



DUFU TECHNOLOGY CORP. BERHAD

Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

CONDENSED CONSOLIDATED INCOME STATEMENTS

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Revenue	74,183	86,329	74,183	86,329
Cost of sales	(53,976)	(56,909)	(53,976)	(56,909)
Gross profit	20,207	29,420	20,207	29,420
Other operating income	1,781	3,011	1,781	3,011
General and administrative expenses	(7,706)	(9,196)	(7,706)	(9,196)
Profit from operations	14,282	23,235	14,282	23,235
Finance costs	(141)	(75)	(141)	(75)
Share of results of associate, net of tax	248	582	248	582
Profit before tax	14,389	23,742	14,389	23,742
Income tax expense	(3,507)	(5,426)	(3,507)	(5,426)
Profit net of tax	10,882	18,316	10,882	18,316
Profit attributable to:				
Owners of the parent	10,882	18,316	10,882	18,316
Non-controlling interests	-	-	-	-
	10,882	18,316	10,882	18,316
Basic earnings per share (sen)	2.1	3.5	2.1	3.5
Diluted earnings per share (sen)	2.1	3.5	2.1	3.5

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022.

The accompanying notes are an integral part of this statement.



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Registration No. 200201013949 (581612-A)
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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period Quarter	Preceding Period Corresponding Quarter	Current Period To Date	Preceding Period Corresponding Period
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Profit net of tax	10,882	18,316	10,882	18,316
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>				
Foreign currency translation	913	894	913	894
Total comprehensive income for the period	11,795	19,210	11,795	19,210
Total comprehensive income attributable to:				
Owners of the parent	11,795	19,210	11,795	19,210
Non-controlling interests	-	-	-	-
	11,795	19,210	11,795	19,210

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022.

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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

NOTES TO CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter (1st Q)		Cumulative Quarter (3 months)	
	Current Period	Preceding Period	Current Period	Preceding Period
	Quarter	Corresponding Quarter	To Date	Corresponding Period
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :				
(a) Interest expense	141	75	141	75
(b) Interest income	(572)	(33)	(572)	(33)
(c) Depreciation and amortisation	2,775	2,777	2,775	2,777
(d) Expected credit losses for receivables	-	(93)	-	(93)
(e) Provision for and write off of inventories	-	-	-	-
(f) Gain on disposal of property, plant and equipment	-	-	-	-
(g) Gain on disposal of of right-of-use assets	-	-	-	-
(h) Property, plant and equipment written off	1	1	1	1
(i) Realised foreign exchange loss/(gain)	2,472	(582)	2,472	(582)
(j) Unrealised foreign exchange (gain)/loss	(2,432)	(130)	(2,432)	(130)
(k) Fair value gains on financial instruments	(22)	-	(22)	-

The Notes to Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022.

The accompanying notes are an integral part of this statement.

**DUFU TECHNOLOGY CORP. BERHAD**Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	(Unaudited) As at 31 Mar 2023	(Audited) As at 31 Dec 2022
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
PROPERTY, PLANT AND EQUIPMENT	121,004	120,006
RIGHT-OF-USE ASSETS	19,527	19,614
INVESTMENT IN ASSOCIATE	8,918	8,767
INVESTMENT IN CLUB MEMBERSHIP, AT COST	42	42
DEFERRED TAX ASSETS	1,038	1,027
	150,529	149,456
CURRENT ASSETS		
Inventories	84,152	95,191
Trade and other receivables	100,862	71,486
Current tax assets	383	361
Cash and bank balances	104,177	107,905
	289,574	274,943
TOTAL ASSETS	440,103	424,399
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
SHARE CAPITAL	106,671	106,671
TREASURY SHARES	(3,452)	(3,452)
RESERVES	249,274	237,479
	352,493	340,698
NON- CONTROLLING INTERESTS	-	-
EQUITY FUNDS	352,493	340,698
NON-CURRENT LIABILITIES		
LOANS AND BORROWINGS	46,868	47,208
DEFERRED TAX LIABILITIES	1,751	1,711
	48,619	48,919
CURRENT LIABILITIES		
Loans and borrowings	5,244	9,937
Trade and other payables	28,969	19,406
Contract liability	1,374	1,790
Current tax liabilities	3,404	3,649
	38,991	34,782
TOTAL LIABILITIES	87,610	83,701
TOTAL EQUITY AND LIABILITIES	440,103	424,399
Net Assets per ordinary share (RM)	0.67	0.64

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Report for the year ended 31 December 2022.

