

Itmax System Berhad

Registration No: 200101008580 (544336-M)
(Incorporated in Malaysia)

**Unaudited Condensed Combined
Interim Financial Report
for the Third Quarter Ended
30 September 2022**

Itmax System Berhad

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(Incorporated in Malaysia)

Unaudited condensed combined statement of financial position as at 30 September 2022

	Unaudited As at 30 September 2022 RM'000	Audited As at 31 December 2021 RM'000
Assets		
Property, plant and equipment	130,138	95,170
Right-of-use assets	2,803	3,078
Intangible assets	962	971
Contract assets	149	192
Total non-current assets	134,052	99,411
Inventories	9,143	10,597
Contract assets	16,851	7,005
Contract costs	860	385
Trade and other receivables	25,298	15,363
Prepayments and other assets	366	368
Fixed deposits with licensed banks	6,962	6,844
Cash and cash equivalents	7,985	23,145
Total current assets	67,465	63,707
Total assets	201,517	163,118
Equity		
Share capital	1,000	1,000
Invested equity	3,000	3,000
Reserves	69,673	49,920
Total equity	73,673	53,920

Unaudited condensed combined statement of financial position as at 30 September 2022 (continued)

	Unaudited As at 30 September 2022 RM'000	Audited As at 31 December 2021 RM'000
Liabilities		
Loans and borrowings	60,902	55,239
Lease liabilities	1,791	2,417
Deferred tax liabilities	6,284	2,863
Total non-current liabilities	68,977	60,519
Loans and borrowings	26,776	19,814
Lease liabilities	1,133	772
Trade and other payables	28,414	26,105
Contract liabilities	22	19
Current tax liabilities	2,522	1,969
Total current liabilities	58,867	48,679
Total liabilities	127,844	109,198
Total equity and liabilities	201,517	163,118

The Unaudited Condensed Combined Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 25 November 2022 and the accompanying explanatory notes attached to the condensed combined interim financial report.

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Unaudited condensed combined statement of profit or loss and other comprehensive income for the third quarter ended 30 September 2022

	← Unaudited →			
	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Revenue	30,775	21,303	71,515	55,296
Cost of sales	(8,584)	(8,726)	(20,364)	(18,053)
Gross profit	22,191	12,577	51,151	37,243
Other income	64	80	410	226
Administrative expenses	(5,078)	(3,272)	(12,879)	(8,015)
Net income/(loss) on impairment of financial instrument	-	20	398	(2)
Results from operating activities	17,177	9,405	39,080	29,452
Finance income	13	114	91	128
Finance costs	(572)	(390)	(1,705)	(522)
Profit before tax	16,618	9,129	37,466	29,058
Tax expense	(4,319)	(2,225)	(9,713)	(7,137)
Profit and total comprehensive income for the financial period	12,299	6,904	27,753	21,921
Earnings per ordinary share (sen)				
- Basic earnings per ordinary shares (sen)	307	173	694	548
- Diluted earnings per ordinary shares (sen)	307	173	694	548

The Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 25 November 2022 and the accompanying explanatory notes attached to the condensed combined interim financial report.

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Unaudited condensed combined statement of changes in equity for the period ended 30 September 2022

	← <i>Attributable to owners of the Company</i> →			
	← <i>Non-distributable</i> →		→ <i>Distributable</i>	
	Share capital RM'000	Invested equity RM'000	Retained earnings RM'000	Total RM'000
Unaudited				
At 1 January 2021	1,000	3,000	26,683	30,683
Profit and total comprehensive income for the financial period	-	-	21,921	21,921
At 30 September 2021	1,000	3,000	48,604	52,604
Unaudited				
At 1 January 2022	1,000	3,000	49,920	53,920
Profit and total comprehensive income for the financial period	-	-	27,753	27,753
Dividend paid	-	-	(8,000)	(8,000)
At 30 September 2022	1,000	3,000	69,673	73,673

The Unaudited Condensed Combined Statement of Changes in Equity should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 25 November 2022 and the accompanying explanatory notes attached to the condensed combined interim financial report.

