

UPA Corporation Bhd

Interim Financial Statements

31 December 2022

## Interim Financial Statements

Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income  
For the year ended 31 December 2022

	Individual Period			Cumulative Period		
	Current Year	Preceding Year	Changes (Amount)	Current Year	Preceding Year	Changes (Amount)
	Quarter	Corresponding Quarter		Quarter	Corresponding Quarter	
Year ended 31 December	2022	2021		2022	2021	
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
<b>Continuing Operations</b>						
Revenue	45,869	43,468	2,401	160,203	154,721	5,482
Cost of Sales	-43,378	-37,134	-6,244	-141,067	-128,796	-12,271
Gross Profit	2,491	6,334	-3,843	19,136	25,925	-6,789
Other income	10,507	3,112	7,395	14,172	4,373	9,799
Selling and Distribution expenses	-1,436	-1,674	238	-4,309	-4,707	398
Administration expenses	-2,961	-3,304	343	-10,500	-9,913	-587
Other expenses	-3,909	-150	-3,759	-4,795	-2,331	-2,464
Net impairment losses of financial assets	0	0	0	0	383	-383
Operating Profit	4,692	4,318	374	13,704	13,730	-26
Finance income	78	127	-49	446	551	-105
Finance costs	-68	95	-163	-185	-110	-75
	4,702	4,540	162	13,965	14,171	-206
Share of profit/(loss) of equity-accounted investees, net of tax	438	177	261	365	192	173
Profit/(loss) before tax	5,140	4,717	423	14,330	14,363	-33
Tax expense	-1,442	-1,055	-387	-3,476	-3,468	-8
Profit/(loss) for the period	3,698	3,662	36	10,854	10,895	-41
Exchange differences on translation of foreign operations	507	164		307	-915	
Total comprehensive income for the period	4,205	3,826		11,161	9,980	
<b>Profit/(loss) for the period</b>						
Attributable to :						
Owners of the company	3,751	3,687		10,943	10,872	
Non-controlling interests	-53	-25		-89	23	
Profit/(loss) for the period	3,698	3,662		10,854	10,895	
<b>Total comprehensive income for the year</b>						
Attributable to :						
Owners of the company	4,221	3,779		11,233	9,993	
Non-controlling interests	-16	47		-72	-13	
Profit/(loss) for the period	4,205	3,826		11,161	9,980	
Basic earnings/(loss) per ordinary share (sen)	4.86	4.78		14.17	14.08	
Diluted earnings per ordinary share (sen)	N/A	N/A		N/A	N/A	

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

## Interim Financial Statements

## Unaudited Condensed consolidated statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2022

	Current Quarter 31/12/2022	Immediate Preceding Quarter 30/09/2022	<i>Changes (Amount)</i>
	RM '000	RM '000	RM '000
Revenue	45,869	38,818	7,051
Operating Profit/(Loss)	4,692	4,029	663
Profit/(loss) Before Tax	5,140	4,158	982
Profit/(loss) After Tax	3,698	3,896	(198)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	3,751	3,924	(173)

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

Interim Financial Statements  
 Unaudited Condensed Consolidated Statement of Financial Position  
 At 31 December 2022