The accompanying notes are an integral part of this statement.



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(The figures have not been audited)

Three Months Ended 31 March 2023

	← Attributable to owners of the Company →					Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Other Reserves	Share Option Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2023	106,671	(3,452)	(16,575)	3,494	250,560	340,698	-	340,698
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	10,882	10,882	-	10,882
Other comprehensive income for the period	-	-	913	-	-	913	-	913
	-	-	913	-	10,882	11,795	-	11,795
Transactions with owners:								
Dividends	-	-	-	-	-	-	-	-
Issue of shares pursuant to ESOS	-	-	-	-	-	-	-	-
Transfer from Share Options Reserve	-	-	-	-	-	-	-	-
Share Options granted/ vested under ESOS	-	-	-	-	-	-	-	-
Total transactions with owners:	-	-	-	-	-	-	-	-
At 31 March 2023	106,671	(3,452)	(15,662)	3,494	261,442	352,493	-	352,493

Three Months Ended 31 March 2022

	← Attributable to owners of the Company →					Non-controlling Interests	Total Equity	
	Share Capital	Treasury Shares	Other Reserves	Share Option Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000			
At 1 January 2022	105,256	(3,452)	(15,340)	2,364	223,253	312,081	-	312,081
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	18,316	18,316	-	18,316
Other comprehensive income for the period	-	-	894	-	-	894	-	894
	-	-	894	-	18,316	19,210	-	19,210
Transactions with owners:								
Dividends	-	-	-	-	-	-	-	-
Issue of shares pursuant to ESOS	226	-	-	-	-	226	-	226
Transfer from Share Options Reserve	128	-	-	(128)	-	-	-	-
Share Options granted/ vested under ESOS	-	-	-	277	-	277	-	277
Acquisition of shares from non-controlling interests	-	-	-	-	-	-	-	-
Total transactions with owners:	354	-	-	149	-	503	-	503
At 31 March 2022	105,610	(3,452)	(14,446)	2,513	241,569	331,794	-	331,794

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Report for the year ended 31 December 2022.

The accompanying notes are an integral part of this statement.

**DUFU TECHNOLOGY CORP. BERHAD**Registration No. 200201013949 (581612-A)
(Incorporated in Malaysia)**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**

(The figures have not been audited)

	3 months ended 31 Mar 2023	3 months ended 31 Mar 2022
	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	14,389	23,742
Adjustments for:		
Amortisation of club membership	-	2
Depreciation	2,775	2,775
Fair value gains on financial instruments	(22)	-
Expected/ (Reversal of) credit loss for receivables	-	(93)
Interest income	(572)	(33)
Interest expense	141	75
Plant and equipment written off	1	1
Share of results of associate	(248)	(582)
Share option granted under ESOS	-	277
Unrealised gain on foreign exchange	(2,432)	(130)
Total adjustments	(357)	2,292
Operating cash flows before changes in working capital	14,032	26,034
Changes in working capital		
Net change in current assets	(18,075)	(13,072)
Net change in current liabilities	9,143	(8,509)
Total changes in working capital	(8,932)	(21,581)
Cash flows from operations	5,100	4,453
Tax paid	(3,738)	(4,869)
Net cash flow generated from/ (used in) operating activities	1,362	(416)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,666)	(7,468)
Interest and fund distributions received	594	33
Net cash used in investing activities	(2,072)	(7,435)
FINANCING ACTIVITIES		
Repayment of term loans	(1,080)	(550)
Repayment of finance lease liabilities	(96)	(90)
Proceeds from issuance of shares	-	226
Net drawdown of term loan	-	9,530
Changes in bank balance pledged as security	159	-
Interest paid	(141)	(75)
Net repayment of short term borrowings	(4,366)	(1,613)
Net cash (used in)/ generated from financing activities	(5,524)	7,428
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,234)	(423)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	107,747	84,846
Effects of exchange rate changes	2,664	527
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	104,177	84,950
Cash and cash equivalents in the condensed consolidated statements of cash flow comprise:		
Cash on hand and at banks	94,573	67,338
Short-term funds - at fair value	2,286	8,312
Term deposits	7,318	9,300
	104,177	84,950
Bank balance pledged as security	-	166
Cash and bank balances	104,177	85,116

The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Report for the year ended 31 December 2022.