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Unaudited condensed combined statement of cash flows for the period ended 30 September 2022

	Unaudited Cumulative quarter ended 30 September	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	37,466	29,058
<i>Adjustments for:</i>		
Depreciation of plant and equipment	5,949	3,018
Depreciation of right-of-use assets	646	618
Depreciation of intangible asset	634	542
Gain on disposal of plant and equipment	-	(10)
Gain on lease modification	(20)	-
Unrealised foreign exchange loss	761	101
Net (reversal)/loss on impairment loss of financial instruments and contract assets	(398)	5
Finance income	(91)	(128)
Finance costs	1,705	522
	46,652	33,726
Operating profit before working capital changes		
Changes in working capital:		
Inventories	1,454	(10,908)
Trade and other receivables	(9,911)	(9,314)
Prepayments and other assets	3	4,679
Contract assets	(9,429)	(7,974)
Contract costs	(475)	2,395
Contract liabilities	3	(13)
Trade and other payables	1,545	(9,804)
	29,842	2,787
Cash generated from operations		
Interest received	91	128
Tax paid	(5,739)	(2,380)
	24,194	535
Net cash from operating activities		
Cash flows from investing activities		
Acquisition of property, plant and equipment	(38,911)	(21,263)
Acquisition of intangible assets	(624)	(476)
Proceeds from disposal of property, plant and equipment	-	10
Change in pledged deposits	(119)	(9,606)
	(39,654)	(31,335)
Net cash used in investing activities		

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Unaudited condensed combined statement of cash flows for the period ended 30 September 2022 (continued)

	Unaudited Cumulative quarter ended 30 September	
	2022 RM'000	2021 RM'000
Cash flows from financing activities		
Drawdown of loans and borrowings	21,415	25,929
Repayment of loans and borrowings	(12,644)	(6,893)
Drawdown of revolving credits	259	7,493
Drawdown of invoice financing	1,920	-
Repayment hire purchase	(330)	(210)
Repayment of lease liabilities	(615)	(574)
Dividends paid to Owners of the Company	(8,000)	-
Interest paid	(1,705)	(522)
Net cash generated from financing activities	<u>300</u>	<u>25,223</u>
Net decrease in cash and cash equivalents	(15,160)	(5,577)
Cash and cash equivalents at the beginning of financial period	<u>23,145</u>	<u>12,320</u>
Cash and cash equivalents at the end of financial period	<u>7,985</u>	<u>6,743</u>

(i) Cash and cash equivalents

Cash and cash equivalents included in the combined statement of cash flows comprise the following combined statement of financial position amounts:

	Unaudited Cumulative quarter ended 30 September	
	2022 RM'000	2021 RM'000
Cash and cash equivalents	7,985	6,743
Pledged deposits	6,962	11,153
	<u>14,947</u>	<u>17,896</u>

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Unaudited condensed combined statement of cash flows for the period ended 30 September 2022 (continued)

(ii) Acquisition of property, plant and equipment

During the financial period, the Group acquired property, plant and equipment as follows:

	Unaudited Cumulative quarter ended 30 September	
	2022 RM'000	2021 RM'000
Paid in cash	38,911	21,263
In the form of hire purchase arrangement	153	235
	<u>39,064</u>	<u>21,498</u>

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	Invoice financing RM'000	Revolving credit RM'000	Term loans RM'000	Hire purchase liabilities RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2021	-	-	36,692	846	3,181	40,719
Net changes from financing cash flows	-	7,418	18,752	(240)	(707)	25,223
Interest	-	75	284	30	133	522
Borrowing cost capitalised	-	-	1,553	-	-	1,553
Addition	-	-	-	235	523	758
At 30 September 2021	<u>-</u>	<u>7,493</u>	<u>57,281</u>	<u>871</u>	<u>3,130</u>	<u>68,775</u>

