

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the quarter ended 31 December 2022	Current Period		Cumulative Period	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	862,720	711,718	3,510,677	4,815,015
Cost of sales	(789,995)	(554,643)	(3,138,217)	(4,185,000)
Gross profit	72,725	157,075	372,460	630,015
Other income	2,730	872	3,118	1,503
Operating expenses	(701,567)	(25,526)	(917,296)	(322,642)
Finance costs	(12,521)	(7,896)	(40,038)	(33,324)
Interest income	238	563	910	1,523
(Loss)/ Profit before zakat and taxation	(638,395)	125,088	(580,846)	277,075
Zakat	1,591	(12,273)	(209)	(24,073)
Taxation	(7,393)	(27,650)	(23,995)	(80,797)
(Loss)/ Profit for the financial period/ year	(644,197)	85,165	(605,050)	172,205
Profit for the financial period/ year attributable to:				
Owners of the parent	(644,390)	85,475	(607,317)	172,150
Non-controlling interests	193	(310)	2,267	55
(Loss)/ Profit for the financial period/ year	(644,197)	85,165	(605,050)	172,205
(Loss)/ Earnings per share - sen				
- Basic	(49.19)	6.53	(46.36)	13.15
- Diluted	(49.19)	6.53	(46.36)	13.15

The Unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter ended 31 December 2022	Current Period		Cumulative Period	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Loss)/ Profit for the financial period/ year	(644,197)	85,165	(605,050)	172,205
<u>Other comprehensive income/(loss), net of tax</u>				
Items that may be subsequently reclassified to profit or loss				
Foreign currency translation (loss)/ gain of foreign operations	(8,824)	(1,601)	(3,951)	865
Recognition of actuarial loss	-	(958)	(402)	(339)
	<u>(8,824)</u>	<u>(2,559)</u>	<u>(4,353)</u>	<u>526</u>
Total comprehensive (loss)/ income for the financial period/ year	(653,021)	82,606	(609,403)	172,731
Attributable to:				
Owners of the parent	(651,797)	83,554	(610,909)	172,465
Non-controlling interests	(1,224)	(948)	1,506	266
Total comprehensive (loss)/ income for the financial period/ year	(653,021)	82,606	(609,403)	172,731