The accompanying notes are an integral part of this statement.



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INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

NOTES TO THE INTERIM FINANCIAL REPORT

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“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”). These interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2022. These explanatory notes attached to the 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 financial year ended 31 December 2022.

2. Significant accounting policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2022 except for the adoption of the following new MFRSs and Interpretations, and amendments to certain MFRSs and Interpretations with effect from 1 January 2023:

(i) Amendments/Improvements to MFRSs

MFRS 17	Insurance Contracts
MFRS 17	Initial Application of MFRS17 and MFRS 9 – Comparative Information
MFRS 101	Classification of Liabilities as Current or Non-current
MFRS 108	Definition of Accounting Estimates (Amendment to Accounting Policies, Changes in Accounting Estimates and Errors)
MFRS 101	Disclosure of Accounting Policies (Amendment to Presentation of Financial Statements)
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above standards and interpretations did not have any material effect on the financial performance or position of the Group.

The standards and interpretations that are issued but not yet effective up to the date of issuance of these condensed consolidated interim financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

NOTES TO THE INTERIM FINANCIAL REPORT

	Description	Effective for annual periods beginning on or after
<u>Amendments/Improvements to MFRSs</u>		
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 128	Investments in Associates and Joint Ventures	Deferred
MFRS 16	Lease Liability in a Sales and Leaseback	1 January 2024
MFRS 101	Non-current Liabilities with Covenants	1 January 2024

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application.

3. Significant Accounting Estimates And Judgements

(a) Critical Judgements Made in Applying Accounting Policies

There are no critical judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognized in the financial statements.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Depreciation of plant and equipment

The cost of Computer Numerical Control (“CNC”) machining is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within ten years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2022 was not subject to any audit qualification.



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

NOTES TO THE INTERIM FINANCIAL REPORT

5. Seasonal or cyclical factors

The Group's business operations were not materially affected by any major seasonal or cyclical factors.

6. Unusual items

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

7. Changes in estimates

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

8. Debt and equity securities

There was no issuance or repayment of debt and equity securities, share buy-backs and share cancellations for the current financial period.

As at 31 March 2023, the total number of issued shares of the Company is 543,811,734 Shares, inclusive of 13,792,488 Shares held as treasury shares. Hence, the number of outstanding Shares in issue is 530,019,246 Shares. Shares purchased were stated at cost.

9. Dividend paid

There was no dividend paid during the financial period ended 31 March 2023.

10. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current quarter under review and financial year-to-date.

11. Significant and subsequent events to the balance sheet date

There were no significant and subsequent events at the end of the financial period ended 31 March 2023 that have not been reflected in the interim financial statements as at the date of this report.

12. Changes in the composition of the Group

There were no changes in the composition of the Group for the current financial period to date.



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

NOTES TO THE INTERIM FINANCIAL REPORT

13. Changes in corporate guarantees, contingent liabilities or contingent assets

As at 31 March 2023, the Group has no material contingent liabilities save for corporate guarantee of RM100.8 million issued by the Company in respect of banking facilities granted to the subsidiary companies.

14. Related party transactions

The Board is of the opinion that there is no related party transaction which would have a material impact on the financial position and the business of the Group for the current financial year.

15. Segment reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to single operating segment, namely precision machining of industrial products and manufacturing of high-quality computer disk-drive related components.

