

# IQZAN

## IQZAN HOLDING BERHAD

[Registration No.: 200201008458 (576121-A)]

### **Unaudited Interim Financial Report For Third Quarter ended 31 December 2022**

#### **Table of contents**

	PAGE
Condensed Consolidated Statements of Financial Position	1 - 2
Condensed Consolidated Statements of Comprehensive Income	3 - 4
Condensed Consolidated Statements of Changes in Equity	5 - 6
Condensed Consolidated Statements of Cash Flows	7 - 8
Notes to the Interim Financial Report	9 - 18

**IQZAN HOLDING BERHAD**

[Registration No.: 200201008458 (576121-A)]

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER****ENDED 31 DECEMBER 2022****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>The Group</b>	
	<b>Unaudited As at 31/12/2022 RM'000</b>	<b>Audited As at 31/03/2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	41,533	42,936
Investment property	25,500	23,400
Right of use assets	704	1,036
Goodwill on consolidation	6,585	6,585
<b>Total non-current assets</b>	<u>74,322</u>	<u>73,957</u>
<b>Current assets</b>		
Inventories	3,151	2,747
Trade receivables	3,896	1,216
Other receivables	945	420
Fixed deposit with licensed banks	697	697
Cash and bank balances	741	609
<b>Total current assets</b>	<u>9,430</u>	<u>5,689</u>
<b>TOTAL ASSETS</b>	<u>83,752</u>	<u>79,646</u>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER****ENDED 31 DECEMBER 2022****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

	<b>The Group</b>	
	<b>Unaudited As at 31/12/2022 RM'000</b>	<b>Audited As at 31/03/2022 RM'000</b>
<b>EQUITY</b>		
Share capital	82,535	82,535
Redeemable Convertible Preference Shares ("RCPS")	11,321	11,321
Reserves	(59,721)	(64,351)
Equity attributable to owners of the parent	<u>34,135</u>	<u>29,505</u>
Non-controlling interests	<u>1,259</u>	<u>2,688</u>
<b>Total equity</b>	<u>35,394</u>	<u>32,193</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	1,400	3,127
Lease Liability	768	841
Deferred tax liabilities	1,136	1,136
<b>Total non-current liabilities</b>	<u>3,304</u>	<u>5,104</u>
<b>Current liabilities</b>		
Trade payables	3,342	6,551
Other payables	38,034	32,248
Loans and borrowings	2,977	2,559
Lease Liability	453	770
Provision for taxation	248	221
<b>Total current liabilities</b>	<u>45,054</u>	<u>42,349</u>
<b>Total liabilities</b>	<u>48,358</u>	<u>47,453</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>83,752</u>	<u>79,646</u>
Net assets per share attributable to owners of the Company, based on number of outstanding shares	0.16	0.15

