



**Always Low Prices**

**MR D.I.Y. GROUP (M) BERHAD**

**【Company No.: 201001034084 (918007-M)】**

INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

20 NOVEMBER 2023

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Revenue	1,066,532	966,165	3,212,571	2,920,062
Cost of sales	(587,025)	(569,424)	(1,760,765)	(1,739,093)
<b>Gross profit</b>	<b>479,507</b>	<b>396,741</b>	<b>1,451,806</b>	<b>1,180,969</b>
Other operating income	6,885	4,314	21,910	14,941
Administrative expenses	(45,161)	(37,619)	(132,034)	(111,202)
Other operating expenses	(257,375)	(214,651)	(751,049)	(588,957)
<b>Profit from operations</b>	<b>183,856</b>	<b>148,785</b>	<b>590,633</b>	<b>495,751</b>
Finance costs	(17,430)	(15,818)	(52,868)	(46,363)
Share of profit of an associate	634	1,601	3,142	2,995
<b>Profit before tax</b>	<b>167,060</b>	<b>134,568</b>	<b>540,907</b>	<b>452,383</b>
Income tax expense	(43,113)	(33,384)	(138,866)	(115,511)
<b>Profit for the period</b>	<b>123,947</b>	<b>101,184</b>	<b>402,041</b>	<b>336,872</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Gain on foreign currency translation	152	351	895	747
Other comprehensive income, net of tax	152	351	895	747
<b>Total comprehensive income for the period</b>	<b>124,099</b>	<b>101,535</b>	<b>402,936</b>	<b>337,619</b>
<b>Profit attributable to:</b>				
Owners of the Company	123,947	101,184	402,041	336,872
Non-controlling interests	-	-	-	-
	<b>123,947</b>	<b>101,184</b>	<b>402,041</b>	<b>336,872</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	124,099	101,535	402,936	337,619
Non-controlling interests	-	-	-	-
	<b>124,099</b>	<b>101,535</b>	<b>402,936</b>	<b>337,619</b>
<b>Basic earnings per share (sen)</b>	<b>1.31</b>	<b>1.07</b>	<b>4.26</b>	<b>3.57</b>
<b>Diluted earnings per share (sen)</b>	<b>1.31</b>	<b>1.07</b>	<b>4.25</b>	<b>3.55</b>

**Note:**

- (1) The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>**

	<b>Unaudited As at 30/09/2023 RM'000</b>	<b>Audited As at 31/12/2022 RM'000</b>
<b>ASSETS</b>		
<b><i>Non-current assets</i></b>		
Property, plant and equipment	790,213	682,325
Intangible assets	7,180	6,959
Right-of-use assets	1,253,595	1,231,459
Investment in an associate	12,778	9,867
Deferred tax assets	21,116	17,064
	<u>2,084,882</u>	<u>1,947,674</u>
<b><i>Current assets</i></b>		
Inventories	1,070,987	1,099,725
Trade and other receivables	117,231	134,333
Current tax assets	5,997	4,023
Cash and bank balances	192,471	137,843
	<u>1,386,686</u>	<u>1,375,924</u>
<b>TOTAL ASSETS</b>	<u>3,471,568</u>	<u>3,323,598</u>
<b>EQUITY AND LIABILITIES</b>		
<b><i>Equity attributable to owners of the Company</i></b>		
Share capital	328,614	316,689
Reserves	1,329,393	1,116,168
<b>TOTAL EQUITY</b>	<u>1,658,007</u>	<u>1,432,857</u>
<b>LIABILITIES</b>		
<b><i>Non-current liabilities</i></b>		
Borrowings	11,676	11,819
Lease liabilities	1,145,028	1,129,083
Provision for restoration costs	21,346	20,344
Deferred tax liabilities	7,056	8,839
	<u>1,185,106</u>	<u>1,170,085</u>
<b><i>Current liabilities</i></b>		
Trade and other payables	188,335	173,488
Borrowings	171,755	318,470
Lease liabilities	196,947	178,337
Provision for restoration costs	1,303	437
Current tax liabilities	70,115	49,924
	<u>628,455</u>	<u>720,656</u>
<b>TOTAL LIABILITIES</b>	<u>1,813,561</u>	<u>1,890,741</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>3,471,568</u>	<u>3,323,598</u>
<b>Net assets per share attributable to owners of the Company (sen)</b>	<u>17.56</u>	<u>15.19</u>