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December 2022	As at 31 December 2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	404,188	364,617
Intangible assets	160,561	208,013
Rights-of-use assets	38,846	30,973
Deferred tax assets	27,047	33,066
	<u>630,642</u>	<u>636,669</u>
Current assets		
Inventories	767,263	1,264,369
Receivables	351,664	297,753
Tax recoverable	16,343	6,713
Deposits, cash and bank balances	52,849	52,359
	<u>1,188,119</u>	<u>1,621,194</u>
TOTAL ASSETS	<u>1,818,761</u>	<u>2,257,863</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	154,189	154,051
Reserves	(402,931)	296,411
Shareholders' equity	(248,742)	450,462
Non-controlling interests	21,386	19,979
Total equity	(227,356)	470,441
Non-current liabilities		
Borrowings	190,627	285,170
Lease liabilities	4,038	441
Deferred tax liabilities	18,815	21,352
Provision for defined benefit plan	9,051	9,079
Government grants	3,358	3,617
	<u>225,889</u>	<u>319,659</u>
Current liabilities		
Payables	802,704	858,408
Amount due to immediate holding company	687	1,208
Current tax liabilities	4,273	14,438
Contract liabilities	31,017	22,128
Government grants	260	332
Borrowings	968,272	570,056
Lease liabilities	5,155	1,193
Dividend payable	7,860	-
	<u>1,820,228</u>	<u>1,467,763</u>
Total liabilities	<u>2,046,117</u>	<u>1,787,422</u>
TOTAL EQUITY AND LIABILITIES	<u>1,818,761</u>	<u>2,257,863</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022	Attributable to shareholders of the Company						
	<----- Non-distributable ----->			Distributable	Total	Non-controlling Interests	Total Equity
	Share Capital	Exchange Reserve	Share Reserve	Retained Earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2022	154,051	1,016	1,670	293,725	450,462	19,979	470,441
- Net (loss)/ profit for the financial year	-	-	-	(607,317)	(607,317)	2,267	(605,050)
- Other comprehensive loss	-	(3,297)	-	(295)	(3,592)	(761)	(4,353)
Total comprehensive (loss)/ income for the financial year	-	(3,297)	-	(607,612)	(610,909)	1,506	(609,403)
Transactions with owners							
Share granted under Long Term Incentive Plan	-	-	138	-	138	-	138
Share options granted under Share Option Plan	-	-	1,954	-	1,954	-	1,954
Issuance of new shares - Long Term Incentive Plan	138	-	(138)	-	-	-	-
Dividends	-	-	-	(90,387)	(90,387)	(99)	(90,486)
Total transactions with owners for the financial year	138	-	1,954	(90,387)	(88,295)	(99)	(88,394)
At 31 December 2022	154,189	(2,281)	3,624	(404,274)	(248,742)	21,386	(227,356)
At 1 January 2021	153,339	452	1,996	181,741	337,528	17,437	354,965
- Net profit for the financial year	-	-	-	172,150	172,150	55	172,205
- Other comprehensive income/ (loss)	-	564	-	(249)	315	211	526
Total comprehensive income for the financial year	-	564	-	171,901	172,465	266	172,731
Transactions with owners							
Share options granted under - Long Term Incentive Plan	-	-	64	-	64	-	64
- Share Option Plan	-	-	1,670	-	1,670	-	1,670
Issuance of new shares - Long Term Incentive Plan	712	-	(712)	-	-	-	-
Forfeiture of shares options/ shares granter under - Share Option Plan	-	-	(1,331)	1,331	-	-	-
- Long Term Incentive Plan	-	-	(17)	17	-	-	-
Changes in ownership interest in subsidiaries	-	-	-	(2,320)	(2,320)	2,320	-
Dividends	-	-	-	(58,945)	(58,945)	(44)	(58,989)
Total transactions with owners for the financial year	712	-	(326)	(59,917)	(59,531)	2,276	(57,255)
At 31 December 2021	154,051	1,016	1,670	293,725	450,462	19,979	470,441

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022	2021
	RM'000	RM'000
Operating Activities		
Cash receipts from customers	3,546,258	5,039,553
Cash payments to suppliers and employees	(3,608,447)	(5,008,570)
Net cash (used in)/generated from operations	(62,189)	30,983
Interest paid	(41,287)	(32,631)
Tax paid	(39,522)	(39,858)
Zakat paid	(209)	(24,073)
Interest received	910	1,523
Net cash used in operating activities	(142,297)	(64,056)
Investing Activities		
Purchase of property, plant and equipment	(59,261)	(30,387)
Purchase of intangible assets	(18,376)	(14,969)
Proceeds from disposal of property, plant and equipment	16	212
Decrease/ (Increase) in investment in deposits maturing more than three (3) months	5,247	(413)
Net cash used in investing activities	(72,374)	(45,557)
Financing Activities		
Dividends paid to:		
- owners of the Company	(82,527)	(58,945)
- non-controlling interests of a subsidiary	(99)	(44)
Net drawdown of borrowings	310,446	182,139
Payment of lease liabilities	(7,026)	(2,412)
Net cash generated from financing activities	220,794	120,738
Net increase in cash and cash equivalents	6,123	11,125
Effects of exchange rate changes	(386)	125
Cash and cash equivalent at beginning of year	47,112	35,862
Cash and cash equivalent at end of year	52,849	47,112
Analysis of cash and cash equivalents:		
Cash and bank balances	23,549	27,036
Deposits with licensed banks	29,300	25,323
	52,849	52,359
Less: Deposits maturing more than three (3) months	-	(5,247)
	52,849	47,112

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Part A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134")

A1. Basis of Preparation

These unaudited condensed consolidated interim financial statements for the year ended 31 December 2022 have been prepared in accordance with MFRS 134 Interim Financial Reporting, IAS 34 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2021.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021, except for the adoption of the following new published standard and amendments to published standards that are effective for the Group's financial year beginning on or after 1 January 2022.

