



**TEXCHEM RESOURCES BHD**  
**(Registration No. 197301002868 (16318-K))**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2023**

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**

for the quarter and nine months ended 30 SEPTEMBER 2023

	Note	3 months ended			9 months ended		
		30 September			30 September		
		2023	2022	Changes	2023	2022	Changes
		RM'000	RM'000	(%)	RM'000	RM'000	(%)
<b>Revenue</b>	8	<b>243,288</b>	<b>282,589</b>	<b>(13.91)</b>	<b>752,240</b>	<b>891,542</b>	<b>(15.62)</b>
Cost of sales		<u>(181,386)</u>	<u>(208,116)</u>	12.84	<u>(566,466)</u>	<u>(671,978)</u>	15.70
<b>Gross profit</b>		<b>61,902</b>	<b>74,473</b>	<b>(16.88)</b>	<b>185,774</b>	<b>219,564</b>	<b>(15.39)</b>
Distribution costs		(31,717)	(34,752)	8.73	(96,032)	(97,035)	1.03
Administrative expenses		(28,934)	(31,532)	8.24	(87,465)	(87,578)	0.13
Other income		<u>495</u>	<u>5,073</u>	(90.24)	<u>7,058</u>	<u>12,949</u>	(45.49)
<b>Operating profit</b>		<b>1,746</b>	<b>13,262</b>	<b>(86.83)</b>	<b>9,335</b>	<b>47,900</b>	<b>(80.51)</b>
Exceptional income	4	2,488	-	100.00	2,488	1,579	57.57
Share of profit/ (loss) of equity accounted associates, net of tax		<u>1,127</u>	<u>(188)</u>	699.47	<u>1,019</u>	<u>(485)</u>	310.10
<b>Profit before interest and tax</b>		<b>5,361</b>	<b>13,074</b>	<b>(58.99)</b>	<b>12,842</b>	<b>48,994</b>	<b>(73.79)</b>
Finance costs		<u>(4,351)</u>	<u>(4,068)</u>	(6.96)	<u>(13,176)</u>	<u>(11,659)</u>	(13.01)
<b>Profit / (Loss) before tax</b>		<b>1,010</b>	<b>9,006</b>	<b>(88.79)</b>	<b>(334)</b>	<b>37,335</b>	<b>(100.89)</b>
Tax expense	18	<u>(1,487)</u>	<u>(5,465)</u>	72.79	<u>(6,817)</u>	<u>(12,337)</u>	44.74
<b>(Loss)/ Profit for the period</b>	19	<b>(477)</b>	<b>3,541</b>	<b>(113.47)</b>	<b>(7,151)</b>	<b>24,998</b>	<b>(128.61)</b>
<b>(Loss)/ Profit attributable to:</b>							
Owners of the Company		<u>(750)</u>	<u>2,350</u>	<u>(131.91)</u>	<u>(7,254)</u>	<u>22,165</u>	<u>(132.73)</u>
Non-controlling interests		<u>273</u>	<u>1,191</u>	(77.08)	<u>103</u>	<u>2,833</u>	(96.36)
<b>(Loss)/ Profit for the period</b>		<b>(477)</b>	<b>3,541</b>	<b>(113.47)</b>	<b>(7,151)</b>	<b>24,998</b>	<b>(128.61)</b>
<b>(Loss)/ Earnings per share attributable to owners of the Company (sen)</b>							
- Basic	27	<u>(0.64)</u>	<u>1.99</u>	<u>(132.16)</u>	<u>(6.18)</u>	<u>18.74</u>	<u>(132.98)</u>
- Diluted	27	<u>(0.64)</u>	<u>1.96</u>	<u>(132.65)</u>	<u>(6.18)</u>	<u>18.50</u>	<u>(133.41)</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

for the quarter and nine months ended 30 SEPTEMBER 2023

	Note	3 months ended 30 September			9 months ended 30 September		
		2023 RM'000	2022 RM'000	Changes (%)	2023 RM'000	2022 RM'000	Changes (%)
<b>(Loss)/Profit for the period</b>		<b>(477)</b>	<b>3,541</b>	<b>(113.47)</b>	<b>(7,151)</b>	<b>24,998</b>	<b>(128.61)</b>
<b>Other comprehensive (expense)/ income, net of tax</b>							
Foreign currency translation differences for foreign operations		(1,457)	950	(253.37)	4,107	3,511	(16.98)
Foreign currency translation differences realised on deconsolidation of a subsidiary		-	-	-	-	(918)	100%
Total other comprehensive (expense)/ income, net of tax		(1,457)	950		4,107	2,593	
<b>Total comprehensive (expense)/ income for the period</b>		<b>(1,934)</b>	<b>4,491</b>	<b>(143.06)</b>	<b>(3,044)</b>	<b>27,591</b>	<b>(111.03)</b>
<b>Total comprehensive (expense)/ income attributable to:</b>							
Owners of the Company		(2,213)	3,685	(160.05)	(3,503)	25,110	(113.95)
Non-controlling interests		279	806	(65.38)	459	2,481	(81.50)
<b>Total comprehensive (expense)/ income for the period</b>		<b>(1,934)</b>	<b>4,491</b>	<b>(143.06)</b>	<b>(3,044)</b>	<b>27,591</b>	<b>(111.03)</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

