

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023
PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134, “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022.

A2. Adoption of Revised Financial Reporting

The accounting policies and presentation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2022, except for the adoption of the following Amendments and Annual improvement to Standards that came into effect for periods beginning on or after 1 January 2023:-

MFRS 17 Insurance Contracts
Amendments to MFRS 17 Insurance Contracts
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9- Comparative Information
Amendments to MFRS 101: Disclosure of Accounting Policies
Amendments to MFRS 108: Definition of Accounting Estimates
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The initial adoption of the above does not have any material financial impact to the financial statements of the Group.

The following Standards have been issued but not yet effective and have not been adopted by the Group:

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

A3. Auditors’ Report on Preceding Annual Financial Statements

The preceding annual financial statements of the Group were reported on without any qualification.

A4. Comments about Seasonal or Cyclical Factors

The business of the Group is not affected by any significant seasonal or cyclical factors.

A5. Changes in Estimates

There was no significant change in estimates of amounts reported in prior financial years which have a material effect in the current quarter and year ended 31 December 2023.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

A6. Unusual Items due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter and year ended 31 December 2023.

A7. Dividend

The dividend proposed during the quarter and year ended 31 December 2023 is disclosed in Note B12.

A8. Valuation of Property, Plant and Equipment

The Group did not revalue any of its property, plant and equipment for the current quarter and year ended 31 December 2023.

A9. Debt and Equity Securities

During the current quarter and year ended 31 December 2023, the Company has:

- (a) Issued new ordinary shares arising from the exercise of options under the Company's Employees' Share Option Scheme ("ESOS") as follows:-

	Issue Price per share	Current Year Quarter Ended 31 December 2023	Current Year Ended 31 December 2023
	RM	No of shares	No of shares
Exercise of ESOS	3.49	-	691,400
Exercise of ESOS	3.27	13,300	337,800
Total		13,300	1,029,200

The new ordinary shares ranked pari passu with the existing ordinary shares of the Company.

Other than the above, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity security during the current quarter and year ended 31 December 2023.

A10. Segmental Information

The Group operates primarily in the semiconductor industry. Geographical segmental information is as follows:

Current Year Year-To-Date 31 December 2023	Asia RM'000	Europe RM'000	USA RM'000	Others RM'000	Group RM'000
Revenue	690,615	248,747	63,352	13,900	1,016,614
Segment assets	1,676,490	97,476	2,339	-	1,776,305
Capital expenditure	91,484	163	-	-	91,647
Preceding Year Year-To-Date 31 December 2022	Asia RM'000	Europe RM'000	USA RM'000	Others RM'000	Group RM'000
Revenue	709,356	195,346	58,120	20,206	983,028
Segment assets	1,522,561	74,167	2,146	-	1,598,874
Capital expenditure	197,926	19	4	-	197,949

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and year ended 31 December 2023.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

A12. Capital Commitments

As at 31 December 2023, the Group has the following capital commitments:

	As at 31 December 2023 RM'000
Property, plant and equipment	
Approved and contracted for	<u>53,736</u>

A13. Changes in Contingent Liabilities or Contingent Assets

There were no contingent liabilities or contingent assets as at 31 December 2023.

A14. Significant Events During the Reporting Period

There was no significant event during the current quarter and year ended 31 December 2023.

A15. Significant Event After the Reporting Period

There was no significant event subsequent to the end of the financial period reported up to 20 February 2024.

A16. Significant Related Party Transaction

The Group carried out the following significant transactions with related parties during the current quarter and year ended 31 December 2023.

	Current Year Quarter Ended 31 December 2023 RM'000	Preceding Year Quarter Ended 31 December 2022 RM'000	Current Year Ended 31 December 2023 RM'000	Preceding Year Ended 31 December 2022 RM'000
Purchases	89,010	67,614	287,678	276,627
Rental	<u>47</u>	<u>57</u>	<u>218</u>	<u>234</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023
PART B: ADDITIONAL DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF BURSA
MALAYSIA SECURITIES BERHAD MAIN MARKET LISTING REQUIREMENTS