A2.1 Standards and amendments to published standards that are effective

On 1 January 2022, the Group applied the following new published standard and amendments to published standards:

- Annual Improvements to MFRS 9 "Financial Instruments" on 'Fees in the 10% test for derecognition of financial liabilities'.
- Amendments to MFRS 3 "Business Combinations" on 'Reference to Conceptual Framework'.
- Amendments to MFRS 116 "Property, Plant and Equipment" on 'Proceeds before intended use'.
- Amendments to MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" on 'Onerous contracts—cost of fulfilling a contract'.

The adoption of the above amendments to published standards did not have any significant impact on the amounts recognised in the current period as well as any prior period and is not expected to significantly affect future periods.

A2.2 Amendments that have been issued but not yet effective

- i) Amendments to MFRS 101 "Presentation of Financial Statements" on 'Classification of liabilities as current or non-current' (effective 1 January 2023) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. If the right to defer settlement of a liability is subject to the entity complying with specified conditions (for example, debt covenants), the right exists at the end of the reporting period only if the entity complies with those conditions at that date. The amendments further clarify that the entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The assessment of whether an entity has the right to defer settlement of a liability at the reporting date is not affected by expectations of the entity or events after the reporting date.

The amendments shall be applied retrospectively.

- ii) Amendments to MFRS 112 "Income Taxes" on 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' (effective 1 January 2023) clarify that the initial exemption rule does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations. Accordingly, entities are required to recognise both deferred tax assets and liabilities for all deductible and taxable temporary differences arising from such transactions.
- iii) Amendments to MFRS 10 "Consolidated Financial Statements" and MFRS 128 "Investments in Associates and Joint Ventures" on 'Sale or Contribution of Assets between Investor and its Associate or Joint Venture' (the effective date has been deferred to a date to be determined by Malaysian Accounting Standards Board).
- iv) Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS Practice Statement 2 (effective for annual period beginning on or after 1 January 2023). The amendments to MFRS 101 require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

The amendment explains an accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Accordingly, immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

MFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)

A2. Significant Accounting Policies (Cont'd)

A2.2 Amendments that have been issued but not yet effective (Cont'd)

- v) Amendments to MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors" (effective for annual period beginning on or after 1 January 2023). The amendments to MFRS 108, redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". To distinguish from changes in accounting policies, the amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors.

Examples of accounting estimates include expected credit losses; net realisable value of inventory; fair value of an asset or liability; depreciation for property, plant and equipment; and provision for warranty obligations.

- vi) Amendments to MFRS 16 "Leases" on Lease Liability in a Sale and Leaseback (effective for annual period beginning on or after 1 January 2024).

The Group is assessing the impact of the above amendments to published standards on the financial statements of the Group in the year of initial adoption.

A3. Audit report in respect of the 2021 financial statements

The audit report on the Group's financial statements for the financial year ended 31 December 2021 was unqualified.

A4. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the year under review except for the provision of slow moving inventories on Covid-19 vaccine amounting to RM552.3 million and the written down of the goodwill of the Indonesia manufacturing cash-generating unit of RM50.3 million. The provision of slow moving inventories is made in adherence to the requirement of MFRS102 Inventories.

A6. Change in Estimates

There were no material changes in estimates of amounts reported in the current financial year.

A7. Debt and equity securities

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial year other than the issuance of 250,000 ordinary shares for nil consideration pursuant to the Company's Long Term Incentive Plan on 13 December 2022. The new ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

A8. Dividends

On 5 April 2022, the Company paid a fourth interim dividend of 5.0 sen (2020: 0.2 sen*) per share in respect of the financial year ended 31 December 2021 amounting to RM65.5 million (2020: RM2.6 million).