**Note:**

(1) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup>**

	Share capital RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2023</b>	316,689	(117,450)	1,189	7,281	1,225,148	1,432,857
Net profit for the period	-	-	-	-	402,041	402,041
Other comprehensive income	-	-	895	-	-	895
<b>Total comprehensive income</b>	-	-	895	-	402,041	402,936
<b>Transactions with owners</b>						
Issuance of shares	11,925	-	-	(1,979)	-	9,946
Dividends paid	-	-	-	-	(188,715)	(188,715)
ESOS share options expenses	-	-	-	983	-	983
<b>Total transactions with owners</b>	11,925	-	-	(996)	(188,715)	(177,786)
<b>At 30 September 2023</b>	<b>328,614</b>	<b>(117,450)</b>	<b>2,084</b>	<b>6,285</b>	<b>1,438,474</b>	<b>1,658,007</b>
<b>At 1 January 2022</b>	303,412	(117,450)	221	6,570	956,439	1,149,192
Net profit for the period	-	-	-	-	336,872	336,872
Other comprehensive income	-	-	747	-	-	747
<b>Total comprehensive income</b>	-	-	747	-	336,872	337,619
<b>Transactions with owners</b>						
Issuance of shares	8,250	-	-	(1,481)	-	6,769
Dividends paid	-	-	-	-	(157,091)	(157,091)
ESOS share options expenses	-	-	-	2,246	-	2,246
<b>Total transactions with owners</b>	8,250	-	-	765	(157,091)	(148,076)
<b>At 30 September 2022</b>	<b>311,662</b>	<b>(117,450)</b>	<b>968</b>	<b>7,335</b>	<b>1,136,220</b>	<b>1,338,735</b>

**Note:**

- (1) The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>**

	<b>CUMULATIVE QUARTER</b>	
	<b>30/09/2023</b>	<b>30/09/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	540,907	452,383
Adjustments for:		
Amortisation of intangible assets	1,843	1,588
Amortisation of deposits of right-of-use assets	1,704	1,544
Depreciation of property, plant and equipment	72,240	61,786
Depreciation of right-of-use assets	149,547	131,067
Interest expense	52,868	46,363
Interest income	(3,230)	(1,686)
Other non-cash items	24,390	20,237
Operating profit before changes in working capital	840,269	713,282
Changes in working capital:		
Inventories	1,066	(237,060)
Trade and other receivables	17,054	9,988
Trade and other payables	703	(20,889)
Cash generated from operations	859,092	465,321
Tax paid	(127,798)	(114,043)
Tax refunded	1,247	-
Net cash from operating activities	732,541	351,278
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received from an associate	231	1,409
Interest income received	3,230	1,686
Purchase of property, plant and equipment	(167,711)	(145,001)
Purchase of intangible assets	(2,079)	(2,205)
Proceeds from disposal of property, plant and equipment	1,683	3,000
Proceeds from disposal of intangible assets	15	111
Net cash used in investing activities	(164,631)	(141,000)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(188,715)	(157,091)
Drawdowns of revolving credits	10,000	130,000
Interest expense paid on:		
-borrowings	(8,208)	(4,790)
-lease liabilities	(43,637)	(40,387)
Payments of lease liabilities	(134,513)	(113,057)
Proceeds from share issuance	9,946	6,769
Repayments of hire purchase creditors	(719)	(724)
Repayments of term loans	(4,649)	(3,589)
Repayments of revolving credits	(150,000)	(110,000)
Net cash used in financing activities	(510,495)	(292,869)
Net increase/(decrease) in cash and cash equivalents	57,415	(82,591)
Effects of exchange rate changes on cash and cash equivalents	197	476
Cash and cash equivalents at the beginning of financial period	114,874	175,879
Cash and cash equivalents at the end of financial period	172,486	93,764

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup> (continued)**

	<b>CUMULATIVE QUARTER</b>	
	<b>30/09/2023</b>	<b>30/09/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	100,381	67,665
Deposits with licensed banks	92,090	49,365
	<hr/>	<hr/>
	192,471	117,030
Less: Bank overdraft included in borrowings	(19,985)	(23,266)
	<hr/>	<hr/>
	172,486	93,764

**Note:**

- (1) The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

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**1. Basis of Preparation**

The interim financial report of Mr D.I.Y. Group (M) Berhad (the "Company") and its subsidiaries (collectively, the "Group") is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS") 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial report.

**2. Accounting Policies**

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2022 except for the adoption of the following new accounting standards, amendments and interpretation:

**2.1 New MFRS adopted during the financial period**

<b>Title</b>	<b>Effective Date</b>
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023

The adoption of the above amendments to MFRSs do not have a material impact on the financial statements of the Group.

**3. Auditors' Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2022.

**4. Seasonal or Cyclical Factors**

The business operations of the Group typically experience higher customer traffic, transaction value and sales during weekends, public holidays, school holidays and festive periods.