	31 Dec 2022 RM '000	31 Dec 2021 RM '000
<b>Non-Current Assets</b>		
Property, plant and equipment	64,964	67,342
Investment properties	67,370	59,384
Investment in a joint venture	7,059	6,693
	<u>139,393</u>	<u>133,419</u>
<b>Current assets</b>		
Inventories	67,207	61,757
Other investments	3,237	6,413
Current tax assets	731	242
Trade and other receivables	42,319	42,205
Fixed deposit with a licensed bank	1,500	1,500
Cash and bank balances	51,167	53,692
	<u>166,161</u>	<u>165,809</u>
<b>Total Assets</b>	<b>305,554</b>	<b>299,228</b>
<b>Equity</b>		
<b>Equity attributable to owners of the company</b>		
Share capital	79,582	79,582
Retained earnings	197,543	192,775
Translation reserve	1,469	1,179
Treasury shares	-3,393	-3,393
	<u>275,201</u>	<u>270,143</u>
<b>Non-controlling interests</b>	529	602
<b>Total equity</b>	<u>275,730</u>	<u>270,745</u>
<b>Non-current liabilities</b>		
Trade and other payables	213	167
Lease liabilities	343	389
Deferred tax liabilities	9,164	8,732
	<u>9,720</u>	<u>9,288</u>
<b>Current liabilities</b>		
Loan and borrowings	8,597	4,259
Lease liabilities	338	311
Derivative liability	232	0
Current tax liabilities	508	1,018
Trade and other payables	10,429	13,607
	<u>20,104</u>	<u>19,195</u>
<b>Total Liabilities</b>	<b>29,824</b>	<b>28,483</b>
<b>Total Equity and Liabilities</b>	<b>305,554</b>	<b>299,228</b>
<b>Net asset per share (RM)</b>	<b>3.46</b>	<b>3.39</b>

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

	Attributable to owners of the company					Non-controlling Interest	Total
	Non-distributable			Distributable			
	Share capital	Treasury shares	Translation reserve	Retained profits	Sub-total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2022</b>	79,582	-3,393	1,180	192,777	270,146	601	270,747
Profit/(loss) for the period				10,943	10,943	-89	10,854
Other comprehensive income for the year			289		289	17	306
Total comprehensive income	0	0	289	10,943	11,232	-72	11,160
Dividends paid				-6,177	-6,177		-6,177
Acquisition of treasury shares							
<b>At 31 Dec 2022</b>	<b>79,582</b>	<b>-3,393</b>	<b>1,469</b>	<b>197,543</b>	<b>275,201</b>	<b>529</b>	<b>275,730</b>
<b>At 1 January 2021</b>	79,582	-3,393	2,059	187,310	265,558	614	266,172
Profit/(loss) for the period				10,872	10,872	23	10,895
Other comprehensive income for the year			-879	0	-879	-36	-915
Total comprehensive income	0	0	-879	10,872	9,993	-13	9,980
Dividends paid				-5,405	-5,405		-5,405
Acquisition of treasury shares							
<b>At 31 Dec 2021</b>	<b>79,582</b>	<b>-3,393</b>	<b>1,180</b>	<b>192,777</b>	<b>270,146</b>	<b>601</b>	<b>270,747</b>

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

	31 Dec 2022 RM '000	31 Dec 2021 RM '000
<b>Cash flows from operating activities</b>		
Profit/(loss) before taxation	14,330	14,363
<b>Adjustments for :</b>		
Depreciation of property, plant and equipment	6,015	6,000
Impairment of property, plant and equipment	1,991	-
Reversal of impairment loss on receivables	(205)	(483)
Impairment loss on trade and other receivables	198	100
Reversal of write down on inventories	(1,166)	(825)
Inventories written down to net realisable value	1,856	1,338
Finance costs	163	110
Finance income	(446)	(551)
Share of results of a joint venture	(365)	(192)
Loss/(Gain) on disposal of property, plant and equipment	(101)	2
Gain on disposal of other investments	-	(47)
Loss on disposal of other investments	204	-
Fair value loss/(gain) on investment properties	(7,891)	-
Fair value loss/(gain) on other investments	169	930
Gross dividend received from quoted shares	(76)	(40)
Provision for warranty	-	-
Others	213	(146)
	-	-
<b>Operating profit before changes in working capital</b>	<b>14,889</b>	<b>20,559</b>
Change in inventories	(5,138)	(3,024)
Change in trade and other receivables	886	(2,763)
Change in trade and other payables	(2,968)	(2,045)
	-	-
<b>Cash generated from operations</b>	<b>7,669</b>	<b>12,727</b>
Interest received	446	551
Income tax refunded	-	-
Income tax paid	(3,898)	(2,558)
<b>Net cash from operating activities</b>	<b>4,217</b>	<b>10,720</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(3,282)	(5,020)
Additions to investment properties	7,985	-
Proceeds from disposal of other investments	14,377	20,941
Acquisition of other investments	(13,039)	(24,349)
Proceeds from disposal of property, plant and equipment	101	1
Net change in other investments	-	-
Net change in deposits with licensed banks <sup>1</sup>	-	-
Dividend received from other investments	76	40
<b>Net cash used in investing activities</b>	<b>6,218</b>	<b>(8,387)</b>
<b>Cash flow from financing activities</b>		
Dividend paid to owners	(6,177)	(5,405)
Acquisition of treasury shares	-	-
Net change in borrowings	(6,330)	372
Repayment of lease liabilities	(290)	(295)
Repayment of term loan	-	-
Interest paid	(163)	(110)
<b>Net cash used in financing activities</b>	<b>(12,960)</b>	<b>(5,438)</b>
<b>Net change in Cash and Cash Equivalents</b>	<b>(2,525)</b>	<b>(3,105)</b>
Effect of exchange rate changes on cash and cash equivalents	-	(360)
<b>Cash and Cash Equivalents at 1 January</b>	<b>53,692</b>	<b>57,157</b>
<b>Cash and Cash Equivalents at 31 December</b>	<b>51,167</b>	<b>53,692</b>
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	52,667	55,192
Less : Deposits with maturity more than 3 months	(1,500)	(1,500)
	51,167	53,692