On 6 July 2022, the Company paid a first interim dividend of 0.8 sen (2021: 0.8 sen*) per share in respect of the financial year ended 31 December 2022 amounting to RM10.5 million (2021: RM10.5 million).

On 4 October 2022, the Company paid a second interim dividend of 0.5 sen (2021: 1.5 sen) per share in respect of the financial year ended 31 December 2022 amounting to RM6.6 million (2021: RM19.6 million).

On 6 January 2023, the Company paid a third interim dividend of 0.6 sen (2021: 2.0 sen) per share in respect of the financial year ended 31 December 2022 amounting to RM7.9 million (2021: RM26.2 million).

No fourth interim dividend (2021: 5.0 sen) was proposed or declared in respect of the financial year ended 31 December 2022 (2021: RM65.5 million)

* The number of ordinary shares in issue for the purpose of the computation of the dividend per share had been adjusted retrospectively to reflect the Company's Bonus Issue which were completed on 7 July 2021.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**A9. Operating segments**

Operating segments information for the year is as follows:

RM'000	Logistics and distribution	Manufacturing	Indonesia	Unallocated corporate expenses	Eliminations	Total
2022						
Revenue						
External revenue	2,514,598	12,838	983,241	-	-	3,510,677
Inter-segment revenue	-	313,450	-	-	(313,450)	-
Total revenue	2,514,598	326,288	983,241	-	(313,450)	3,510,677
Results						
Earnings/ (Loss) before interest, taxation, depreciation and amortisation						
Depreciation and amortisation	50,064	(520,127)	(21,743)	(13,477)	-	(505,283)
Finance costs	(11,417)	(16,814)	(8,204)	-	-	(36,435)
Interest income	(50,517)	(12,553)	(12,842)	-	35,874	(40,038)
Interest income	36,249	490	45	-	(35,874)	910
Profit/ (Loss) before zakat and taxation	24,379	(549,004)	(42,744)	(13,477)	-	(580,846)
Zakat	(209)	-	-	-	-	(209)
Taxation	(21,077)	(1,577)	(1,341)	-	-	(23,995)
Net profit/ (loss) for the financial year	3,093	(550,581)	(44,085)	(13,477)	-	(605,050)
Timing of revenue recognition						
Goods or services transferred:						
- At a point in time	2,514,598	326,288	983,241	-	(313,450)	3,510,677
- Over time	-	-	-	-	-	-
	2,514,598	326,288	983,241	-	(313,450)	3,510,677
2021						
Revenue						
External revenue	2,276,190	1,645,746	893,079	-	-	4,815,015
Inter-segment revenue	-	219,577	-	-	(219,577)	-
Total revenue	2,276,190	1,865,323	893,079	-	(219,577)	4,815,015
Results						
Earnings before interest, taxation, depreciation and amortisation						
Depreciation and amortisation	94,855	231,546	20,230	(4,377)	-	342,254
Finance costs	(7,553)	(18,284)	(7,541)	-	-	(33,378)
Interest income	(16,924)	(4,979)	(12,838)	-	1,417	(33,324)
Interest income	2,412	506	22	-	(1,417)	1,523
Profit/ (Loss) before zakat and taxation	72,790	208,789	(127)	(4,377)	-	277,075
Zakat	(5,128)	(18,945)	-	-	-	(24,073)
Taxation	(15,815)	(63,752)	(1,230)	-	-	(80,797)
Net profit/ (loss) for the financial year	51,847	126,092	(1,357)	(4,377)	-	172,205
Timing of revenue recognition						
Goods or services transferred:						
- At a point in time	2,276,190	1,865,323	893,079	-	(219,577)	4,815,015
- Over time	-	-	-	-	-	-
	2,276,190	1,865,323	893,079	-	(219,577)	4,815,015