The segmental information of the Group is presented by geographical segments. The geographical segments are based on the location of the assets and these are:

- (i) Malaysia
- (ii) Singapore
- (iii) China

Segment information for the period ended 31 March 2023 are as follows:

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	69,292	58,115	11,443	(64,667)	74,183
EBDITA *	15,541	916	434	166	17,057
Depreciation	(1,979)	(25)	(771)	-	(2,775)
Profit from operation	13,562	891	(337)	166	14,282
Finance costs	(138)	(3)	-	-	(141)
Share of results of associate	248	-	-	-	248
PBT **	13,672	888	(337)	166	14,389



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

NOTES TO THE INTERIM FINANCIAL REPORT

15. Segment reporting (cont'd)

As at 31 March 2023

Total assets	435,781	93,508	128,698	(217,884)	440,103
Total liabilities	40,099	65,280	52,548	(70,317)	87,610

Segment information for the period ended 31 March 2022 are as follows:

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	76,407	70,468	16,366	(76,912)	86,329
EBDITA *	22,789	2,379	1,668	(824)	26,012
Depreciation	(2,006)	(23)	(748)	-	(2,777)
Profit from operation	20,783	2,356	920	(824)	23,235
Finance costs	(72)	(3)	-	-	(75)
Share of results of associate	582	-	-	-	582
PBT **	21,293	2,353	920	(824)	23,742

As at 31 March 2022

Total assets	432,605	116,509	94,254	(238,377)	404,991
Total liabilities	57,195	94,624	20,264	(98,886)	73,197

* EBDITA – Earnings/(Loss) Before Depreciation, Interest expenses, Tax and Amortisation

** PBT – Profit/(Loss) Before Tax



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

NOTES TO THE INTERIM FINANCIAL REPORT

**PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

16. Review of performance

i) Comparison between current year quarter with corresponding quarter:

Current Period Quarter – 31 March 2023

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	69,292	58,115	11,443	(64,667)	74,183
EBDITA *	15,541	916	434	166	17,057
Depreciation	(1,979)	(25)	(771)	-	(2,775)
Profit from operation	13,562	891	(337)	166	14,282
Finance costs	(138)	(3)	-	-	(141)
Share of results of associate	248	-	-	-	248
PBT **	13,672	888	(337)	166	14,389

Preceding Period Quarter – 31 March 2022

	Malaysia RM'000	Singapore RM'000	China RM'000	Eliminations RM'000	Total RM'000
Revenue	76,407	70,468	16,366	(76,912)	86,329
EBDITA *	22,789	2,379	1,668	(824)	26,012
Depreciation	(2,006)	(23)	(748)	-	(2,777)
Profit from operation	20,783	2,356	920	(824)	23,235
Finance costs	(72)	(3)	-	-	(75)
Share of results of associate	582	-	-	-	582
PBT **	21,293	2,353	920	(824)	23,742

* EBDITA – Earnings/(Loss) Before Depreciation, Interest expenses, Tax and Amortisation

** PBT - Profit/(Loss) Before Tax

Group

Group revenue for the quarter ended 31 March 2023 was RM74.2 million compared with RM86.3 million for the quarter ended 31 March 2022, a decrease of 14.1%. The decrease in revenue was mainly due to the decrease in revenue related to Hard Disk Drives (“HDD”) components.

The Group’s Profit Before Taxation for the quarter ended 31 March 2023 decreased to RM14.4 million from RM23.7 million registered in the previous year corresponding financial quarter ended 31 March 2022. The decrease in profit before taxation was mainly due to the decrease in revenue in HDD components and higher raw material costs incurred in the financial quarter ended 31 March 2023.



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

NOTES TO THE INTERIM FINANCIAL REPORT

17. Comparison with immediate preceding quarter's results

	Individual quarter ended		Variance	
	31.03.2023	31.12.2022	RM'000	%
	RM'000	RM'000		
Revenue	74,183	51,195	22,988	44.9
Profit before tax	14,389	2,021	12,368	612.0

Revenue for the quarter ended 31 March 2023 increased by RM23.0 million or 44.9% while profit before taxation increased by RM12.4 million for the current quarter as compared to the preceding quarter. The increase in profit before taxation was mainly due to the increase in revenue and higher production output which has resulted in lower fixed absorption overhead costs in the current financial quarter as compared to the preceding quarter.