**5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

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

**6. Material Changes in Estimates**

There was no changes in estimates of amounts reported that have a material effect in the current quarter and financial period under review.

**7. Debts and Equity Securities**

Employees' Share Option Scheme

During the current financial period under review, the Company issued 8,978,900 and 146,250 ordinary shares at the price of RM1.07 and RM2.32 respectively arising from the exercise of the Employees' Share Option Scheme.

Other than the above, there was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current financial period under review.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**8. Dividend**

	<b>RM'000</b>
In respect of the financial year ended 31 December 2022:	
Interim single tier dividend of RM0.006 per ordinary share, paid on 24 March 2023	56,595
In respect of the financial year ending 31 December 2023:	
Interim single tier dividend of RM0.006 per ordinary share, paid on 23 June 2023	56,601
Interim single tier dividend of RM0.008 per ordinary share, paid on 22 September 2023	75,519
	<u>132,120</u>

Declared

On 20 November 2023, the Company declared an interim single tier dividend of RM0.008 per ordinary share approximately RM75.5 million in respect of the financial year ending 31 December 2023, to be paid on 22 December 2023 to shareholders of the Company whose name appear in the Record of Depositors on 5 December 2023.

**9. Segment reporting**

The Group is organised into two (2) reportable segments based on their geographical locations. The reportable segments are summarised as follows:

- (i) Malaysia; and
- (ii) Brunei

The segmental information for the financial period ending 30 September 2023 is as follows:

	<b>Malaysia RM'000</b>	<b>Brunei RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Sales to external customers	3,177,993	34,578	-	3,212,571
Inter-segment sales	14,125	-	(14,125)	-
<b>Total revenue</b>	<u>3,192,118</u>	<u>34,578</u>	<u>(14,125)</u>	<u>3,212,571</u>
<b>Results</b>				
Profit from operations	594,040	11,622	(15,029)	590,633
Interest expense	(51,878)	(990)	-	(52,868)
Share of profit of an associate	3,142	-	-	3,142
Profit before tax	545,304	10,632	(15,029)	540,907
Income tax expense	(136,887)	(2,013)	34	(138,866)
<b>Net profit for the financial period</b>	<u>408,417</u>	<u>8,619</u>	<u>(14,995)</u>	<u>402,041</u>
<b>Segment assets</b>	<u>3,425,705</u>	<u>46,822</u>	<u>(959)</u>	<u>3,471,568</u>
<b>Segment liabilities</b>	<u>1,782,058</u>	<u>31,917</u>	<u>(414)</u>	<u>1,813,561</u>

The segmental information for the financial period ended 30 September 2022 is as follows:

	<b>Malaysia RM'000</b>	<b>Brunei RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Sales to external customers	2,899,240	20,822	-	2,920,062
Inter-segment sales	9,517	-	(9,517)	-
<b>Total revenue</b>	<u>2,908,757</u>	<u>20,822</u>	<u>(9,517)</u>	<u>2,920,062</u>
<b>Results</b>				
Profit from operations	490,439	5,342	(30)	495,751
Interest expense	(45,708)	(655)	-	(46,363)
Share of profit of an associate	2,995	-	-	2,995
Profit before tax	447,726	4,687	(30)	452,383
Income tax expense	(114,716)	(796)	1	(115,511)
<b>Net profit for the financial period</b>	<u>333,010</u>	<u>3,891</u>	<u>(29)</u>	<u>336,872</u>
<b>Segment assets</b>	<u>3,038,889</u>	<u>41,531</u>	<u>(633)</u>	<u>3,079,787</u>
<b>Segment liabilities</b>	<u>1,717,522</u>	<u>23,798</u>	<u>(268)</u>	<u>1,741,052</u>



**NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**10. Property, Plant and Equipment**

(a) Acquisitions and disposals

There was no material acquisition and disposals of property, plant and equipment during the current quarter and financial period under review.

(b) Valuation

There was no valuation of property, plant and equipment in the current quarter and financial period under review as the Group has not adopted a revaluation policy on its property, plant and equipment.

**11. Capital Commitments**

Capital expenditure in respect of purchase of property, plant and equipment:

	<b>30/09/2023</b>	<b>31/12/2022</b>
	<b>RM'000</b>	<b>RM'000</b>
- Approved but not contracted for	82,759	194,545
- Contracted but not provided for	83,413	135,045
	<u>166,172</u>	<u>329,590</u>

**12. Material Events Subsequent to the End of Financial Period**

There was no material event subsequent to the end of the current quarter up to the date of the interim financial report.