For Indonesia segment, the breakdown of segment revenue and results that is denominated in foreign currency and the currency exchange ratio used are as follows:

	Year Ended 31 December					
	2022			2021		
	IDR'000	Exchange ratio	RM'000	IDR'000	Exchange ratio	RM'000
Revenue	3,336,881,730	0.0295	983,241	3,111,211,770	0.0287	893,079
Earnings before interest, taxation, depreciation and amortisation	(73,790,474)	0.0295	(21,743)	70,475,080	0.0287	20,230

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**A10. Carrying Amount of Revalued Assets**

There has been no revaluation of property, plant and equipment during the current financial year.

A11. Material Events

There were no material events for the financial year under review and no material events subsequent to 27 February 2023 except that the Group had triggered the prescribed criteria under Paragraph 2.1(a) of Practice Note 17 ("PN 17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), as the shareholders' equity of the Group is less than RM40.0 million and is 25% or less of its issued and paid-up capital after incorporated the provision of slow moving inventories on Covid-19 vaccines in the fourth quarter ended 31 December 2022. The Group is currently looking into formulating a plan to regularise its financial condition ("Regularisation Plan") for submission to the relevant authorities for approval.

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial year ended 31 December 2022.

A13. Contingent Liabilities

There is no other contingent liability that has arisen since the financial year end.

A14. Commitments

The Group has the following commitments as at 31 December 2022:

	Authorised and contracted for RM'000	Authorised but not contracted for RM'000	Total RM'000
Property, plant and equipment	35,627	217,413	253,040

A15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for year ended 31 December 2021.

A16. Intangible Assets

RM'000	Goodwill	Software	Capitalised development cost and work-in- progress	Manufacturing licence and trade name	Intellectual property	Total
Cost						
At 1 January 2022	144,876	20,691	58,404	20,833	3,071	247,875
Additions	-	4,683	12,514	-	-	17,197
Written off	-	-	(6,518)	-	-	(6,518)
Foreign exchange adjustments	(1,864)	(278)	-	(689)	-	(2,831)
At 31 December 2022	143,012	25,096	64,400	20,144	3,071	255,723
Accumulated amortisation						
At 1 January 2022	-	5,049	821	15,520	975	22,365
Amortisation charged	-	1,665	2,167	2,084	-	5,916
Written off	-	-	-	-	-	-
Foreign exchange adjustments	-	(278)	-	(612)	-	(890)
At 31 December 2022	-	6,436	2,988	16,992	975	27,391
Accumulated impairment						
At 1 January 2022	15,401	-	-	-	2,096	17,497
Impairment	50,274	-	-	-	-	50,274
At 31 December 2022	65,675	-	-	-	2,096	67,771
Net carrying value						
At 31 December 2022	77,337	18,660	61,412	3,152	-	160,561
At 31 December 2021	129,475	15,642	57,583	5,313	-	208,013

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B17. Performance Review**

	Current Period			Cumulative Period		
	2022 RM'000	2021 RM'000	+ / (-) %	2022 RM'000	2021 RM'000	+ / (-) %
Revenue	862,720	711,718	21.2%	3,510,677	4,815,015	-27.1%
(Loss)/ Earnings before interest, taxation, depreciation and amortisation	(616,734)	140,871	> -100%	(505,283)	342,254	> -100%
(Loss)/ Profit before interest, zakat and taxation	(626,112)	132,421	> -100%	(541,718)	308,876	> -100%
(Loss)/ Profit before zakat and taxation	(638,395)	125,088	> -100%	(580,846)	277,075	> -100%
(Loss)/ Profit for the financial period/ year	(644,197)	85,165	> -100%	(605,050)	172,205	> -100%
(Loss)/ Profit attributable to owners of the parent	(644,390)	85,475	> -100%	(607,317)	172,150	> -100%

Quarter 4 2022 vs Quarter 4 2021

For the fourth quarter ended 31 December 2022 (4Q FY2022), the Group recorded a revenue of RM862.7 million, an increase of 21.2% from RM711.7 million in the previous year's corresponding quarter (4Q FY2021). This was attributable to healthy growth across the Group's concession, non-concession and Indonesian businesses as a result of strong demand from the customers subsequent to the resumption of normal business activities as usual after the COVID-19 pandemic. Nevertheless, the increase in revenue was partially offset by the lower revenue from the sale of Covid-19 vaccine as the country is entering into the endemic phase.