B1. Operating Segment review

4Q Year-on-Year Earnings Performance Review

	Current Year Quarter Ended 31 December 2023 (RM mil)	Preceding Year Quarter Ended 31 December 2022 (RM mil)	% Change
Revenue			
- Automotive	301.40	240.86	25.1%
- Non-Automotive	8.57	6.34	35.2%
	309.97	247.20	25.4%
Gross Profit	81.19	56.75	43.1%
<i>Gross margin</i>	26.2%	23.0%	
Net other expense	(14.60)	(11.93)	22.4%
Distribution expenses	(6.74)	(4.45)	51.5%
Administrative expenses	(17.10)	(15.93)	7.3%
R&D expenses	(8.30)	(8.74)	-5.0%
Finance costs	(6.00)	(3.22)	86.3%
Share of results of Joint Venture	#	#	
PBT	28.45	12.50	128%
Income Tax	(1.64)	2.45	-166%
Net Profit	26.81	14.93	79.6%
<i># - Amount less than RM10,000</i>			
Significant other income/(expense) items			
Gain/(Loss) on foreign exchange	3.12	(2.42)	-229%
Loss on derivatives	(2.19)	(0.61)	259%
Interest income	2.77	0.70	296%
Inventory impairment	(12.07)	(8.39)	44%
Customer compensation	(3.26)	(0.06)	5,333%
ESOS	(0.94)	(0.73)	29%
Amortisation	(1.24)	(0.26)	377%

Global car sales saw a substantial uptick of 21% in 4Q 2023 compared to preceding year corresponding quarter. This sales surge resulted in an unprecedented revenue of RM309.97 million, marking a substantial year-on-year improvement of 25.4%.

Gross profit rose 43.1% to RM81.2 million, fueled by higher revenue and margin expansion. Gross profit margin posted a 3.2 percentage point increase to 26.2% on better cost management and production efficiency improvements.

In the current quarter under review, the Group incurred an increase in net other expenses of RM14.6 million compared to RM11.9 million in 2022. This was primarily driven by higher inventory impairment, amortisation, and customer compensation. However, this was partially offset by higher interest income and a net gain on foreign exchange and derivatives, which resulted from strategic actions taken by management to rebalance the Group's currency exposure to hedge against foreign exchange volatility.

The Group's pre-tax profit and post-tax profit surged by 128% and 79.6% to RM28.45 million and RM26.81 million respectively, as compared to 4Q2022.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B1. Operating Segment review (Cont'd)

12-months Year-on-Year Earnings Performance Review

	Current Year Ended 31 December 2023 (RM mil)	Preceding Year Ended 31 December 2022 (RM mil)	% Change
Revenue			
- Automotive	996.39	955.00	4.3%
- Non-Automotive	20.22	28.03	-27.9%
	1,061.61	983.03	3.4%
Gross Profit	215.86	260.83	-17.2%
<i>Gross margin</i>	21.2%	26.5%	
Net other expense	(29.86)	(52.32)	-42.9%
Distribution expenses	(17.32)	(13.07)	32.4%
Administrative expenses	(63.57)	(61.92)	2.7%
R&D expenses	(34.10)	(35.35)	-3.5%
Finance costs	(21.50)	(7.63)	181.8%
Share of results of Joint Venture	#	#	
PBT	49.51	90.54	-45.3%
Income Tax	(1.82)	(7.09)	-74.3%
Net Profit	47.69	83.45	-42.9%

- Amount less than RM10,000

Significant other (expense)/income items

Loss on foreign exchange	(1.85)	(38.90)	-95%
Loss on derivatives	-	(3.29)	-100%
Inventory impairment	(24.63)	(11.93)	106%
Interest income	9.60	4.50	113%
Customer compensation	(9.36)	(0.82)	1,042%
ESOS	(1.89)	(2.46)	-23%
Amortisation	(2.74)	(1.06)	158%

The Group's revenue for the financial year increased by 3.4% to RM1.06 billion as compared to the previous year, surpassing the significant RM1 billion mark for the first time in the company's history.

Gross profit margin for the current period at 21.2% was 5.3% lower as compared to the same period last year. This decline was attributed to the ongoing capacity expansion initiated in 2022 and the effects of the minimum wage increase implemented in May 2022. Despite facing short-term margin pressures, the Group successfully utilised its surplus capacity to meet the strong customer demand in 4Q2023 and is well-positioned to support the expected growth in customer demand in 2024.

The pre-tax profit for the current period declined 45% to about RM50 million. This was primarily due to a combination of reduced gross profit and an uptick in overall overhead expenses arising mainly from the capacity expansion. However, this impact was partly mitigated by a reduction in net other expenses, as the Group successfully reduced foreign exchange and derivatives losses significantly through its currency rebalancing strategy.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B1. Operating Segment review (Cont'd)

Changes in key Balance Sheet items during the 12-months period

	As At 31 December 2023 (RM mil)	As At 31 December 2022 (RM mil)	Explanation
Non-Current Assets			
Property, Plant and Equipment	514.67	499.32	The increase was due to RM91.6 million Capex spent on tools and equipment for new product lines, machinery upgrades, plant automation and QC improvements partially offset by RM76.3 million depreciation charge.
Current Assets			
Inventories	579.00	445.69	The rise in inventories was primarily attributed to process yield improvement initiatives, supporting robust customer demand, and a strategic decision to increase IC chip inventory as a measure to mitigate supply chain disruption risks.
Trade Receivables	270.58	274.46	Trade receivable is stable and within normal range of credit terms.
Current Liabilities			
Trade Payables	291.14	242.80	The increase in trade payable is primarily attributed to an increase in raw material purchases to support higher production output in 4Q2023.