**13. Changes in the Composition of the Group**

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

**14. Changes in Contingent Liability**

There was no material contingent liability as at the end of the current financial period and up to the date of the interim financial report.

**15. Significant Related Party Transactions**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>30/09/2023</b>	<b>30/09/2022</b>	<b>30/09/2023</b>	<b>30/09/2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Associate:</b>				
Purchases of equipment and computer software	1,595	1,505	5,002	6,296
Purchases of goods	1,554	1,730	4,728	3,218
<b>Companies in which certain Directors have financial interests:</b>				
Sales of goods	5,109	5,194	13,815	14,814
Management fees received/ receivables	2,843	1,653	11,975	5,171

The related party transactions described above were carried out in the ordinary course of business and have been established under negotiated and mutually agreed terms.

**16. Fair Value of Financial Liabilities**

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

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**17. Performance Review**

**3QFY2023 vs 3QFY2022**

Group revenue in 3QFY2023 rose 10.4% year-on-year (“y-o-y”) from RM966.2 million to RM1,066.5 million, driven primarily by positive contributions from new stores. The Group’s store network grew 16.4% y-o-y in the same period, from 1,038 to 1,208 stores. Correspondingly, total transactions increased 16.3% y-o-y, from 35.8 million in 3QFY2022 to 41.6 million in 3QFY2023. This was partially offset by a lower average basket size, which decreased 5.1% y-o-y mainly due to weaker consumer sentiment.

The higher revenue growth led to a corresponding 20.9% y-o-y increase in gross profit (“GP”) to RM479.5 million. GP margin rose to 45.0%, an increase of 3.9 percentage points y-o-y from 41.1% in 3QFY2022. The improvement in GP margin is primarily attributed to the normalisation of freight costs as well as the positive impact of price adjustments made in FY2022.

The Group reported other operating income of RM6.9 million during the quarter, mainly comprising management fees, interest income derived from short-term fixed deposits, and the accretion of discounts from security and utility deposits on leases.

Administrative and other operating expenses for the quarter rose 20.1% and 19.9% y-o-y to RM45.2 million and RM257.4 million respectively, primarily attributed to higher staff costs, higher utility expenses and the depreciation of right-of-use assets in line with an increase in business expansion activities.

Growth of administrative and other operating expenses increased by 2.3 percentage points y-o-y as a percentage of revenue, outpacing revenue growth during the quarter but in line with GP growth. GP growth can be attributed to the price increases put through in FY2022 but may have impacted revenue due to elasticity effects.

The Group reported profit before tax (“PBT”) and profit after tax (“PAT”) of RM167.1 million and RM123.9 million respectively, representing an increase of 24.1% and 22.5% y-o-y respectively, in line with the higher revenue and GP.

**Financial review for current financial year-to-date (“YTD”) vs preceding year’s corresponding financial YTD**

Cumulative revenue for the financial period ended September 2023 (“9MFY2023”) was RM3,212.6 million, a 10.0% y-o-y increase on the corresponding period in the preceding year. Revenue growth was primarily driven by an increase in the number of stores and positive contributions from new stores. The Group’s total store network grew 16.4% y-o-y to 1,208 during the period, leading to a corresponding 15.8% y-o-y increase in total transactions to 120.6 million.

Gross profit for the 9MFY2023 period rose 22.9% y-o-y to RM1,451.8 million, mainly driven by higher revenue and GP margin. Gross profit margin was 45.2% compared to 40.4% in the corresponding period in the preceding year. The significant improvement in GP margin, which rose 4.8 percentage points, was mainly due to the reduction of freight costs and the impact of the price adjustment exercise carried out in FY2022.

Other operating income stood at RM21.9 million; this mainly comprised management fees, interest income derived from short-term fixed deposits, and the accretion of discounts from security and utility deposits on leases.

During this period, administrative expenses rose 18.7%, while other operating expenses increased 27.5% y-o-y. This increase was primarily attributed to higher staff costs, utility expenses, and increased depreciation of right-of-use assets and fixed assets. Total administrative and operating expenses increased by 3.5 percentage points as a percentage of revenue, primarily due to higher staff costs which rose 2.7 percentage points as a result of the increase in minimum wage, which came into effect on 1 May 2022. Administrative and other operating expenses also outpaced revenue growth due to weaker consumer sentiment.

The Group reported PBT and PAT of RM540.9 million and RM402.0 million respectively in 9MFY2023, an increase of 19.6% and 19.3% y-o-y respectively, due to the above-said factors.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**
**18. Comparison With Immediate Preceding Quarter's Results**

The Group reported revenue of RM1,066.5 million and PBT of RM167.1 million in 3QFY2023, 3.0% and 17.0% lower respectively compared to the preceding quarter. The lower revenue was mainly due to the absence of festive periods, coupled with softer retail trade and weaker consumer sentiment impacted by higher inflation and higher interest rates.