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<b><u>Continuing Operations</u></b>				
Revenue	4,337	3,444	13,148	6,882
Cost of sales	(3,398)	(2,293)	(6,749)	(4,136)
<b>Gross profit</b>	<b>939</b>	<b>1,151</b>	<b>6,399</b>	<b>2,746</b>
Other income	2,181	672	2,462	1,747
Distribution & administrative expenses	(2,307)	(1,744)	(5,741)	(5,049)
<b>Profit / (Loss) from operation</b>	<b>813</b>	<b>79</b>	<b>3,120</b>	<b>(556)</b>
Finance income	-	-	-	-
Finance costs	(128)	(125)	(275)	(206)
Net finance cost	(128)	(125)	(275)	(206)
<b>Profit / (Loss) before tax</b>	<b>685</b>	<b>(46)</b>	<b>2,845</b>	<b>(762)</b>
Tax (expense) / credit	(24)	-	(69)	12
<b>Profit / (Loss) for the period from Continuing Operations</b>	<b>661</b>	<b>(46)</b>	<b>2,776</b>	<b>(750)</b>
<b><u>Discontinued Operations</u></b>				
Loss for the period from Discontinued Operations	-	-	-	(3)
<b>Profit / (Loss) for the period</b>	<b>661</b>	<b>(46)</b>	<b>2,776</b>	<b>(753)</b>
<b>Other comprehensive income / (loss), net of tax</b>				
<b>Item that will be classified subsequently</b>				
<b>to profit and loss:</b>				
Exchange translation differences for foreign operations	-	-	-	-
<b>Total other comprehensive income / (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income / (loss) for the year</b>	<b>661</b>	<b>(46)</b>	<b>2,776</b>	<b>(753)</b>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022  
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (continued)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
<b>Profit/(Loss) for the period attributable to:</b>				
Owners of the parent				
- continuing operations	680	46	1,098	(801)
- discontinued operation	-	(2)	-	(2)
Non-controlling interests				
- continuing operations	(19)	(90)	1,678	51
- discontinued operation	-	-	-	(1)
	<u>661</u>	<u>(46)</u>	<u>2,776</u>	<u>(753)</u>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the parent				
- continuing operations	680	46	1,098	(801)
- discontinued operation	-	(2)	-	(2)
Non-controlling interests				
- continuing operations	(19)	(90)	1,678	51
- discontinued operation	-	-	-	(1)
	<u>661</u>	<u>(46)</u>	<u>2,776</u>	<u>(753)</u>
<b>Profit/(Loss) per share</b>				
Basic / Diluted profit/(loss) per share (sen)				
- continuing operations	0.31	0.02	0.49	(0.36)
- discontinued operation	-	(0.00)	-	(0.00)
	<u>0.31</u>	<u>0.02</u>	<u>0.49</u>	<u>(0.36)</u>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	← Attributable to owners of the parent →							
	← Non-distributable →							
	Share capital RM'000	Revaluation reserve RM'000	Equity components RCPS RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
<b>9 months ended 31 December 2022</b>								
<b>At 1 April 2022</b>	82,535	3,932	11,321	-	(68,283)	29,505	2,688	32,193
Net profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	1,098	1,098	1,678	2,776
<b>Total comprehensive income</b>	-	-	-	-	1,098	1,098	1,678	2,776
<b>Transactions with owners:</b>								
Disposal of subsidiaries	-	-	-	-	3,532	3,532	(3,107)	425
	-	-	-	-	3,532	3,532	(3,107)	425
<b>At 31 December 2022</b>	<b>82,535</b>	<b>3,932</b>	<b>11,321</b>	<b>-</b>	<b>(63,653)</b>	<b>34,135</b>	<b>1,259</b>	<b>35,394</b>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022****CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	←← Attributable to owners of the parent →→					→	Non-controlling interests	Total equity
	Share capital	Revaluation reserve	Equity components RCPS	Foreign currency translation reserve	Accumulated losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 months ended 31 December 2021</b>								
At 1 April 2021	80,039	3,932	4,521	(41)	(62,226)	26,225	5,144	31,369
<b>Continuing operations</b>								
Foreign currency translation differences	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
Loss for the financial period	-	-	-	-	(801)	(801)	51	(750)
Total comprehensive loss	-	-	-	-	(801)	(801)	51	(750)
<i>Transactions with owners:</i>								
Issuance of ordinary shares - private placement	2,496	-	-	-	-	2,496	-	2,496
Issuance of Redeemable Convertible Preference Shares ("RCPS")	-	-	6,800	-	-	6,800	-	6,800
Acquisition of subsidiaries	-	-	-	-	-	-	(1,081)	(1,081)
	2,496	-	6,800	-	-	9,296	(1,081)	8,215
<b>Discontinued operations</b>								
Loss for the financial period	-	-	-	-	(2)	(2)	(1)	(3)
Effect of movement in exchange rates	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>82,535</b>	<b>3,932</b>	<b>11,321</b>	<b>(41)</b>	<b>(63,029)</b>	<b>34,718</b>	<b>4,113</b>	<b>38,831</b>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 31 DECEMBER 2022**

	<b>CUMULATIVE QUARTERS</b>	
	<b>9 months ended</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation:		
- continuing operations	2,845	(762)
- discontinued operation	-	(3)
Adjustments for:		
Depreciation of property, plant and equipment	1,403	1,113
Depreciation of right-of-use assets	332	51
Finance cost	275	206
Gain on disposal of property, plant and equipment	-	(8)
Property plant and equipment written off	-	66
Revaluation gain of property, plant and equipment	(2,100)	-
Operating profit before changes in working capital	<u>2,755</u>	<u>663</u>
Changes in working capital:		
Receivables	(3,205)	(1,680)
Inventories	(404)	120
Payables	2,577	(603)
Cash generated from / (used in) operations	<u>1,723</u>	<u>(1,500)</u>
Interest paid	(275)	(206)
Tax refund	(42)	(15)
Operating cash flow from / (used in) continuing operations	<u>1,406</u>	<u>(1,721)</u>
Operating cash flow from discontinued operations	<u>-</u>	<u>-</u>
Net cash generated from / (used in) operating activities	<u>1,406</u>	<u>(1,721)</u>
Balance carried forward	<u>1,406</u>	<u>(1,721)</u>



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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER****ENDED 31 DECEMBER 2022**