At 30 SEPTEMBER 2023

	30 September 2023 (Unaudited) RM'000	31 December 2022 (Audited) RM'000
<b>ASSETS</b>		
Property, plant and equipment	149,432	149,455
Right-of-use assets	157,960	147,207
Investment in associates	5,276	4,969
Intangible assets		
- Goodwill	34,382	34,382
- Trademarks	21,500	21,500
Deferred tax assets	13,162	13,196
Other receivables	7,793	8,957
<b>Total non-current assets</b>	<b>389,505</b>	<b>379,666</b>
Trade receivables	109,584	114,007
Other receivables	40,452	32,870
Contract assets	1,988	1,054
Inventories	84,134	112,819
Current tax assets	11,705	10,675
Cash and cash equivalents	93,587	96,048
Derivative financial assets	197	-
<b>Total current assets</b>	<b>341,647</b>	<b>367,473</b>
<b>TOTAL ASSETS</b>	<b>731,152</b>	<b>747,139</b>
<b>EQUITY</b>		
Share capital	157,853	157,853
Reserves	22,767	33,451
<b>Total equity attributable to owners of the Company</b>	<b>180,620</b>	<b>191,304</b>
Non-controlling interests	22,698	23,210
<b>TOTAL EQUITY</b>	<b>203,318</b>	<b>214,514</b>
<b>LIABILITIES</b>		
Loans and borrowings	37,174	22,026
Lease liabilities	130,229	117,144
Deferred tax liabilities	6,263	6,989
Deferred liabilities	3,055	3,012
Provision	6,371	6,328
Other payable	30,000	50,000
<b>Total non-current liabilities</b>	<b>213,092</b>	<b>205,499</b>
<b>LIABILITIES</b>		
Trade payables	64,358	52,318
Other payables	79,451	99,960
Contract liabilities	1,512	1,495
Provision	-	46
Loans and borrowings	137,186	138,074
Lease liabilities	27,466	29,452
Current tax liabilities	4,223	5,147
Deferred liabilities	546	546
Derivative financial liabilities	-	88
<b>Total current liabilities</b>	<b>314,742</b>	<b>327,126</b>
<b>TOTAL LIABILITIES</b>	<b>527,834</b>	<b>532,625</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>731,152</b>	<b>747,139</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

for the nine months ended 30 SEPTEMBER 2023

Note	<-----Attributable to owners of the company----->							
	<-----Non-distributable----->				Distributable			
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Other capital reserves RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 January 2023</b>	<b>157,853</b>	<b>(9,999)</b>	<b>6,830</b>	<b>18,536</b>	<b>18,084</b>	<b>191,304</b>	<b>23,210</b>	<b>214,514</b>
Other comprehensive income for the period	-	-	-	3,751	-	3,751	356	4,107
(Loss)/ Profit for the period	-	-	-	-	(7,254)	(7,254)	103	(7,151)
<b>Total comprehensive income/ (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,751</b>	<b>(7,254)</b>	<b>(3,503)</b>	<b>459</b>	<b>(3,044)</b>
Purchase of own shares	-	(3,796)	-	-	-	(3,796)	-	(3,796)
Share-based payment transactions	-	-	2,234	-	-	2,234	-	2,234
Dividends paid to owners of the Company	-	-	-	-	(5,855)	(5,855)	-	(5,855)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(735)	(735)
Dividends shared to non-controlling interests of a subsidiary	-	-	-	-	236	236	(236)	-
<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>(3,796)</b>	<b>2,234</b>	<b>-</b>	<b>(5,619)</b>	<b>(7,181)</b>	<b>(971)</b>	<b>(8,152)</b>
<b>At 30 September 2023</b>	<b>157,853</b>	<b>(13,795)</b>	<b>9,064</b>	<b>22,287</b>	<b>5,211</b>	<b>180,620</b>	<b>22,698</b>	<b>203,318</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

for the nine months ended 30 SEPTEMBER 2023 (cont'd)