In adherence to the requirement of MFRS102 Inventories, the Group made a provision of slow moving inventories on Covid-19 vaccines of RM552.3 million. In addition, the Group has also written down the goodwill of the Indonesia manufacturing cash-generating unit of RM50.3 million. As a result, the Group recorded loss before interest, taxation, depreciation and amortisation (LBITDA) and loss before zakat and taxation (LBT) of RM616.7 million and RM638.4 million respectively in 4Q FY2022, compared with earnings before interest, taxation, depreciation and amortisation (EBITDA) and profit before zakat and taxation (PBT) of RM140.9 million and RM125.1 million respectively in 4Q FY2021. Nevertheless, the aggressive selling efforts on the Covid-19 vaccine stocks are on-going as the shelf life of the vaccine is still valid.

Year ended 31 December 2022 vs Year ended 31 December 2021

For the year ended 31 December 2022 (FY2022), the Group registered a lower revenue by 27.1% against previous year as there was lower demand from government on the purchase of Covid-19 vaccines. However, the Group achieved an encouraging growth in the concession business as additional products were added into the concession list which took effect from second half of 2021. In addition, there was also an improved contribution from the private sector by approximately 50.0% as a result of aggressive sales efforts coupled with new products launched to the market during the year. The Group's Indonesia segment continues to post promising performance leveraging on the improved operational efficiency include among others stock optimisation and aggressive collection effort as well as digitalisation in its business processes.

The Group posted LBITDA and LBT of RM505.3 million and RM580.8 million respectively in FY2022, decreasing from EBITDA and PBT of RM342.3 million and RM277.1 million respectively in the previous year. The reasons are as stated above.

The **Logistics and Distribution Division** recorded a lower PBT of RM24.4 million for FY2022 compared with RM72.8 million in FY2021 due to lower distribution income on Covid-19 vaccines coupled with higher operating costs as a result of opening of 3 new warehouses in light of the volume increase. However, the decrease is partially offset by the stronger contribution from the concession business as additional products were added into the concession list coupled with higher demand of inhouse products from the Ministry of Health (MOH). Besides, there was an improved contribution from the private sector as a result of aggressive sales efforts as well as new products launched to the market during the year.

The Group continued to uphold the trust accorded by MOH to handle logistics and distribution services to deliver the much needed medical supplies to healthcare facilities during the pandemic. This includes, but not limited to, personal protective equipment and medicines, which were delivered efficiently across the nation and East Malaysia via air freight.

The **Manufacturing Division** recorded a LBT of RM549.0 million for the financial year under review as a result of the provision for slow moving inventories on Covid-19 vaccines in adherence to the requirement of MFRS102 Inventories. Going forward, the Group will continue to actively enhance the division's operational efficiency and will build on its growing portfolio of products to broaden its global presence, as well as leverage on its increased capacity utilisation via its contract manufacturing business. With continued expansion of the Group's new product portfolio coupled with sustained demand, the Group's long-term prospects for its manufacturing division remain optimistic.

The **Indonesia Division** recorded a LBT of RM42.7 million as a result of the impairment of goodwill of the Indonesia manufacturing cash-generating unit of RM50.3 million. Nevertheless, the existing business of Indonesia's PBT of RM7.5 million for the financial year under review (excluding the impairment of goodwill), indicate significant improvement as compared with LBT of RM0.1 million in the previous year. This was primarily due to its improved operational efficiency include among others stock optimisation and aggressive collection effort as well as digitalisation in its business processes.