(The Interim Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2021)

**1 Basis of preparation**

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134: Interim Financial Reporting in Malaysia and the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2021.

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements for the year ended 31 December 2021 except for those standards, amendments and interpretations which are effective from the annual period beginning 1 January 2022. The adoption of these standards, amendments and interpretations have no material impact to these interim financial statements.

**2 Auditor's report on preceding annual financial statements**

The auditor's report on the audited annual financial statements for the year ended 31 Dec 2021 was not qualified.

**3 Seasonal or cyclical factors**

All four business segments are subject to seasonal and cyclical factors.

**4 Unusual items**

There were no unusual items that have a material effect on the assets, liabilities, equity, net income or cashflow for the current quarter and financial year to date.

**5 Material changes in estimates**

There were no material changes in estimates in respect of amounts reported in prior interim periods or prior financial year.

**6 Debt and equity securities**

There was no issuance of shares during the quarter.

**7 Dividends paid**

The Company did not pay any dividend during the quarter.

**8 Capital commitments outstanding not provided for in the interim financial statements  
Authorised and contracted for :**

Property, plant and equipment	NIL
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**9 Property, plant and equipment**

There is no valuation of property, plant and equipment as the Group does not adopt a revaluation policy on property, plant and equipment.

**10 Material events subsequent to the end of the period reported**

There were no material events subsequent to the current financial quarter ended 31 December 2022 up to the date of this report, which is likely to substantially affect the results of the operations of the Group.

**11 Changes in composition of the Group**

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



**12 Segmental Reporting**  
For the year ended 31 December

		Segment revenue	Segment profit/(loss)
Paper based products	2022	56,288	1,260
	2021	54,068	6,494
Plastic products	2022	88,480	7,182
	2021	87,639	7,031
Machine trading	2022	13,232	627
	2021	11,069	2,515
Healthcare products	2022	2,059	-3,621
	2021	2,715	-1,420
Others	2022	13,035	
	2021	8,144	
Adjustment and eliminations	2022	-12,891	
	2021	-8,914	
Total	2022	160,203	5,448
	2021	154,721	14,620

Reconciliation of reportable segment profit or loss	12 months ended 31.12.2022 RM '000	12 months ended 31.12.2021 RM '000
Total profit/(loss) for reporting segments	5,448	14,620
Other non-reportable segments	21,408	4,981
Adjustments and eliminations	(12,891)	(5,430)
Share of profit/(loss) of joint venture	365	192
Consolidated profit/(loss) before tax	<u>14,330</u>	<u>14,363</u>

**13 Contingencies**

Corporate guarantees issued to licensed financial institutions in respect of banking facilities granted to subsidiaries amounted to RM 100,600,000 as at the date of this report.