	<-----Attributable to owners of the company----->							Total equity RM'000
	<-----Non-distributable----->				Distributable		Non-controlling interests RM'000	
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Other capital reserves RM'000	Retained earnings RM'000	Sub-total RM'000		
<b>At 1 January 2022</b>	<b>149,667</b>	<b>(4,900)</b>	-	<b>17,573</b>	<b>108,483</b>	<b>270,823</b>	<b>28,956</b>	<b>299,779</b>
Other comprehensive income/ (expense) for the period	-	-	-	2,945	-	2,945	(352)	2,593
Profit for the period	-	-	-	-	22,165	22,165	2,833	24,998
<b>Total comprehensive income for the period</b>	-	-	-	<b>2,945</b>	<b>22,165</b>	<b>25,110</b>	<b>2,481</b>	<b>27,591</b>
Dilution of interest in existing subsidiaries	-	-	-	-	(861)	(861)	861	-
Purchase of own shares	-	(5,099)	-	-	-	(5,099)	-	(5,099)
Share-based payment transactions	-	-	5,904	-	-	5,904	-	5,904
Share option exercised	2,616	-	(2,616)	-	-	-	-	-
Issue of shares pursuant to Employees' Share Option Scheme ("ESOS")	5,570	-	-	-	-	5,570	-	5,570
Issuance of shares to non-controlling interests	-	-	-	-	-	-	9,533	9,533
Dividends paid to owners of the Company	-	-	-	-	(21,211)	(21,211)	-	(21,211)
	8,186	(5,099)	3,288	-	(22,072)	(15,697)	10,394	(5,303)
Acquisition of non-controlling interests* without a change in control	-	-	-	-	(89,857)	(89,857)	(18,362)	(108,219)
<b>Total transactions with owners of the Company</b>	<b>8,186</b>	<b>(5,099)</b>	<b>3,288</b>	<b>-</b>	<b>(111,929)</b>	<b>(105,554)</b>	<b>(7,968)</b>	<b>(113,522)</b>
<b>At 30 September 2022</b>	<b>157,853</b>	<b>(9,999)</b>	<b>3,288</b>	<b>20,518</b>	<b>18,719</b>	<b>190,379</b>	<b>23,469</b>	<b>213,848</b>

\* Please refer to Note C to the Condensed Consolidated Statement of Cash Flows.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the nine months ended 30 SEPTEMBER 2023

	Note	9 months ended 30 September	
		2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(Loss)/ Profit before tax</b>		(334)	37,335
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment		16,695	15,747
Depreciation of right-of-use assets		23,069	21,709
Provision for Directors' retirement/ resignation benefits		402	584
Property, plant and equipment written off		329	259
Reversal of impairment loss on property, plant and equipment		(4)	(1)
Gain on disposal of property, plant and equipment		(27)	(876)
Gain on termination of lease		(138)	(14)
Gain on deconsolidation of a subsidiary	B	-	(1,579)
Gain on disposal of an associate		(2,488)	-
Interest income		(671)	(676)
Interest expense		13,176	11,659
Share-based payments		2,234	5,904
Share of (profit)/ loss of equity accounted associates		(1,019)	485
		<u>51,558</u>	<u>53,201</u>
Operating profit before changes in working capital		51,224	90,536
Changes in working capital:			
Inventories		28,685	4,877
Trade and other receivables		2,263	9,719
Trade and other payables		(153)	(26,805)
Contract assets		(934)	(21)
Contract liabilities		17	56
		<u>81,102</u>	<u>78,362</u>
Cash generated from operations		81,102	78,362
Income tax paid		(9,279)	(6,696)
Directors' retirement/ resignation benefits paid		(388)	(100)
Restoration costs paid		(271)	(96)
		<u>71,164</u>	<u>71,470</u>
<b>Net cash from operating activities</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		245	2,281
Purchase of property, plant and equipment		(14,978)	(16,902)
Interest received		671	676
Subscription of shares in an associate		(152)	-
Proceeds from disposal of an associate	C	98	-
Deconsolidation of a subsidiary, net of cash and cash equivalents	B	-	(293)
		<u>(14,116)</u>	<u>(14,238)</u>
<b>Net cash used in investing activities</b>		<b>(14,116)</b>	<b>(14,238)</b>