Consolidated Statement of Financial Position

The higher receivables were mainly due to slower collections from customers mainly from the Indonesia segment.

Lower inventories in FY2022 as compared to previous year as there was Covid-19 vaccine stocks in FY2021.

Consolidated Statement of Cash Flows

For the year under review, the deficit in cash from operations was mainly due to slower collections from customers.

The higher purchase of fixed assets was for halal vaccine and insulin projects.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter**

	Current Period	Immediate Preceding Period	
	2022 RM'000	2022 RM'000	+/(-) %
Revenue	862,720	924,681	-6.7%
(Loss)/ Earnings before interest, taxation, depreciation and amortisation	(616,734)	34,770	> -100%
(Loss)/ Profit before interest, zakat and taxation	(626,112)	25,201	> -100%
(Loss)/ Profit before zakat and taxation	(638,395)	15,589	> -100%
(Loss)/ Profit for the financial period	(644,197)	9,377	> -100%
(Loss)/ Profit attributable to owners of the parent	(644,390)	8,617	> -100%

In comparison with the immediate preceding quarter, the Group registered a 6.7% lower revenue of RM862.7 million for the quarter under review, largely due to lower contributions from the non-concession business as there was a one-off sales of leukaemia drug in previous quarter. In adherence to the requirement of MFRS102 Inventories, the Group made a provision of slow moving inventories on Covid-19 vaccines of RM552.3 million. In addition, the Group has also written down the goodwill of the Indonesia manufacturing cash-generating unit of RM50.3 million. As a result, the Group recorded LBT of RM638.4 million in the quarter under review from PBT of RM15.6 million in the immediate preceding quarter.

Correspondingly, the Group registered LAT for the quarter under review of RM644.2 million as compared with PAT of RM9.4 million in the immediate preceding quarter.

B19. Prospects

The Group's Indonesia operations continue to become the growth driver as it delivers an impressive performance by closing FY2022 with 10% growth in comparison to the previous year. In addition, the Group managed to turnaround the Indonesia business from a loss of RM1.4 million in 2021 to a profit of RM6.2 million. The Group is very pleased with the performance in Indonesia and confident that this is a tell-tale sign that the right strategies have been adopted. The Group holds the view that Indonesia will be crucial for its future growth to elevate business further, thus will continue to focus on penetrating the Indonesian market.

On the local front, the Government has extended the date for negotiations of the Group's concession agreement to June 2023. Meanwhile, business continues to operate as usual while the Group is in the final stages of negotiations. Meanwhile, the Group has registered an encouraging 50% year-on-year growth in the private market and targets to maintain the growth in 2023.

Moving forward, the Group is optimistic that it will be able to record a positive performance in 2023, despite the provision of slow moving inventories on Covid-19 vaccine of RM552.3 million. The Group will continue the effort in focused negotiations with various parties, including overseas on the sale of the vaccines. Barring unforeseen circumstances, the team is working diligently to execute its strategies while placing cost efficiency at its forefront. The Group is confident of its capabilities and that it will be able to generate higher profits.

B20. Notes on variance in actual profit and shortfall in profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and shortfall in profit guarantee are not applicable.

B21. Income Tax

	Current Period		Cumulative Period	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Taxation based on profit for the period/ year:				
- Current	(1,296)	7,809	11,478	56,078
- Deferred	(1,006)	19,609	3,330	24,774
	(2,302)	27,418	14,808	80,852
Under/ (Over) provision in prior periods:				
- Current	9,695	1,394	9,187	1,315
- Deferred	-	(1,162)	-	(1,370)
	9,695	232	9,187	(55)
	7,393	27,650	23,995	80,797

The Group's effective tax rate is lower than the statutory tax rate of 24% principally due to the non-recognition of deferred tax assets on the provision of stock moving inventories of Covid-19 vaccines in adherence to the requirement of MFRS102 Inventories.

