.2023	31.03.2022
		RM'000	RM'000
<b>Revenue</b>		32,425	33,741
<b>Operating expenses</b>			
Changes in inventories		(9,926)	(11,261)
Rental expenses		(965)	(1,231)
Employee related expenses		(9,481)	(8,404)
Distribution expenses		(590)	(638)
Advertising and promotion expenses		(690)	(634)
Depreciation and amortisation expenses		(4,510)	(4,517)
Other operating expenses		(2,884)	(1,096)
<b>Total operating expenses</b>		<u>(29,046)</u>	<u>(27,781)</u>
<b>Profit from operations</b>		3,379	5,960
Other income		494	199
Finance income		490	146
Finance costs		(301)	(281)
<b>Profit before tax</b>	20	<u>4,062</u>	<u>6,024</u>
Tax expenses	21	(1,059)	(1,493)
<b>Profit after tax</b>		<u>3,003</u>	<u>4,531</u>
<b>Profit attributable to owners of the Company</b>		<u>3,003</u>	<u>4,531</u>
<b>Basic earnings per share attributable to owners of the Company (sen)</b>	22	<u>0.43</u>	<u>0.64</u>
<b>Other selected financial data:</b>			
Gross profit <sup>(1)</sup>		22,499	22,480
Gross profit margin		69.4%	66.6%
Profit before tax (PBT) margin		12.5%	17.9%
Profit after tax (PAT) margin		9.3%	13.4%

<sup>(1)</sup> 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 2022 and the accompanying explanatory notes attached in this interim financial report.

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**UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Quarter ended	
	Note 31.03.2023	31.03.2022
	RM'000	RM'000
<b>Profit after tax</b>	3,003	4,531
<b>Other comprehensive income, net of tax</b>		
<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	1,187	306
<b>Total comprehensive income for the period</b>	<u>4,190</u>	<u>4,837</u>
<b>Total comprehensive income attributable to owners of the Company</b>	<u>4,190</u>	<u>4,837</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 2022 and the accompanying explanatory notes attached in this interim financial report.

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**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	31.03.2023 RM'000	31.12.2022 RM'000
<b>Assets</b>			
Plant and equipment		7,736	8,114
Right-of-use assets		18,124	19,922
Intangible assets		52,209	52,297
Deferred tax assets		183	538
Receivables and deposits		6,593	6,391
<b>Total non-current assets</b>		<u>84,845</u>	<u>87,262</u>
Inventories		36,560	28,767
Receivables, deposits and prepayments		7,166	7,221
Current tax assets		364	-
Other investments	23	3,739	16,246
Cash and cash equivalents		45,113	42,681
<b>Total current assets</b>		<u>92,942</u>	<u>94,915</u>
<b>Total assets</b>		<u>177,787</u>	<u>182,177</u>
<b>Liabilities</b>			
Provision for restoration costs		1,874	1,906
Payables and accruals		-	2
Lease liabilities		8,903	9,938
<b>Total non-current liabilities</b>		<u>10,777</u>	<u>11,846</u>
Provision for restoration costs		288	260
Loans and borrowings	24	-	27
Lease liabilities		10,171	10,842
Contract liabilities		581	692
Payables and accruals		17,539	7,954
Deferred tax liabilities		410	-
Current tax liabilities		216	1,878
<b>Total current liabilities</b>		<u>29,205</u>	<u>21,653</u>
<b>Total liabilities</b>		<u>39,982</u>	<u>33,499</u>
<b>Net assets</b>		<u>137,805</u>	<u>148,678</u>

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**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Note	31.03.2023 RM'000	31.12.2022 RM'000
<b>Equity</b>			
Share capital		50,326	50,326
Reserves		87,479	98,352
<b>Total equity</b>		<u>137,805</u>	<u>148,678</u>
<b>Other selected financial data:</b>			
Number of ordinary shares ('000)		705,881	705,881
Net assets per share (sen)		19.52	21.06
Net gearing ratio (times) *		(0.35)	(0.40)