	Invoice financing RM'000	Revolving credit RM'000	Term loans RM'000	Hire purchase liabilities RM'000	Lease liabilities RM'000	Total RM'000
At 1 January 2022	-	7,523	66,674	856	3,189	78,242
Net changes from financing cash flows	(1,920)	259	9,136	(363)	(752)	6,360
Interest	-	-	1,555	33	117	1,705
Borrowing cost capitalised	-	336	1,516	-	-	1,852
Addition	1,920	-	-	153	414	2,487
Derecognition	-	-	-	-	(64)	(64)
Remeasurement	-	-	-	-	20	20
At 30 September 2022	<u>-</u>	<u>8,118</u>	<u>78,881</u>	<u>679</u>	<u>2,924</u>	<u>90,602</u>

The Unaudited Condensed Combined Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 25 November 2022 and the accompanying explanatory notes attached to the condensed combined interim financial report.

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PART A - EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

The condensed combined interim financial report is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting*, the Guidance Note on “Combined Financial Statements” issued by the Malaysian Institute of Accountants and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

With the context of this condensed combined interim financial report for the third quarter ended 30 September 2022, the Group comprises ITMAX System Berhad (“the Company”) and its combining entity, Sena Traffic Systems Sdn Bhd (“STS”), as the Company and STS are under the common control the controlling shareholder of Tan Sri Dato’ (Dr.) Tan Boon Hock.

The condensed combined interim financial report of the Group for the financial periods ended 30 September 2022 and 30 September 2021 and as at 31 December 2021 were prepared in a manner as if the entities under common control were operating as a single economic entity at the beginning of the earliest comparative year presented or, if later, at the date that common control was established.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the combining entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial information of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The condensed combined interim financial report should be read in conjunction with the Audited Combined Financial Statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the condensed combined interim financial report. The explanatory notes attached to the condensed combined interim financial report provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

A2. Significant accounting policies

Except as described below, the same accounting policies and methods of computation are followed in this condensed combined interim financial report as compared with the audited combined financial statements for the financial year ended 31 December 2021.

As of 1 January 2022, the Group has adopted the following amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2022.

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A2. Significant accounting policies (continued)

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Costs of Fulfilling a Contract*

The adoption of the above pronouncements did not have any material impact to the condensed combined interim financial report of the Group.

A3. Auditors' report

The audited financial statements for the financial year ended 31 December 2021 was unqualified.

A4. Seasonal or cyclical factors

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

A5. Exceptional items

There were no material exceptional items during the cumulative quarter ended 30 September 2022, except for expenses in relation to the Initial Public Offering of the Company's shares on the Main Market of Bursa Malaysia amounting to RM2.4 million that was charged out to the profit or loss.

A6. Material changes in accounting estimates

There were no material changes in accounting estimates for the current financial quarter under review.

A7. Material events subsequent to the statement of financial position date

Save as disclosed in Note B6. Status of corporate proposals announced but not completed, there were no material events subsequent to the end of the current financial quarter under review that have not been reflected in the condensed combined interim financial report.

A8. Material changes in the composition of the Group

There were no material changes in the composition of the Group for the current financial quarter under review.

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A9. Capital commitments

There were no capital commitments for the Group in the financial quarter under review.

A10. Dividends paid

A first single-tier interim dividend of RM6.00 per ordinary share amounting to RM6,000,000 was declared on 25 November 2021 and paid on 27 December 2021, in respect of financial year ended 31 December 2021; and

A second single-tier interim dividend of RM8.00 per ordinary share amounting to RM8,000,000 was declared on 3 January 2022 and paid on 4 January 2022, in respect of financial year ended 31 December 2021.

There were no dividends paid during the current financial quarter under review.

A11. Operating segments

Operating segments are components in which separate financial information is available that is evaluated by the Managing Director and Chief Executive Office in deciding how to allocate resources and in assessing performance of the Group. As the businesses within the Group are inter-related, the Group considers itself to be operating in a single segment.

All the Group's operations and its revenue are carried out and derived in Malaysia.

The single segment profit results are disclosed in Note B1(a).

A12. Contingencies

There were no contingent assets and contingent liabilities as at the date of this condensed combined interim financial report.