Cash flow analysis for the year ended 31 December 2023

The Group achieved a positive cash flow of RM34 million from its operating activities for the year ended 31 December 2023. The cash flow position has improved consistently quarter by quarter throughout 2023. Management is dedicated to sustaining this positive trend by enforcing tighter controls over spending.

In the current year, the Group spent RM91.6 million on capital expenditure. The cash outflow from investing activities were primarily financed by cashflow from operations, new banking facilities and RM3.5 million new capital raised from the exercise of ESOS. Despite the additional borrowings, the Group's balance sheet remains healthy. The net gearing ratio stands at 24% compared to 29% in 3Q2023.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B2. Material Changes In The Quarterly Result As Compared To The Result of The Preceding Quarter

	Current Year Quarter Ended 31 December 2023 (RM mil)	Current Year Quarter Ended 30 September 2023 (RM mil)	% Change
Revenue			
- Automotive	301.40	268.01	12.5%
- Non-Automotive	8.57	3.94	117.5%
	309.97	271.95	14.0%
Gross Profit	81.19	65.14	24.6%
<i>Gross margin</i>	26.2%	24.0%	
Net other expense	(14.60)	(9.96)	46.6%
Distribution expenses	(6.74)	(3.36)	100.6%
Administrative expenses	(17.10)	(15.76)	8.5%
R&D expenses	(8.30)	(8.66)	-4.2%
Finance costs	(6.00)	(5.89)	1.9%
Share of results of Joint Venture	#	#	
PBT	28.45	21.51	32.3%
Income Tax	(1.64)	(1.71)	-4.1%
Net Profit	26.81	19.80	35.4%

- Amount less than RM10,000

Significant other income/(expense) items

Gain/(Loss) on foreign exchange	3.12	(3.14)	-199%
(Loss)/Gain on derivatives	(2.19)	0.49	-547%
Inventory impairment	(12.07)	(5.31)	127%
Interest income	2.77	2.35	18%
Customer compensation	(3.26)	(3.42)	-4.7%
ESOS	(0.94)	(0.94)	-
Amortisation	(1.24)	(0.97)	28%

The current quarter witnessed a significant sales growth, primarily due to the upswing in global car sales in 4Q2023. The turnover increased by 14.0% quarter-on-quarter, achieved RM310 million.

The increased capacity utilisation, coupled with improved cost management and productivity enhancements, resulted in a 2.2% rise in the gross profit margin to 26.2%. This margin improvement contributed to a significant increase in pre-tax profit to RM28.45 million.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B3. Commentary on Prospects

According to the most recent J.D. Power article, dated 26 January 2024, global light vehicle sales topped 90 million units, marking an 11% increase over 2022 - a record high since the Covid-19 pandemic. Contrary to the usual sales drop-off at the beginning of a year, January 2024 is anticipated to maintain strong sales momentum. The significant portion of this projected growth is attributed to China, which experienced notable weakness in January 2023 due to the Covid-19 outbreak and the expiration of certain tax incentives. The forecast for global light-vehicle sales in 2024 is 92.4 million units, an increase of 2% from 2023.

With the rise in global car sales and the growing intensity of the number of LEDs in new car designs, driven by the pursuit of enhanced safety features, aesthetic appeal, and comfort, the outlook for the automotive LED industry is positive. D&O is strategically positioned to capitalise on this trend, given its extensive product portfolio. Barring any unforeseen circumstances, the management is optimistic of achieving double digit revenue growth in 2024.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee.