\* 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 2022 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	
	Share capital RM'000	Business combination reserve RM'000	Translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2022</b>	50,326	4,636	403	88,771	144,136
Profit for the period	-	-	-	4,531	4,531
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	-	-	306	-	306
Total comprehensive income for the period	-	-	306	4,531	4,837
Dividend declared	8	-	-	(10,588)	(10,588)
<b>At 31 March 2022</b>	<b>50,326</b>	<b>4,636</b>	<b>709</b>	<b>82,714</b>	<b>138,385</b>
<b>At 1 January 2023</b>	50,326	4,636	403	92,367	147,732
Profit for the period	-	-	-	3,003	3,003
Foreign currency translation differences for foreign operation, representing other comprehensive income for the period	-	-	1,187	-	1,187
Total comprehensive income for the period	-	-	1,187	3,003	4,191
Dividend declared	8	-	-	(14,118)	(14,118)
<b>At 31 March 2023</b>	<b>50,326</b>	<b>4,636</b>	<b>1,590</b>	<b>81,253</b>	<b>137,805</b>

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 2022 and the accompanying explanatory notes attached in this interim financial report.

## UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	3 months ended		
	Note	31.03.2023	31.03.2022
		RM'000	RM'000
<b>Cash flows from operating activities</b>			
Profit before tax		4,062	6,024
Adjustments for:			
Changes in lease payments arising from rent concessions		-	(2)
Depreciation and amortisation expenses		4,510	4,517
Unrealised foreign exchange loss/(gain)		84	(148)
Plant and equipment written off		10	1
Fair value gain on other investments		-	(54)
Gain on disposal of other investment		(77)	-
Gain on disposal of plant and equipment		(202)	-
Finance income		(490)	(146)
Finance costs		301	281
Writedown of inventories		18	152
<b>Operating cashflow before changes in working capital</b>		8,215	10,625
Changes in working capital:			
Inventories		(7,744)	2,943
Receivables, deposits and prepayments		(4)	(293)
Payables, accruals and contract liabilities		9,638	(825)
Provision for restoration costs		(7)	2
<b>Cash generated from operations</b>		10,098	12,452
Income tax paid		(2,328)	(1,046)
<b>Net cash generated from operating activities</b>		7,770	11,406
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(1,028)	(360)
Acquisition of intangible assets		-	(382)
Proceed from disposal of plant and equipment		235	-
Disposal of other investments		12,644	9,920
Interest received		405	115
<b>Net cash generated from investing activities</b>		12,256	9,293

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**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	Note	3 months ended	
		31.03.2023	31.03.2022
		RM'000	RM'000
<b>Cash flows from financing activities</b>			
Dividends paid	8	(14,118)	(10,588)
Repayment of hire purchase		(27)	(39)
Repayment of lease liabilities		(3,407)	(3,298)
Interest paid for lease liabilities		(301)	(279)
Interest paid for hire purchase		-	(2)
<b>Net cash used in financing activities</b>		<u>(17,853)</u>	<u>(14,206)</u>
<b>Net increase in cash and cash equivalents</b>		2,173	6,493
Effect of exchange rate fluctuations on cash held		259	164
Cash and cash equivalents at beginning of the period		42,681	11,299
<b>Cash and cash equivalents at end of the period</b>		<u>45,113</u>	<u>17,956</u>
<b>Cash and cash equivalents comprise the following:</b>			
Cash and bank balances		10,448	12,988
Deposits placed with licensed banks		34,665	4,968
		<u>45,113</u>	<u>17,956</u>

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 2022 and the accompanying explanatory notes attached in this interim financial report.



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### INTERIM FINANCIAL REPORT FOR THE 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2023

#### 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 2022 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 2022, 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 2022 was not subject to any qualification.

#### 4. SEASONAL AND CYCLICAL FACTORS

	Quarter ended	
	31.03.2023	31.12.2022
	RM'000	RM'000
<b>Group</b>		
Revenue	32,425	40,819
Profit after tax	3,003	6,624

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.

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Quarter-on-quarter, the Group's performance was affected by seasonality factors of Chinese New Year and Tet celebrations occurring very soon in January after the festive year-end season. In Malaysia, Ramadan also commenced earlier on 23 March 2023 (vs 3 April 2022 last year).