**14 Write down of inventories**

During the quarter, there were reversals of writedown of inventories amounting to RM 341,000 for the Paper Products segment and RM 450,000 for the Machinery segment.

In the corresponding quarter last year, there was a write down of inventories amounting to RM 728,000 for the Machinery and Plastic Product segments.

**15 Provision for warranties**

There were no provision for warranties for the quarter under review.

**16 Corporate proposals**

There are no outstanding corporate proposals that have not been completed as at the date of this report.

17 Review of performance			<i>Changes</i>
<u>Current quarter against the corresponding quarter</u>			<i>(Amount)</i>
<b>Group</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	
Revenue	45,869	43,468	2,401
Profit/(loss) before taxation	5,140	4,717	423
<b>Paper based products</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	
Revenue	17,064	18,862	(1,798)
Profit/(loss) before taxation	(2,583)	2,184	(4,767)
<b>Plastic products</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	
Revenue	20,211	21,914	(1,703)
Profit/(loss) before taxation	484	1,867	(1,383)
<b>Machine trading</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	
Revenue	7,832	2,480	5,352
Profit/(loss) before taxation	(22)	1,884	(1,906)
<b>Healthcare</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2022</b>	<b>31.12.2021</b>	
Revenue	411	649	(238)
Profit/(loss) before taxation	(2,212)	(1,261)	(951)

**Paper based products**

Revenue had decreased by RM 1,798,000 due to lower domestic sales.

The segment recorded a loss before taxation of RM 2,583,000 mainly because of the reversal of provision for insurance claim receivable amounting to RM 6.3 million.

Please refer to Note 30 for details.

**Plastic products**

Revenue had decreased by RM 1,703,000 due to lower domestic sales.

As a result of lower gross margins and higher expenses in 4Q, coupled with the loss incurred by its Thailand subsidiary, this segment recorded a lower profit before taxation of RM 484,000 for 4Q.

**Machine trading**

Revenue increased by RM 5,352,000 due to higher machine sales. However, this segment made allowance for slow moving stock amounting to RM 970,000 for the quarter under review and as a result, it recorded a small loss of RM 22,000.

Also, in 4QFY2021, this segment recognised Other Income amounting to RM 1,229,000 being reversal of provision for Other Expenses. As a result, this segment recorded a profit before taxation for 4QFY2021 amounting to RM 1,884,000.

**Healthcare**

Revenue decreased by RM 238,000 due to lower sales for face masks. This segment incurred a loss before taxation of RM 2,212,000 mainly due to impairment of property, plant and equipment amounting to RM 1,991,000.

The management had decided to impair the carrying value of the machineries used to produce face masks amounting to RM 1,991,000, which is the carrying value.

Having considered the prospects of the Face Mask Department, the management has concluded that there is little prospect for this department as a result of the lifting of the mask mandate by the government following the end of the pandemic.

Going forward, the management will focus on developing the market for Melt Blown Fibre, which is a separate department in the Healthcare segment.

18 Review of performance			<i>Changes (Amount)</i>
<u>Current quarter against the preceding quarter</u>			
<b>Group</b>	Quarter ended	Quarter ended	
<b>In RM'000</b>	<b>31.12.2022</b>	<b>30.09.2022</b>	
Revenue	45,869	38,818	7,051
Profit/(loss) before taxation	5,140	4,158	982
<b>Paper based products</b>			
<b>In RM'000</b>	<b>31.12.2022</b>	<b>30.09.2022</b>	
Revenue	17,064	15,578	1,486
Profit before taxation	(2,583)	2,780	(5,363)
<b>Plastic products</b>			
<b>In RM'000</b>	<b>31.12.2022</b>	<b>30.09.2022</b>	
Revenue	20,211	21,227	(1,016)
Profit before taxation	484	1,773	(1,289)
<b>Machine trading</b>			
<b>In RM'000</b>	<b>31.12.2022</b>	<b>30.09.2022</b>	
Revenue	7,832	1,895	5,937
Profit/(loss) before taxation	(22)	88	(110)
<b>Healthcare</b>			
<b>In RM'000</b>	<b>31.12.2022</b>	<b>30.09.2022</b>	
Revenue	411	418	(7)
Profit/(loss) before taxation	(2,212)	(328)	(1,884)

**Paper based products**

Revenue increased by RM 1,486,000 due to higher domestic sales.