B5. Income Tax Expense

	Current Year Quarter Ended 31 December 2023 RM'000	Preceding Year Quarter Ended 31 December 2022 RM'000	Current Year Ended 31 December 2023 RM'000	Preceding Year Ended 31 December 2022 RM'000
Current tax	4,122	91	6,814	6,922
Deferred tax	(2,487)	(2,485)	(5,724)	2,520
Withholding tax on dividend received	-	-	12	48
	<u>1,635</u>	<u>(2,394)</u>	<u>1,102</u>	<u>9,490</u>
(Over)/Under provision in prior year	(1)	(60)	712	(2,402)
	<u><u>1,634</u></u>	<u><u>(2,454)</u></u>	<u><u>1,814</u></u>	<u><u>7,088</u></u>

The effective tax rate for the current quarter and year ended 31 December 2023 was lower than the Malaysian statutory tax rate of 24% mainly due to the potential tax credit arising from unutilised capital allowance and reinvestment allowance from capital expenditure investment.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B6. Borrowings

The Group's borrowings are as follows:

	←———— As at 31 December 2023 (Unaudited) —————→				
	←———— Denominated in —————→				
	RM RM'000	USD RM'000	Euro RM'000	RMB RM'000	Total RM'000
<u>Current</u>					
<u>Secured</u>					
-Term loans	9,022	61,414	-	-	70,436
-Revolving credits	41,600	-	-	49,877	91,477
-Bankers' acceptances	66,500	-	13,332	77,173	157,005
-Hire purchase	60	-	-	-	60
Total current borrowings	<u>117,182</u>	<u>61,414</u>	<u>13,332</u>	<u>127,050</u>	<u>318,978</u>
<u>Non-current</u>					
<u>Secured</u>					
-Term loans	72,703	74,734	-	-	147,437
-Hire purchase	145	-	-	-	145
Total non-current borrowings	<u>72,848</u>	<u>74,734</u>	<u>-</u>	<u>-</u>	<u>147,582</u>
Total borrowings	<u>190,030</u>	<u>136,148</u>	<u>13,332</u>	<u>127,050</u>	<u>466,560</u>
Exchange rate*	-	4.59	5.08	0.65	-
	←———— As at 31 December 2022 (Audited) —————→				
	←———— Denominated in —————→				
	RM RM'000	USD RM'000	Euro RM'000	RMB RM'000	Total RM'000
<u>Current</u>					
<u>Secured</u>					
-Term loans	6,263	58,919	-	-	65,182
-Revolving credits	7,000	13,170	19,441	24,340	63,951
-Bankers' acceptances	22,000	22,910	4,099	91,672	140,681
-Hire purchase	137	-	-	-	137
Total current borrowings	<u>35,400</u>	<u>94,999</u>	<u>23,540</u>	<u>116,012</u>	<u>269,951</u>
<u>Non-current</u>					
<u>Secured</u>					
-Term loans	25,951	109,049	-	-	135,000
-Hire purchase	205	-	-	-	205
Total non-current borrowings	<u>26,156</u>	<u>109,049</u>	<u>-</u>	<u>-</u>	<u>135,205</u>
Total borrowings	<u>61,556</u>	<u>204,048</u>	<u>23,540</u>	<u>116,012</u>	<u>405,156</u>
Exchange rate*	-	4.39	4.68	0.63	-

*The foreign exchange rate used is expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent for the translation of the foreign currency balances at the end of the reporting period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B7. Earnings per Share

1. Basic

	Current Year Quarter Ended 31 December 2023	Preceding Year Quarter Ended 31 December 2022	Current Year Ended 31 December 2023	Preceding Year Ended 31 December 2022
Continuing operations				
Profit after taxation (RM'000)	26,813	14,927	47,692	83,444
Non-controlling interests (RM'000)	(2,494)	(1,367)	(3,549)	(8,296)
Profit attributable to Owners of the Company (RM'000)	24,319	13,560	44,143	75,148
Dividend on ICPS (RM'000)	-	(1,961)	-	(4,902)
	<u>24,319</u>	<u>11,599</u>	<u>44,143</u>	<u>70,246</u>
Weighted average number of ordinary shares:-				
Issued ordinary shares at 1 January ('000)	1,237,261	1,237,142	1,237,261	1,237,142
Effect of new ordinary shares issued under ESOS ('000)	1,028	112	697	40
Weighted average number of ordinary shares for the period (‘000)	<u>1,238,289</u>	<u>1,237,254</u>	<u>1,237,958</u>	<u>1,237,182</u>
Basic earnings per share (sen)	<u>1.96</u>	<u>0.94</u>	<u>3.57</u>	<u>5.68</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B7. Earnings per Share (Cont'd)

2. *Diluted*

	Current Year Quarter Ended 31 December 2023	Preceding Year Quarter Ended 31 December 2022	Current Year Ended 31 December 2023	Preceding Year Ended 31 December 2022
Continuing operations				
Profit attributable to Owners of the Company (RM'000) (as above)	24,319	13,560	44,143	75,148
Weighted average number of ordinary shares for the period ('000) (as above)	1,238,289	1,237,254	1,237,958	1,237,182
Weighted average number of shares deemed to have been issued under ESOS at no consideration ('000)	541	392	541	392
Weighted average number of shares deemed to have been issued under ICPS at no consideration ('000)	377,074	377,074	377,074	377,074
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,615,904	1,614,720	1,615,573	1,614,648
Diluted earnings per share (Sen)	1.51	0.84	2.73	4.65