A13. Fixed deposits with licensed banks

The fixed deposits with licensed banks relates to deposits pledged for loan facilities.

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A14. Related party transactions

Identity of related parties

For the purposes of this condensed combined interim financial report, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

Related parties also include companies in which certain Directors have substantial financial interest.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group are shown below.

	← Unaudited →			
	Individual quarter ended		Cumulative quarter	
	30 September		ended 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Companies in which a director has financial interests				
Rental income	63	63	189	189
Purchases	(5)	(7)	(160)	(13)
Revenue	-	-	357	15
Lease expenses	(83)	(60)	(245)	(162)

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A15. Fair value information

The carrying amounts of fixed deposits with a licensed bank, cash and cash equivalents, short term receivables and payables and loans and borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Unaudited 30.9.2022			
Financial liabilities			
Hire purchase liabilities	674	674	679

	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Audited 31.12.2021			
Financial liabilities			
Hire purchase liabilities	849	849	856

Level 3 fair value

Level 3 fair value is estimated using inputs for the financial assets or liabilities that are not based on observable market data (unobservable inputs). The fair value within Level 3 of the hire purchase liabilities is determined by using estimated future cash flows discounted using market related rate for a similar instrument at the reporting date. The interest rate used to discount the estimated cash flows for the hire purchase liabilities is 2.07 – 3.28% (2021: 2.07 – 3.28%) per annum.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF MAIN MARKET LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of financial performance

(a) Highlight on Condensed Combined Statement of Profit or Loss and Other Comprehensive Income

Current financial quarter against corresponding financial quarter

	Unaudited Individual quarter ended 30 September		Variance %
	2022	2021	
	RM'000	RM'000	
Revenue	30,775	21,303	44.46
Profit before tax ("PBT")	<u>16,618</u>	<u>9,129</u>	82.03

The Group reported revenue of RM30.78 million for the current financial quarter under review. This represents an increase in revenue of approximately 44.46% against the corresponding financial quarter where revenue amounted to approximately RM21.30 million.

The increase in revenue was due to an increase in all revenue services except for supply, installation and maintenance services as detailed below:

	Unaudited Individual quarter ended 30 September		Variance %
	2022	2021	
	RM'000	RM'000	
Revenue			
- Video surveillance and analytics services	21,261	9,933	114.04
- Telecommunication and network infrastructure services	584	538	8.55
- Supply, installation and maintenance services	8,135	10,511	(22.60)
- Trading revenue	<u>795</u>	<u>321</u>	147.66
	<u>30,775</u>	<u>21,303</u>	

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B1. Review of financial performance (continued)

(a) Highlight on Condensed Combined Statement of Profit or Loss and Other Comprehensive Income (continued)

Current financial quarter against corresponding financial quarter (continued)

The Group's revenue for the current financial quarter under review increased by 44.46% as compared to the corresponding financial quarter and the Group's PBT increased by 82.03% (from RM9.13 million to RM16.6 million).

The increase in PBT was mainly due to the increase in revenue as the Group had completed the installation and commissioning of video surveillance facilities for several contracts. As a result, the Group has started to earn additional revenue from these contracts during the quarter which has contributed to the increase in the Group's PBT.

Current financial period against corresponding financial period

	Unaudited Cumulative quarter ended 30 September		Variance
	2022	2021	%
	RM'000	RM'000	
Revenue	71,515	55,296	29.33
PBT	37,466	29,058	28.94

The Group reported revenue of RM71.52 million for the current financial period, as compared to RM55.30 million in the corresponding financial period, representing an increase of RM16.22 million or 29.33%.