	<b>CUMULATIVE QUARTERS</b>	
	<b>9 months ended</b>	
	<b>31/12/2022</b>	<b>31/12/2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Balance brought forward	1,406	(1,721)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	-	8
Proceeds from private placement	-	2,496
Acquisition of property, plant and equipment	-	(194)
Acquisition of right-of-use assets	-	(85)
Effect of disposal on subsidiaries	425	-
Net cash generated from investing activities	425	2,225
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of finance lease liabilities	(390)	(461)
Repayment of term loans	(1,362)	(804)
Net cash used in financing activities	(1,752)	(1,265)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>79</b>	<b>(761)</b>
<b>EXCHANGE DIFFERENCES</b>	<b>-</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>(449)</b>	<b>(230)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>(370)</b>	<b>(991)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	741	576
Fixed deposit with licensed bank	697	532
	1,438	1,108
Less: Fixed deposit with licensed bank	(697)	(532)
	741	576
Less: Bank overdraft	(1,111)	(1,567)
Cash and cash equivalents	(370)	(991)

## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **Part A - Explanatory Notes Pursuant to MFRS 134**

#### **A1. BASIS OF PREPARATION**

The interim financial report (“Report”) is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

This Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2022.

#### **A2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 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 April 2021.

##### **Effective for annual periods beginning on or after 1 January 2022**

- Amendments to MFRS 3 Business Combinations - *Reference to the Conceptual Framework*.
- Amendments to MFRS 116 Property, Plant and Equipment - *Proceeds before Intended Use*
- Amendments to MFRS 137 Provision, Contingent Liabilities and Contingent Assets - *Onerous Contracts - Cost of Fulfilling a Contract*
- Annual Improvements to MFRS Standards 2018-2020:
  - Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
  - Amendment to MFRS 9 Financial Instruments
  - Amendment to MFRS 141 Agriculture

The following Standards and Amendment to Standards have been issued by the MASB but are not yet effective by the Group.

##### **Effective for annual periods beginning on or after 1 January 2023**

- Amendments to MFRS 4 Insurance Contracts - *Extension of the Temporary Exemption from Applying MFRS 9*
- MFRS 17 Insurance Contracts and Amendments to MFRS 17
- Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Accounting Estimates*
- Amendments to MFRS 112 Income Taxes - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

**NOTES TO THE INTERIM FINANCIAL REPORT**  
**Part A - Explanatory Notes Pursuant to MFRS 134 (continued)**

**A2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Issued but not yet effective**

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above new MFRSs and amendments/improvements to MFRSs are not expected to have any material financial impact on the financial statements of the Group.

**A3. SEASONAL OR CYCLICAL FACTORS**

There were no seasonal or cyclical factors affecting the results of the Group for the current interim period.

**A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

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

**A5. CHANGES IN ESTIMATES**

There were no changes in estimates of amounts reported in prior financial year that have had a material effect in the current financial period.

**A6. DEBTS AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resales and repayments of debts and equity securities for the period under review.

**A7. DIVIDEND PAID**

There was no dividend paid during the financial period under review.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**Part A - Explanatory Notes Pursuant to MFRS 134 (continued)**

**A8. SEGMENTAL INFORMATION**

The segmental information for the financial period ended 31 December 2022 is as follows:

	<b>Manufacturing</b>	<b>Trading</b>	<b>Investment Holding</b>	<b>Others</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b><u>Continuing operations</u></b>					
<b>Revenue</b>					
External revenue	7,434	5,161	2,393	-	14,988
Inter-segment revenue	(1,840)	-	-	-	(1,840)
Segment revenue	<u>5,594</u>	<u>5,161</u>	<u>2,393</u>	<u>-</u>	<u>13,148</u>
<b>Results</b>					
Operating profit/(loss)	1,006	1,116	1,019	(20)	3,121
Net finance cost	(176)	(74)	(25)	-	(275)
Income tax expense	-	(1)	(69)	-	(70)
Profit/(Loss) after tax	<u>830</u>	<u>1,041</u>	<u>925</u>	<u>(20)</u>	<u>2,776</u>

**A9. CHANGES IN CONTINGENT LIABILITIES**

The changes in contingent liabilities since end of the last annual reporting period are as follows:  
RM'000

**Corporate Guarantee**

Corporate guarantee in relevant to the additional interests charged by the  
financial institution for banking facilities granted to the former subsidiary 728