**19. Prospects**

The Group remains focused on the strategic expansion of its store network, optimising revenue per square foot and operational efficiency, which is key to drive financial performance and enhancing shareholder value.

The Group's long-term target is to have 2,000 stores across its core retail brands, namely, MR. DIY, MR. TOY and MR. DOLLAR. In the near term for coming financial year, the Group targets to open 180 new stores across these core retail brands. As an integral but secondary dimension to the Group's growth strategy, we will make measured investments into new retail concepts, which are adjacent to our current retail verticals, in order to build greater specialisation, economies of scale and a more robust platform for long term growth.

The Group remains comfortably optimistic of its growth prospects given the current business environment.

**20. Variance of Actual Profit from Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**21. Status of Corporate Proposal**

There was no corporate proposal announced but not completed as at the date of this interim financial report.

**22. Profit Before Tax**

Profit before tax for the current quarter and current year is arrived at after charging/(crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Accretion of discount on deposits	(562)	(467)	(1,627)	(1,448)
Amortisation of deposits of right-of-use assets	588	498	1,704	1,544
Amortisation of intangible assets	634	548	1,843	1,588
Depreciation of property, plant and equipment	24,795	21,617	72,240	61,786
Depreciation of right-of-use assets	51,934	45,730	149,547	131,067
Interest income	(1,232)	(544)	(3,230)	(1,686)
Inventory losses	7,543	6,113	18,299	12,519
Inventories written off	4,032	4,089	11,497	11,876
Reversal of written-down of slow-moving inventories	(973)	-	(1,747)	-
Gain on disposal of property, plant and equipment	(133)	(20)	(164)	(129)
Gain on reassessments and modifications of leases	(329)	(548)	(810)	(2,770)
Realised loss/(gain) on foreign exchange	226	(87)	(70)	(237)
Unrealised loss/(gain) on foreign exchange	73	(15)	232	(52)

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

**NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**23. Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Current year tax expense				
- current period	45,889	35,129	146,001	111,200
- (over)/under provision in prior years	(1,413)	(1,539)	(1,293)	204
	<u>44,476</u>	<u>33,590</u>	<u>144,708</u>	<u>111,404</u>
Deferred tax				
- relating to origination and reversal of temporary differences	(1,869)	(614)	(6,348)	4,043
- under provision in prior years	506	408	506	64
	<u>(1,363)</u>	<u>(206)</u>	<u>(5,842)</u>	<u>4,107</u>
Tax expense	<u>43,113</u>	<u>33,384</u>	<u>138,866</u>	<u>115,511</u>
Effective tax rate	<u>25.8%</u>	<u>24.8%</u>	<u>25.7%</u>	<u>25.5%</u>

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purposes.

**24. Borrowings**

	As at	As at
	30/09/2023	31/12/2022
	RM'000	RM'000
<b>Non-current liabilities</b>		
<b>Secured</b>		
Hire purchase creditors	3,801	3,153
Term loans	7,875	8,666
	<u>11,676</u>	<u>11,819</u>
<b>Current liabilities</b>		
<b>Secured</b>		
Bank overdraft	19,985	22,969
Revolving credits	150,000	290,000
Hire purchase creditors	777	651
Term loans	993	4,850
	<u>171,755</u>	<u>318,470</u>
<b>Total borrowings</b>		
Bank overdraft	19,985	22,969
Revolving credits	150,000	290,000
Hire purchase creditors	4,578	3,804
Term loans	8,868	13,516
	<u>183,431</u>	<u>330,289</u>

The above borrowings are denominated in Ringgit Malaysia.

**25. Derivatives**

There was no derivatives in the current quarter and financial period under review.

**26. Material Litigation**

There is no material litigation for the current financial period to date.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023****27. Earnings Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
Profit attributable to owners of the Company (RM'000)	123,947	101,184	402,041	336,872
Weighted average number of ordinary shares in issue ('000)	9,437,287	9,426,706	9,434,259	9,425,047
Basic earnings per ordinary share (sen)	1.31	1.07	4.26	3.57
Weighted average number of ordinary shares in issue ('000)	9,437,287	9,426,706	9,434,259	9,425,047
Effect of dilution of share options ('000)	16,475	28,208	19,630	51,498
Weighted average number of ordinary shares in issue (Diluted) ('000)	9,453,762	9,454,914	9,453,889	9,476,545
Diluted earnings per ordinary share (sen)	1.31	1.07	4.25	3.55