The increase in revenue was attributed to the increase in revenue from the video surveillance and analytics services and telecommunication services which was offset by the decrease in revenue from the supply, installation and maintenance services and trading revenue which is detailed below:

	Unaudited Cumulative quarter ended 30 September		Variance
	2022	2021	%
	RM'000	RM'000	
Revenue			
- Video surveillance and analytics services	46,141	21,862	111.06
- Telecommunication and network infrastructure services	1,712	1,562	9.60
- Supply, installation and maintenance services	22,131	30,092	(26.46)
- Trading revenue	1,531	1,780	(13.99)
	<u>71,515</u>	<u>55,296</u>	

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B1. Review of financial performance (continued)

(a) Highlight on Condensed Combined Statement of Profit or Loss and Other Comprehensive Income (continued)

The increase in Group's PBT for the current period was consistent with the increase in revenue as the Group had completed the installation and commissioning of video surveillance facilities for several contracts. As a result, the Group has started to earn additional revenue from these contracts during the period which has contributed to the increase in the Group's PBT.

B2. Variation of results against immediate preceding financial quarter

	Unaudited		Variance %
	Individual quarter ended 30 September 2022 RM'000	30 June 2022 RM'000	
Revenue	30,775	21,484	43.25
PBT	16,618	11,645	42.70

The Group's revenue increased from RM21.48 million to RM30.78 million, which was an increase of 43.25% and the Group's PBT increased from RM11.65 million to RM16.62 million, which was an increase of 42.70%.

The increase in Group's revenue and PBT for the current period was mainly due to the increase in revenue as the Group had completed the installation and commissioning of video surveillance facilities for several contracts. As a result, the Group has started to earn additional revenue from these contracts during the period which has contributed to the increase in the Group's PBT.

B3. Commentary on prospects

The Group remains agile in adapting to the new phase of "Living with COVID-19". As borders reopened and restrictions lifted, the Group is looking to continue its growth by expanding its service offerings and expanding into other geographical territories and segments.

While the Group continues to deliver on its ongoing project and plots its mid and long term growth, the resurgence of the COVID-19 infection, inflationary pressure amid rising food and energy prices and disrupted supply chains following the Russia-Ukraine war remain as threats to the local and global economy.

Nevertheless, the Board of Directors is cautiously optimistic that the Group's prospects for the financial year ending 31 December 2022 remain favourable.

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B4. Profit forecast

Not applicable as the Group does not publish any profit forecast.

B5. Tax expense

Tax expense comprises the following:

	← Unaudited →			
	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Recognised in profit or loss				
Current tax expense				
Current financial period	2,325	2,294	6,292	5,780
Deferred tax expense				
Current financial period	1,994	(69)	3,421	1,357
	<u>4,319</u>	<u>2,225</u>	<u>9,713</u>	<u>7,137</u>
Effective tax rate	25.99%	24.37%	25.93%	24.56%

The overall effective tax rates of 25.99% for individual and 25.93% for cumulative quarter ended 30 September 2022 were higher than the statutory tax rate of 24% due to the non-deductible expenses incurred.

B6. Status of corporate proposals announced but not completed

Acquisition of STS

On 22 June 2022, the Company entered into a conditional share sale agreement (“SSA”) with Tan Sri Dato’ (Dr.) Tan Boon Hock and Puan Sri Datin Lim Sho Hoo (the “Sellers”) for the acquisition of the entire issued share capital of STS of RM3,000,000 comprising 3,000,000 ordinary shares in STS for a purchase consideration of RM59,357,908. The said purchase consideration will be fully satisfied by the issuance of 388,800 new ordinary shares in the Company at an issue price of approximately RM152.67 per ordinary share, credited as fully-paid up to Sena Holdings Sdn Bhd, being the sole company jointly nominated by the Sellers, pursuant to the SSA.

On 21 October 2022, the Company completed the acquisition of the entire issued share capital of STS.

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B6. Status of corporate proposals announced but not completed (continued)

Subdivision of Company shares

On 27 October 2022, the Company subdivided 1,388,800 Shares into 837,446,400 Shares to facilitate and enhance the liquidity of the Shares for the purposes of the Listing.

Initial Public Offering on the Main Market of Bursa Malaysia Securities Berhad

On 30 June 2022, the Group submitted the relevant applications to the Securities Commission Malaysia (“SC”) and Bursa Malaysia Securities Berhad (“Bursa Securities”) in relation to the proposed initial offering of 320,000,000 ordinary shares of the Company (“IPO”), in conjunction with the listing of and quotation for the entire enlarged issued ordinary shares in the Company on the Main Market of Bursa Securities.