**A10. SIGNIFICANT EVENT DURING THE CURRENT QUARTER**

During the current quarter, the Group has carried out a valuation on the Property, Plant and Equipment (“PPE”) during the quarter ended 31 December 2022. The valuation is conducted by Henry Butcher Malaysia (Penang) Sdn Bhd which amounted RM26 million to comply with the requirements of the Malaysian Reporting Standards (“MFRS”) in respect of the fair value measurement of PPE and also to ascertain the carrying value of PPE of the Group for impairment purposes.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**Part A - Explanatory Notes Pursuant to MFRS 134 (continued)**

**A10. SIGNIFICANT EVENT DURING THE CURRENT QUARTER (Continued)**

However, on 2 December 2022, Zoomic Technology (M) Sdn. Bhd., a wholly-owned subsidiary, entered into a Sale and Purchase Agreement with FoundPac Technologies Sdn. Bhd. to dispose of a 60 years leasehold land comprising of double-storey detached factory-cum-office block Lot 12370 and Lot 12371 Mukim 12 Daerah Barat Daya, Hilir Sungai Kluang 3, Kawasan Perindustrian Bayan Lepas, Fasa 4, 11900 Bayan Lepas, Pulau Pinang for a total consideration sum of RM25.5 million.

Thus, the valuation on the property will be recognised with the amount of the disposal of property, plant and equipment which amounted RM25.5 million instead of RM26 million from the valuation.

This revaluation is in compliance with MFRS 116: Property, Plant and Equipment.

There will have the valuation gain as below:

Type of PPE	Net Book Value as at 31 December 2022 RM'000	Market Value as at 31 December 2022 RM'000	Valuation gain on PPE RM'000
A leasehold land with double storey detached factory-cum-office block thereon registered in the name of ZOOMIC TECHNOLOGY (M) SDN BHD	23,400	25,500	2,100

**A11. MATERIAL EVENT SUBSEQUENT TO THE END OF INTERIM PERIOD**

There has not arisen in the interval during this reporting period till the date of this announcement, any item, transaction or event of a material and unusual nature that would likely affect substantially the results of the operations of the Group.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. REVIEW OF GROUP PERFORMANCE**

**Performance of current quarter against the corresponding quarter**

	Individual quarter ended		Variance	
	2022	2021	RM'000	%
	RM'000	RM'000	RM'000	%
<b><u>Continuing operations</u></b>				
<b>Revenue</b>				
- Manufacturing	1,724	1,790	(66)	-4%
- Trading	1,888	1,243	645	52%
- Investment Holding	725	411	314	76%
- Others	-	-	-	0%
<b>Total</b>	<b>4,337</b>	<b>3,444</b>	<b>893</b>	<b>26%</b>
<b>Profit/(Loss) After Tax</b>				
- Manufacturing	(439)	145	(584)	-403%
- Trading	414	(133)	547	-411%
- Investment Holding	698	(48)	746	-1554%
- Others	(12)	(10)	(2)	0%
<b>Total</b>	<b>661</b>	<b>(46)</b>	<b>707</b>	<b>-1537%</b>
<b><u>Discontinued operations</u></b>				
<b>Profit/(Loss) After Tax</b>				
- Manufacturing	-	-	-	0%
- Trading	-	-	-	0%
- Investment Holding	-	-	-	0%
- Others	-	-	-	0%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>

a) Manufacturing

There is no significant change in segmental revenue in which decreased by 4% to RM1.724 million in the current quarter as compared to Q3 of previous financial year. However, the net results were showing significantly decrease of 403% of loss principally due to the increase of depreciation charges from the new plant and machinery acquired during Q4 of previous financial year.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. REVIEW OF GROUP PERFORMANCE** (continued)

**Performance of current quarter against the corresponding quarter** (continued)

b) Trading

For trading segment, there were increased significantly to the contribution in revenue by 52% to RM1.888 million and increase in profit after tax by 411% to RM0.414 million in the current quarter as compared to Q3 of previous financial year, mainly due to increase of demand after phasing out of MCO since 1 April 2022.

c) Investment holding

The segment of investment holding has recognised an increase in revenue by 76% to RM0.314 million due to one of the subsidiaries has changed the business nature from manufacturing business to investment holding to rent out the factory, and hence additional rental income which amounted RM0.314 million.