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.

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:

	<b>RM per share RM</b>	<b>Total amount RM'000</b>	<b>Payment date</b>
<b>Company</b>			
<b>3 months ended 31 December 2023</b>			
In respect of the financial year ended 31 December 2022:			
- Final dividend	0.02	<u>14,118</u>	31 March 2023
<b>3 months ended 31 December 2022</b>			
In respect of the financial year ended 31 December 2021:			
- Final dividend	0.015	<u>10,588</u>	31 March 2022

The Company did not declare any dividend subsequent to 31 March 2023 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

	31.03.2023	31.12.2022
	RM'000	RM'000
<b>Company</b>		
Corporate guarantees granted to a subsidiary for credit facilities	1,000	1,000
Bank guarantees granted to subsidiaries for tenancy agreements	1,251	795
	<u>2,251</u>	<u>1,795</u>

11. CAPITAL COMMITMENTS

	31.03.2023	31.12.2022
	RM'000	RM'000
<b>Group</b>		
<b>Plant and equipment</b>		
Approved but not contracted for	<u>20,907</u>	<u>21,922</u>
<b>Leases as a lessee</b>		
Contracted but not commenced	<u>3,006</u>	<u>1,912</u>

12. MATERIAL RELATED PARTY TRANSACTIONS

	Quarter ended	
	31.03.2023	31.03.2022
	RM'000	RM'000
<b>Group</b>		
Rental of office and retail outlets <sup>(1)</sup>	<u>162</u>	<u>143</u>

<sup>(1)</sup> 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 31 March 2023 is as follows:

Utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation up to 31 March 2023 RM'000	Transfer RM'000	Balance unutilised RM'000	Estimated timeframe for utilisation from the date of Listing
(i) Capital expenditure	34,500	(13,593)	-	20,907	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
<b>Total</b>	<b>47,407</b>	<b>(24,788)</b>	<b>-</b>	<b>22,619</b>	

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 2022 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") 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

**1Q2023 Review**

RM'000	1Q2023				1Q2022			
	Malaysia	Vietnam	Cambodia	Group	Malaysia	Vietnam	Cambodia	Group
<b>Segment Revenue</b>								
The Body Shop	24,663	6,839	923	32,425	25,641	6,881	838	33,360
Natura	-	-	-	-	381	-	-	381
	24,663	6,839	923	32,425	26,022	6,881	838	33,741
<b>Segment PAT</b>								
The Body Shop	3,008	(25)	60	3,043	4,387	133	81	4,601
Natura	-	-	-	-	55	-	-	55
	3,008	(25)	60	3,043	4,442	133	81	4,656
Corporate				(40)				(125)
<b>PAT</b>				<b>3,002</b>				<b>4,531</b>

**Table 17.1 Segment revenue and PAT for 1Q2023**

The Group encountered a challenging retail environment in 1Q2023 with consumer sentiment weighed down by cost-of-living issues and higher interest rates. The Group's performance was further affected by seasonality factors of Chinese New Year and Tet celebrations occurring very soon in January after the festive year-end season. In Malaysia, Ramadan also commenced earlier on 23 March 2023 (vs 3 April 2022 last year).

Overall, the Group recorded lesser revenue by 3.9% in 1Q2023, or 2.8% excluding the discontinued Natura business. 83.2% of the Group's revenue came from its network of physical points-of-sale comprising 113 retail stores and 6 pop-up stores as at 31 March 2023.

RM'000	1Q2023	As a %		1Q2022	As a %		% change 1Q2023 vs 1Q2022
		of revenue	of revenue		of revenue	of revenue	
<b>Revenue</b>	<b>32,425</b>	<b>100.0%</b>		<b>33,741</b>	<b>100.0%</b>		<b>-3.9%</b>
<b>Gross Profit</b>	<b>22,499</b>	<b>69.4%</b>		<b>22,480</b>	<b>66.6%</b>		<b>0.1%</b>
Operating expenses	(19,334)	-59.6%		(16,759)	-49.7%		15.4%
<b>Operating profit</b>	<b>3,165</b>	<b>9.8%</b>		<b>5,721</b>	<b>17.0%</b>		<b>-44.7%</b>
MFRS 16	(87)	-0.3%		79	0.2%		-210.0%
Finance & other income (net)	984	3.0%		224	0.7%		340.2%
<b>PBT</b>	<b>4,062</b>	<b>12.5%</b>		<b>6,024</b>	<b>17.9%</b>		<b>-32.6%</b>
Tax	(1,059)	-3.3%		(1,493)	-4.4%		-29.1%
<b>PAT</b>	<b>3,003</b>	<b>9.3%</b>		<b>4,531</b>	<b>13.4%</b>		<b>-33.7%</b>