The total enlarged issued share capital of the Group subsequent to the IPO is 1,028,000,000 ordinary shares.

Bursa Securities has, vide its letter dated 11 October 2022, approved the Company’s admission to the Official List and the listing of and quotation for the Company’s entire enlarged issued share capital on the Main Market of Bursa Securities.

The IPO and Listing are pending completion.

B7. Loans and borrowings

Particulars of the Group’s loans and borrowings are as follows:

	Note	Unaudited As at 30 September 2022 RM’000	Audited As at 31 December 2021 RM’000
Non-current			
Term loans – secured	B7.1	60,546	54,674
Hire purchase liabilities	B7.2	356	565
		<u>60,902</u>	<u>55,239</u>
Current			
Term loans – secured	B7.1	18,335	12,000
Revolving credit	B7.1	8,118	7,523
Hire purchase liabilities	B7.2	323	291
		<u>26,776</u>	<u>19,814</u>
		<u>87,678</u>	<u>75,053</u>

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B7. Loans and borrowings (continued)

B7.1 Term loans, revolving credit and hire purchase liabilities

The term loans, revolving credit and hire purchase liabilities are secured by:

- a) Guarantees executed by a related party/ultimate holding company⁽¹⁾
- b) Joint and several guarantee executed by the Directors of the Group⁽¹⁾.
- c) Fixed deposits with licensed banks

⁽¹⁾ The joint and several guarantees by Directors and Sena Letrik Sdn. Bhd., an affiliated company, for the term loans were uplifted on 2 November 2022 and the joint and several guarantee by a Director for the revolving credit and hire purchases liabilities were uplifted on 7 November 2022.

B7.2 Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Unaudited			
30.09.2022			
Less than one year	348	25	323
Between one to five years	374	18	356
	722	43	679
Audited			
31.12.2021			
Less than one year	325	33	291
Between one to five years	598	33	565
	923	66	856

B8. Material litigation

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

B9. Dividends

The Board of Directors does not recommend any dividend for the current financial quarter under review.

B10. Earnings per ordinary share

The calculation of earnings per ordinary share at 30 September 2022 and 2021, was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

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B10. Earnings per ordinary share (continued)

	Unaudited Individual quarter ended 30 September		Unaudited Cumulative quarter ended 30 September	
	2022	2021	2022	2021
Profit for the financial period attributable to owners of the Company (RM'000)	12,299	6,904	27,753	21,921
Basic earnings per ordinary share attributable to owners of the Company				
Based on weighted average number of ordinary shares ('000)	4,000	4,000	4,000	4,000
Basic earnings per ordinary share (sen)	307	173	694	548

Diluted earnings per ordinary share

Diluted earnings per ordinary share for the period ended 30 September 2022 and 2021 are identical with basic earnings per ordinary share as the Group does not have any dilutive potential ordinary shares.

B11. Profit before tax

	Unaudited			
	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Material expenses				
Depreciation of plant and equipment	2,589	1,540	5,949	3,018
Depreciation of right-of-use assets	215	218	646	618
Amortisation of intangible assets	217	185	634	542
Personnel expenses (including key management personnel):				
- Contributions to state plans	248	148	747	414
- Wages, salaries and others	1,855	2,366	5,697	4,879
IPO expenses	1,044	-	2,375	-

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B11. Profit before tax (continued)

	← Unaudited →			
	Individual quarter ended 30 September		Cumulative quarter ended 30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Material expenses (continued)				
Realised foreign exchange loss	128	-	85	2
Unrealised foreign exchange loss	291	479	761	101
Net (reversal)/loss on impairment of financial instruments and contract assets				
Financial assets at amortised cost	-	(20)	(24)	5
Contract assets	-	-	(374)	-

- (i) The Group leases office equipment and office building with contract terms of 1 to 5 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise the right-of-use assets and lease liabilities for these leases.