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B8. Detailed Disclosure for Statement of Comprehensive Income

	Current Year Quarter Ended 31 December 2023 RM'000	Preceding Year Quarter Ended 31 December 2022 RM'000	Current Year Ended 31 December 2023 RM'000	Preceding Year Ended 31 December 2022 RM'000
After crediting:				
Interest income	2,653	695	9,601	4,504
Reversal for impairment losses on trade receivables	527	337	527	337
After debiting:				
Amortisation of intangible assets	1,244	399	2,739	1,344
Depreciation	21,045	17,112	76,342	61,272
Depreciation on right-of-use assets	287	298	1,190	1,366
Impairment losses on trade receivables	1,764	498	1,764	498
Interest expense	5,777	2,851	20,944	6,835
Interest expense on lease liabilities	(54)	4	49	53
Inventories written down	12,073	8,379	24,626	12,013
(Gain)/Loss on foreign exchange	(3,119)	2,415	1,845	38,903
Fair value loss on derivatives	2,194	608	-	3,288
Loss/(Gain) on disposal of property, plant and equipment	-	14	1	(181)
Property, plant and equipment written off	116	42	117	86

The company and the group do not have the following items for the respective period:

- a) gain or loss on disposal of quoted investments; and
- b) gain or loss on marketable securities

B9. Derivatives

As at 31 December 2023, the contract amount, fair value and maturity tenor of the outstanding forward foreign currency contracts are as follows:

	As At 31 December 2023	
	Contract/ Nominal Amount	Fair Value of the Statement of Financial Position Asset/(Liability)
	RM'000	RM'000
Forward Foreign Currency Contracts – Less than 1 year	134,780	(783)

The Group entered into forward foreign currency contracts to hedge against its future receipt of trade receivable denominated in Euro, US Dollar and RMB. The settlement dates of the outstanding forward foreign currency contracts at the end of the reporting period range between 1 and 7 months.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B9. Derivatives (Cont'd)

There is no significant change in the credit risk, market risk and liquidity risk associated with the derivatives, the cash requirements of the derivatives and the risk management objectives and policies on financial derivatives since the previous financial year ended 31 December 2022.

B10. Corporate Proposals

There was no corporate proposal announced before the end of period but not completed as at 20 February 2024, the latest practicable date which is not earlier than 7 days from the date of issue of these financial statements.

B11. Status of Utilisation of Proceeds

The Company received proceeds from the Private Placement of RM216,370,000 from the issuance of 38,500,000 D&O Shares at the issue price of RM5.62 per Placement Shares. The proceeds have been utilised in the following manner as at 31 December 2023:

Details	Proposed Utilisation RM'000	Proposed Utilisation (Revised) RM'000 (Note 1)	Actual Utilisation RM'000	Unutilised Proceeds RM'000	Intended timeframe of utilisation from the listing date of the Placement Shares (1.12.2021)
1. Capital expenditure	202,985	214,008	734	213,274	Within 4 years
2. Estimated expenses relating to the Proposed Private Placement	2,220	2,362	2,362	-	
	205,205	216,370	3,096	213,274	

(Note 1)

Revised following the actual receipt of proceeds of RM216,370,000

The unutilised funds have been placed in interest bearing deposits with licensed financial institution and short term money market instruments.

B12. Dividend

(a) Ordinary Share

The Board of Directors proposed a first interim dividend of 0.30 sen per ordinary share in respect of the financial year ended 31 December 2023. The entitlement and payment dates of the proposed dividend are 12 March 2024 and 29 March 2024 respectively. The proposed dividend has not been included as a liability in these financial statements.

(b) Irredeemable Convertible Preference Shares ("ICPS")

The Board of Directors proposed a first interim dividend of 0.30 sen per ICPS in respect of the financial year ended 31 December 2023 based on the terms of the ICPS. The entitlement and payment dates of the dividend are 12 March 2024 and 29 March 2024 respectively. The proposed dividend has not been included as a liability in these financial statements.

(c) Total dividend declared

The total dividend declared to-date for the current financial year is 0.30 sen (2022: 1.30 sen) per ordinary share and 0.30 sen (2022: 1.30 sen) per ICPS.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B13. Material Litigation

The Group is not involved in any material litigation as at the date of this report.

B14. Authorisation for Issue

The Board of Directors of D&O approved this interim financial report announcement to the Bursa Securities at the Board meeting held on 26 February 2024.