And, there has significantly increase in profit after tax by 1,554% to RM0.698 million mainly due to the other operating income which is revaluation gain generated from the property which amounted RM2.1 million during the current quarter.

d) Others

The segment consisted of dormant subsidiaries. There is no significant change in the position of the subsidiaries nor intention to switch its status from dormant to active.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. REVIEW OF GROUP PERFORMANCE (continued)**

**Comparison with preceding quarter**

	<b>Individual quarter ended</b>		<b>Variance</b>	<b>%</b>
	<b>31 December</b>	<b>30 September</b>		
	<b>2022</b>	<b>2022</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b><u>Continuing operations</u></b>				
<b>Revenue</b>				
- Manufacturing	1,724	815	909	112%
- Trading	1,888	1,706	182	11%
- Investment holding	725	874	(149)	-17%
- Others	-	-	-	0%
	4,337	3,395	942	28%
<b>Profit/(Loss) After Tax</b>				
- Manufacturing	(439)	(325)	(114)	35%
- Trading	414	292	122	42%
- Investment holding	698	403	295	73%
- Others	(12)	(2)	(10)	500%
<b>Total</b>	661	368	293	80%

The Group's revenue for the current quarter has increased by RM0.942 million from the preceding quarter to RM4.337 million in this quarter mainly due to the better performance from the subsidiaries that has increase demand for production during this quarter.

Correspondingly, the Group has recorded increase in profit after tax of RM0.293 million for the quarter under review.



**NOTES TO THE INTERIM FINANCIAL REPORT**

**Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**B2. PROSPECT FOR THE FINANCIAL YEAR**

With the recovery of the economy, the Group's future prospects will depend on the performance of the subsidiaries acquired during the previous financial year, which is manufacturing, marketing and installation of wood flooring. Existing manufacturing business which were changed from protective packing materials to environmentally friendly pressed pallets and related products and services is expected to be fully commissioned by next financial year.

With the current endemic situation, the Group will continue its effort to drive its performance improvements along with the recovery of the economic environment.

**B3. PROFIT FORECAST OR PROFIT GUARANTEE**

The Group did not disclose or announce any profit forecast or profit guarantee in any public document in the financial quarter under review.

**B4. PROFIT BEFORE TAXATION**

	Individual quarter ended		Cumulative quarter ended	
	31 December		31 December	
	(3 months)		(9 months)	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit from operations is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment				
- current	742	686	2,156	1,113
- overprovision in prior quarters	(753)	-	(753)	-
Depreciation of right-of-use assets	68	17	332	51
Property, plant and equipment written off	-	-	-	66
Gain on disposal of property, plant and equipment	-	(8)	-	(8)
Finance cost	128	125	275	206
Rental income	(81)	(1,056)	(109)	(2,855)
Revaluation gain on property, plant and equipment	(2,100)	-	(2,100)	-

**NOTES TO THE INTERIM FINANCIAL REPORT**

**Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**B5. TAXATION**

	Individual quarter ended		Cumulative quarter ended	
	31 December (3 months)		31 December (9 months)	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b><u>Continuing operations</u></b>				
<b>Current tax (expense) / credit</b>				
Current year	(24)	-	(69)	12
	<u>(24)</u>	<u>-</u>	<u>(69)</u>	<u>12</u>

**B6. LOANS AND BORROWINGS**

The Group's loans and borrowings, all of which are denominated in RM, as at the end of the reporting period are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000	Average effective interest rate (%)
<b>Secured</b>				
Banker's acceptance	262	-	262	6.50 - 6.82
Term Loan	1,927	1,400	3,327	6.75 - 7.00
Overdraft	788	-	788	6.75 - 7.00
<b>Total</b>	<u>2,977</u>	<u>1,400</u>	<u>4,377</u>	

**B7. STATUS OF CORPORATE PROPOSAL**

There are no outstanding corporate proposals or new announcement made in the current quarter as the Company is still in the midst of preparing and formulating its regularisation plan to address its financial condition.

**B8. PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

There were no purchases or disposal of quoted securities by the Group in the current period under review.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)**

**B9. CAPITAL COMMITMENTS**

There were no capital commitments as at the end of the current reporting period.

**B10. EARNING/(LOSS) PER SHARE**

	Individual quarter ended		Cumulative quarter ended	
	31 December		31 December	
	2022	2021	2022	2021
	(3 months)	(3 months)	(9 months)	(9 months)
Net profit/(loss) attributable to owner of the Company (RM'000)				
- continuing operations	680	46	1,098	(801)
- discontinued operations	-	(2)	-	(2)
	<u>680</u>	<u>44</u>	<u>1,098</u>	<u>(803)</u>
Weighted average number of ordinary shares in issue ('000)	<u>221,840</u>	<u>221,840</u>	<u>221,840</u>	<u>221,840</u>
Basic/diluted earning/(loss) per ordinary share (sen):				
- continuing operations	0.31	0.02	0.49	(0.36)
- discontinued operations	-	(0.00)	-	(0.00)
	<u>0.31</u>	<u>0.02</u>	<u>0.49</u>	<u>(0.36)</u>

The Company does not have any dilutive potential ordinary shares in issue for the current quarter to date.