The segment recorded a loss before taxation of RM 2,583,000 mainly because of the reversal of provision for insurance claim receivable amounting to RM 6.3 million.

Please refer to Note 30 for details.

**Plastic products**

Revenue decreased by RM 1,016,000 due to lower domestic sales..

As a result of lower gross margins and higher expenses in 4Q, coupled with the loss incurred by its Thailand subsidiary, this segment recorded a lower profit before taxation of RM 484,000 for 4Q.

**Machine trading**

Revenue had increased by RM 5,937,000 due to higher machine sales.

However, this segment made allowance for slow moving stock amounting to RM 970,000 for the quarter under review and as a result, it recorded a small loss of RM 22,000.

**Healthcare**

Revenue decreased by RM 7,000 due to lower sales for face masks.

This segment incurred a loss before taxation of RM 2,212,000 mainly due to impairment of property, plant and equipment amounting to RM 1,991,000.

The management had decided to impair the carrying value of the machineries used to produce face masks amounting to RM 1,991,000, which is the carrying value.

Having considered the prospects of the Face Mask Department, the management has concluded that there is little prospect for this department as a result of the lifting of the mask mandate by the government following the end of the pandemic.

Going forward, the management will focus on developing the market for Melt Blown Fibre, which is a separate department in the Healthcare segment.

19 Profit forecast  
Not applicable.

20 Taxation	3 months ended		12 months ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM '000	RM '000	RM '000	RM '000
Income tax	1,009	557	3,043	2,970
Deferred tax	433	498	433	498
	<u>1,442</u>	<u>1,055</u>	<u>3,476</u>	<u>3,468</u>

21 Group Borrowings and Debt Securities

	31.12.2022	31.12.2022	31.12.2022	31.12.2021	31.12.2021	31.12.2021
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
	Foreign denomination	Ringgit denomination	TOTAL	Foreign denomination	Ringgit denomination	TOTAL
<b><u>Non-current</u></b>						
Lease liabilities	0	328	328	0	389	389
	<u>0</u>	<u>328</u>	<u>328</u>	<u>0</u>	<u>389</u>	<u>389</u>
<b><u>Current</u></b>						
Lease liabilities	0	321	321	0	311	311
Trust receipts	8,597	0	8,597	4,259	0	4,259
	<u>8,597</u>	<u>321</u>	<u>8,918</u>	<u>4,259</u>	<u>311</u>	<u>4,570</u>
<b>Grand Total</b>	<b>8,597</b>	<b>649</b>	<b>9,246</b>	<b>4,259</b>	<b>700</b>	<b>4,959</b>

Group borrowings in Ringgit Malaysia equivalent analysed by currencies in which the borrowings are denominated are as follows :

At 31.12.2022	Exchange Rate	Non-current RM '000	Current RM '000
Currency			
RM		328	321
EURO	4.6846	-	116
USD	4.3900		4,831
JPY	0.0333		3,387
CNY	0.6322		263
<b>TOTAL</b>		<b>328</b>	<b>8,918</b>

**22 Treasury shares**

The company did not purchase any of its own shares during the quarter under review.  
As at the end of the reporting quarter, the status of the share buy-back is as follows :

	FY2022 Year to date
Description of shares purchased	Ordinary share of RM 1.00 each
Total number of shares purchased	NIL
Total number of shares cancelled	NIL
Total number of shares held as treasury shares	2,374,040
Total number of treasury shares resold	NIL

**23 Derivative Financial instruments**

Summary of outstanding derivatives at 31 December 2022 :

	Fair value Gain/(loss) RM '000
Foreign exchange contracts	-232

**24 Material litigation**

There was no material litigation which would materially and adversely affect the financial position of the Group.