B22. Corporate Proposal

The disclosure requirements for corporate proposal is not applicable.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B23. Borrowings and Debt Securities**

	31 December 2022 RM'000	31 December 2021 RM'000
Non-current:		
Term loan	-	2,690
Revolving credits	189,666	282,299
Hire purchase:		
- Denominated in Ringgit Malaysia	815	115
- Denominated in Indonesian Rupiah	146	66
	190,627	285,170
Current:		
Term loan	38,820	-
Bankers' acceptances:		
- Denominated in Ringgit Malaysia	508,189	397,261
- Denominated in Indonesian Rupiah	173,111	146,717
Revolving credits	247,633	25,700
Hire purchase:		
- Denominated in Ringgit Malaysia	420	258
- Denominated in Indonesian Rupiah	99	120
	968,272	570,056
The amount of borrowings denominated in Indonesian Rupiah	IDR'000 614,737,589	503,092,466
Exchange rate for Indonesian Rupiah	RM 0.0282	0.0292

The Group did not meet certain financial covenants for the term loan and revolving credit facilities as at 31 December 2022. Accordingly, the carrying value of the term loan and revolving credit facilities of RM93.5 million were classified as current liabilities. The Group is in negotiation with the financiers for the indulgence.

As at 31 December 2022, the weighted average floating interest rate of borrowings was 4.8% (2021: 3.6%) per annum.

For borrowings denominated in foreign currency, there is no hedging as the amounts are due within 12 months.

B24. Additional Disclosures

The Group's profit before zakat and taxation is stated after charging/(crediting) the following:

	Current Period		Cumulative Period	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation and amortisation	9,378	8,450	36,435	33,378
Net impairment of and write off of receivables	221	4,089	855	5,430
Net provision for stock obsolescence and write off of inventories	561,353	12,110	571,929	26,726
Impairment of goodwill	50,274	2,748	50,274	2,748
Impairment of other intangible assets	-	2,096	-	2,096
Write off of intangible assets	6,020	4,707	6,518	5,931
Net foreign exchange losses/ (gains)	1,947	(539)	3,409	(506)

Other than the items mentioned above which have been included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, there were no impairment of assets, gain or loss on derivatives, gain or loss on disposal of subsidiaries and exceptional items included in the results for the year ended 31 December 2022.

B25. Profit Forecast

No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT'D)**B26. (Loss)/ Earnings Per Share (“EPS”)**

(a) Basic (loss)/ earnings per share

	Current Period		Cumulative Period	
	2022	2021	2022	2021
(Loss)/ Profit attributable to owners of the Company (RM'000)	(644,390)	85,475	(607,317)	172,150
Average number of ordinary shares in issue ('000)	1,309,971	1,309,336	1,309,971	1,309,336
Basic (loss)/ earnings per share (sen)	(49.19)	6.53	(46.36)	13.15

(b) Diluted (loss)/ earnings per share

(Loss)/ Profit attributable to owners of the Company (RM'000)	(644,390)	85,475	(607,317)	172,150
Average number of ordinary shares in issue ('000)	1,309,971	1,309,336	1,309,971	1,309,336
Assumed shares issued under Long Term Incentive Plan ('000)	-	-	-	-
Weighted average number of ordinary shares in issue ('000)	1,309,971	1,309,336	1,309,971	1,309,336
Diluted (loss)/ earnings per share (sen)	(49.19)	6.53	(46.36)	13.15

The options granted under the Group's Option Plan are anti-dilutive as they are out-of-the-money and have not been considered in the calculation of diluted earnings per share.

B27. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 February 2023.

Kuala Lumpur
27 February 2023

By Order of the Board

WAN INTAN IDURA WAN ISMAIL (LS 0010452)
SYARUZAIMI BIN YUSOF (LS 0010451)
Company Secretaries