18. Prospects

Many uncertainties continue to persist in the first half of financial year 2023. On the demand side, high inflation in both the United States of America ("USA") and Europe is already slowing consumer spending. The slowing down in consumer spending and persistent inflationary pressures have led to capex reduction by the enterprise and cloud providers has negatively impacted the demand for large-capacity Hard Disk Drives ("HDD"). Large conglomerates in the technology sector are now into their second round of layoffs, which could indicate more pain for the entire sector in the coming quarters and in particular, data center and industrial end markets are still weak. On the cost side, raw materials prices remain elevated although the prices have come down from its peak.

In Malaysia, the increase in energy costs arising from the electricity tariff adjustments through the Imbalance Cost Pass-Through ("ICPT") mechanism will further dent the Group's profitability. On a brighter note, there has been growing optimism over China's reopening since last December although we remain cautious that more virulent Covid-19 variants could emerge as the result from the reopening.

On a longer-term outlook, we expect digital storage devices to grow in tandem with the strong demand from the cloud data center market as data continues to grow relentlessly, with HDD storage devices continue to remain the most economical way to store large amounts of data. The Group continues to streamline its business structure, improve on its processes and optimize its operations. We expect the financial performance in the second quarter of the financial year 2023 to be lower than the previous year corresponding quarter in view of the lower demand from customers, challenging operating environment and the uncertain market conditions.



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

NOTES TO THE INTERIM FINANCIAL REPORT

19. Variance of actual profit from profit forecast

Not applicable.

20. Taxation

	Current Quarter 3 months ended 31 March 2023 RM'000	Year-to-date 3 months ended 31 March 2023 RM'000
Income tax		
Current year	3,635	3,635
Prior year	(168)	(168)
	<u>3,467</u>	<u>3,467</u>
Deferred tax		
Current year	40	40
Prior year	-	-
	<u>3,507</u>	<u>3,507</u>

21. Status on corporate proposals

There were no corporate proposals for the current financial period to date.

22. Group borrowings

The Group's borrowings as at the end of the reporting quarter are as follows:

	Short-term (Unsecured) RM'000	Short-term (Secured) RM'000	Long-term (Secured) RM'000	Total borrowings RM'000
Finance lease liabilities	-	354	222	576
Term loans	-	1,361	46,646	48,007
Bankers' acceptances	-	-	-	-
Revolving term loan	3,529	-	-	3,529
Total	<u>3,529</u>	<u>1,715</u>	<u>46,868</u>	<u>52,112</u>

The Group borrowings are dominated in the following currencies:

	RM'000
Ringgit Malaysia	6,552
US Dollar	3,529
RMB	41,750
SGD	281
Total borrowings	<u>52,112</u>



**INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023**

NOTES TO THE INTERIM FINANCIAL REPORT

23. Derivatives financial instruments

There were no outstanding derivatives financial instruments entered into by the Group as at the date of this quarterly report.

24. Material litigation

There was no pending material litigation as at the date of this quarterly report.

25. Dividend

A single tier final dividend of 4.0 sen in respect of the financial year ended 31 December 2022 has been approved by the shareholders at the Annual General Meeting held on 28 April 2023 and is to be paid on 16 June 2023. The interim report does not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the quarter ending 30 June 2023.

In the corresponding year, a single tier final dividend of 5.0 sen in respect of the financial year ended 31 December 2021 was paid on 16 June 2022.

26. Earnings per share

Earnings per share is calculated by dividing the net profit for the quarter/period by the weighted average number of ordinary shares during the financial quarter/period.

	3 Months Quarter Ended 31 March		3 Months Period Ended 31 March	
	2023	2022	2023	2022
Net profit attributable to shareholders (RM'000)	10,882	18,316	10,882	18,316
Weighted average number of ordinary shares in issue ('000) for basic earnings per share	530,019	528,929	530,019	528,929
Basic earnings per share (sen)	2.1	3.5	2.1	3.5
Weighted average number of ordinary shares in issue ('000) for diluted earnings per share	530,331	530,146	530,331	530,146
Diluted earnings per share (sen)	2.1	3.5	2.1	3.5

DATED THIS 28th DAY OF APRIL, 2023