**Table 17.2 Group P&L for 1Q2023**

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Table 17.2 shows the Group's financial results for 1Q2023, with the net effect of MFRS 16 accounting adjustments disclosed as a separate row.

Overall, operating profit of the Group reflects the weaker top line, amid higher operating expenses and absence of one-off income e.g., the RM750k financial support from Natura in 1Q2022. This was partially mitigated by the improvement in GP margin from 66.6% to 69.4%, mainly as a result of the price adjustments in 2022 as well as careful management of promotional discounts.

Segmentally, Malaysia and Vietnam recorded lower revenue in 1Q2023, while Cambodia registered top line growth on a new store. Profitability across all markets was impacted by higher operating expenses, particularly staff costs, an inevitable trend affecting the retail industry vis-à-vis rising inflation and government regulation.

**Balance Sheet Review**

RM'000	31.03.2023				31.12.2022			
	Malaysia	Vietnam	Cambodia	Group	Malaysia	Vietnam	Cambodia	Group
<b>Segment assets</b>								
The Body Shop	137,072	34,161	5,848	177,081	135,169	33,622	5,860	174,651
Corporate				706				7,527
<b>Total assets</b>				<b>177,787</b>				<b>182,178</b>
<b>Segment liabilities</b>								
The Body Shop	28,382	10,597	792	39,771	22,035	10,412	894	33,341
Corporate				211				159
<b>Total liabilities</b>				<b>39,982</b>				<b>33,500</b>
<b>Net assets</b>				<b>137,805</b>				<b>148,678</b>

**Table 17.3 Segment balance sheet as at 31 March 2023**

As at 31 March 2023, the Group's financial position remains in net cash with cash and fixed income funds of RM48.9 million. Net assets of the Group stood at RM137.8 million after the payment of RM14.1 million dividend in 1Q2023.

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**Cash flow Review**

RM'000	31.03.2023	31.03.2022	% change
Cash generated from operations	10,098	12,452	-18.9%
Income tax paid	(2,328)	(1,046)	122.6%
<b>Net cash generated from operating activities</b>	<b>7,770</b>	<b>11,406</b>	<b>-31.9%</b>
Capex	(1,028)	(742)	38.5%
Movement in fixed income funds and fixed deposits	12,644	9,920	27.5%
Interest received	405	115	252.4%
Proceed from disposal of fixed asset	235	-	100.0%
<b>Net cash generated from investing activities</b>	<b>12,256</b>	<b>9,293</b>	<b>31.9%</b>
Dividends paid	(14,118)	(10,588)	33.3%
MFRS 16 leases	(3,708)	(3,577)	3.7%
Hire purchase	(27)	(41)	-34.1%
<b>Net cash used in financing activities</b>	<b>(17,853)</b>	<b>(14,206)</b>	<b>25.7%</b>
<b>Net changes in cash and cash equivalents</b>	<b>2,173</b>	<b>6,493</b>	<b>-66.5%</b>
Forex	259	164	
At beginning of the period	42,681	11,299	
<b>At end of the period</b>	<b>45,113</b>	<b>17,956</b>	<b>151.2%</b>

**Table 17.3 Group cashflow for 31 March 2023**

The Group finances its operations through operating cashflow. In 1Q2023, the Group generated lower net operating cashflow of RM7.8 million in line with decline in revenue and operating profit.

The Group recorded net cash generated from investing activities mainly on the withdrawal of RM12.6 million placement in fixed income funds and fixed deposits above 3 months, as well as RM235k proceed from disposal of fixed asset. The Group registered higher capital expenditures of RM1.0 million during the current quarter under review.