**25 Dividends declared**

The Board of Directors is recommending for shareholders' approval at the forthcoming Annual General Meeting, a final dividend of 8.0 sen per share under single tier system, for the financial year ended 31 December 2022.

The date of the Annual General Meeting and book closure for dividend entitlement will be announced in due course.

**26 Valuation of investment properties**

Fair values of investment properties have been derived using the sales comparison approach performed by an independent valuer. The most significant input into this valuation approach is price per square meter of comparable properties.

During the quarter, the Group has recognised fair value adjustment amounting to RM 7.9 million.

**27 Commentary on Prospects**

Given the lower seasonal trend and the several public holidays like the Chinese New Year in 1QFY2023, the outlook for the coming quarter is inevitably less bullish. However, we see some favourable macro factors such as the re-opening of China's economy after the lifting of the zero-Covid policy and stability of global supply chain. These developments bode well for the Group which is poised to capitalise on the global economic opportunities.



28 Profit for the period

	4Q FY2022 RM '000	YTD FY2022 RM '000
<b>Profit for the period is arrived at after charging :</b>		
Depreciation of PPE	1,526	6,015
Write down on inventories	970	1,856
Loss of inventories destroyed in flood		9,353
Loss on disposal of quoted investments	-	204
Fair value loss on other investments	122	169
Impairment loss on receivables	118	118
Impairment loss on PPE	1,991	1,991
<b>and after crediting :</b>		
Fair value gain on investment properties	7,891	7,891
Reversal of write down of inventories	791	1,166
Reversal of impairment loss on receivables	205	205
Gain on disposal of property, plant and equipment	76	101

Other than the above, there was no impairment loss on trade receivables and exceptional items included in the results for the current quarter ended 31 December 2022.

**29 Earnings per share**

**(A) Basic earnings per ordinary share**

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue :

<b>Period ended 31 December</b>	<b>2022</b>	<b>2021</b>
<b>Weighted average number of ordinary shares</b>		
Issued ordinary shares at beginning of the year	79,581,840	79,581,840
Effect of treasury shares held	-2,374,040	-2,374,040
Weighted average number of ordinary shares	<u>77,207,800</u>	<u>77,207,800</u>

**(B) Diluted earnings per ordinary share-Not Applicable**

**30 Significant event during the year**

On 07 March 2022, an exceptionally heavy downpour caused flooding in UPA Press Sdn Bhd. Certain sections of the factory and office were affected and as a result, a number of machineries and inventories were damaged.

The Group has insurance policies to cover for inventories losses, damage to machineries and business interruption losses. Accordingly, the Group has submitted claims for the losses. For financial reporting up to 30 Sept 2022, the Group had accrued for insurance claim receivable amounting to RM 6.3 million in respect of inventories losses. This amount was computed basing on actual damages sustained relative to the total inventories on hand at the time of the incident as well as discussion with loss adjusters.

Subsequently, the management opined that it is prudent to reverse the accruals as well as in compliance with MFRS 110-Events after the Reporting Period and MFRS 137-Provisions, Contingent Liabilities and Contingent Assets.

As a result of the above reversal, the Paper Product segment's results were impacted and led to recording a loss before taxation of RM 2.6 million for Quarter 4.

On 22.02.2023, the Group had received letters of offer from the insurer, offering the amount of RM 6.0 million being interim payment of the claim for damaged materials. This insurance claim will be recognised as Other Income in FY2023.

The other two claims for damages to machineries and business interruption losses has yet to be finalised and approved as of the date of this quarterly announcement.

**31 Authorisation for issue**

The interim financial statements were authorised for issue by the Board of Directors on 24 February 2023.