The Group incurred 25.7% higher net cash used in financing activities mainly on higher dividend pay-out.

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18. PROSPECTS

We have made some progress in our operations despite the challenges. Overall GP margin of the Group in 1Q2023 has improved as a result of price adjustments in 2022 as well as careful management of promotional discounts. Productivity of our stores in Malaysia has shown improvement whilst tourist-prone stores recorded encouraging revenue rebound. Our business in Cambodia continues to thrive during the current quarter under review. Our Deputy CEO is stationed in Ho Chi Minh City to drive changes essential for our Group's sustainable growth.

However, we do expect an equally challenging 2<sup>nd</sup> quarter ending 30 June 2023 with ongoing macro headwinds impacting consumer sentiment and supply chain challenges. Nevertheless, we believe our Group will be profitable and our long-term trajectory remains intact.

We will continue to focus on delivering value to our customers on their personal care needs, and work on improving productivity and operational efficiency. Expansion of our physical points-of-sale will continue in a strategic manner. We remain ready to take on any opportunity that presents itself.

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):

	<b>Quarter ended</b>	
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Revenue		
- Retailing	32,403	33,729
- Consultancy fees	22	12
	32,425	33,741
Gain/(loss) on foreign exchange		
- realised	129	(3)
- unrealised	(84)	148
	45	145
Rental expenses		
- before MFRS 16 adjustments	(4,674)	(4,811)
- less: minimum lease payments (MFRS 16 adjustments)	3,708	3,580
	(965)	(1,231)
Depreciation and amortisation		
- plant and equipment	(919)	(1,201)
- intangible assets	(96)	(95)
- right-of-use assets (MFRS 16 adjustments)	(3,495)	(3,221)
	(4,510)	(4,517)
Royalty expense	(328)	(337)
Inventories written down	(18)	(152)
Income arising from disposal of a subsidiary - service charges income (post-completion obligation)	153	-
Contribution from a trade supplier	-	750
Finance income comprises interest income from		
- bank balances and fixed deposits	490	122
- fixed income funds	0	24
	490	146
Finance costs comprise interest expenses on		
- hire purchase	-	(2)
- lease liabilities (MFRS 16 adjustments)	(301)	(279)
	(301)	(281)

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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21. TAX EXPENSES

	Quarter ended	
	31.03.2023	31.03.2022
	RM'000	RM'000
<b>Group</b>		
Tax expenses		
- arising from Malaysia	1,057	1,473
- arising outside Malaysia	2	20
	<u>1,059</u>	<u>1,493</u>
<b>Effective tax rate (%)</b>	<u>26.1%</u>	<u>24.8%</u>

Effective tax rate (“ETR”) is computed by dividing tax expenses with profit before tax for the financial period. ETR is generally higher than Malaysia’s statutory tax rate as a result of non-deductible expenses.

22. EARNINGS PER SHARE (“EPS”)

	Quarter ended	
	31.03.2023	31.03.2022
	RM'000	RM'000
Profit attributable to owners of the Company	<u>3,003</u>	<u>4,531</u>
Weighted average number of ordinary shares in issue ('000)	<u>705,881</u>	<u>705,881</u>
<b>Basic EPS (sen)</b>	<u>0.43</u>	<u>0.64</u>

Diluted earnings per ordinary share is not presented as the Group has no shares or other instruments with potential dilutive effects as at 31 March 2023 and 31 March 2022.

23. OTHER INVESTMENTS

	31.03.2023	31.12.2022
	RM'000	RM'000
<b>Group</b>		
Fixed deposits of more than 3 months but less than 12 months	3,739	9,349
Fixed income funds	-	6,897
	<u>3,739</u>	<u>16,246</u>

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24. LOANS AND BORROWINGS

	<b>31.03.2023</b>	<b>31.12.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
<b>Current</b>		
RM denominated hire purchase (unsecured)	-	<u>27</u>

25. SUBSEQUENT EVENT

There is no material event impacting the Group subsequent to 31 March 2023 and up to the date of this Interim Financial Report.