**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the nine months ended 30 SEPTEMBER 2023 (Cont'd)

	Note	9 months ended 30 September	
		2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of term loans		14,999	10,000
Repayment of term loans		(3,422)	(2,027)
Repayment of hire purchase creditors		(3,455)	(4,271)
Drawdown of other borrowings (net)		1,417	163
Repayment of lease liabilities		(22,559)	(20,499)
Interest paid		(13,176)	(11,659)
Dividends paid to owners of the Company	7	(5,855)	(21,211)
Dividends paid to non-controlling interests		(971)	-
Proceeds from issuance of shares to non-controlling interests		-	3,514
Purchase of own shares		(3,796)	(5,099)
Proceeds from issuance of shares pursuant to Employees' Share Option Scheme		-	5,570
Acquisition of non-controlling interests	D	(25,000)	(27,200)
<b>Net cash used in financing activities</b>		<b>(61,818)</b>	<b>(72,719)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,770)</b>	<b>(15,487)</b>
Cash and cash equivalents at 1 January		84,928	95,388
Effects of exchange differences on cash and cash equivalents		2,157	2,355
<b>Cash and cash equivalents at 30 September</b>	A	<b>82,315</b>	<b>82,256</b>

**Note A: Cash and cash equivalents**

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following condensed consolidated statement of financial position amounts:

	30	30
	SEPTEMBER	SEPTEMBER
	2023	2022
	RM'000	RM'000
Short term deposits	8,232	1,900
Cash and bank balances	85,355	86,522
Bank overdrafts	(11,272)	(6,166)
	<b>82,315</b>	<b>82,256</b>



**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the nine months ended 30 SEPTEMBER 2023 (Cont'd)

**Note B: Deconsolidation of a subsidiary**

On 9 May 2022, the Group completed the dissolution of Sushi King Company Limited a wholly-owned subsidiary of Sushi King Sdn. Bhd. which in turn is a 98.35% owned subsidiary of Sushi King Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company. Accordingly, the Group deconsolidated this subsidiary and derecognised its assets and liabilities.

The deconsolidation had the following effect on the Group's assets and liabilities.

	<b>30 SEPTEMBER 2022 RM'000</b>
<b>Identifiable assets and liabilities deconsolidated</b>	
Cash and cash equivalents	293
Trade and other receivables	82
Trade and other payables	(1,036)
Net identifiable liabilities	(661)
Transfer from foreign currency translation reserve	(918)
<b>Gain on deconsolidation of a subsidiary</b>	<u>(1,579)</u>
<b>Net cash outflow arising from deconsolidation of a subsidiary</b>	<u><u>(293)</u></u>

**Note C: Disposal of an associate**

On 29 September 2023, the Company had entered into a Share Sale Agreement with ALS Technichem (Malaysia) Sdn. Bhd. ("ALS") to dispose of 49% equity interest in Merieux Nutrisciences Malaysia Sdn. Bhd. ("MNM") for a total consideration of RM3.39 million.

On the completion date of the disposal, ALS has paid RM98,000 being part of the consideration to the Company. The balance of the consideration as shown below will be paid in January 2024.

	<b>30 SEPTEMBER 2023 RM'000</b>
Proceeds from disposal of MNM	3,390
Payment received on completion date	(98)
Balance	<u><u>3,292</u></u>

**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the nine months ended 30 SEPTEMBER 2023 (Cont'd)

**Note D: Acquisition of non-controlling interests without a change in control**

On 19 January 2022, Sushi King Holdings Sdn. Bhd. ("SKHSB"), a wholly-owned subsidiary of the Company had entered into a Share Transfer Agreement with Asia Yoshinoya International Sdn. Bhd. ("AYI") to acquire an additional 28% equity interest in Sushi King Sdn. Bhd. ("SKSB") for a total purchase consideration of RM102.20 million. Prior to the acquisition, SKSB was a 70.35% owned subsidiary of SKHSB, which in turn is a subsidiary of the Company. Consequent to the acquisition, SKSB became a 98.35% owned subsidiary of SKHSB, which in turn is a subsidiary of the Company. The acquisition was completed on 18 April 2022.

Subsequently on 6 July 2022, SKHSB, a wholly-owned subsidiary of the Company acquired an additional 1.65% equity interest in SKSB for a total consideration of RM6.02 million by way of share exchange in SKHSB. The purchase consideration was satisfied in full by issuance of 3,009,498 SKHSB RM1.00 ordinary shares, to Inspire Investment Corporation ("IIC") and Inspire Corporation ("IC") respectively. Prior to the acquisition, SKSB was a 98.35% owned subsidiary of SKHSB. Consequent to the acquisition, SKSB became a wholly-owned subsidiary of SKHSB. Subsequent to the share exchange, SKHSB became a 97.80% owned subsidiary of the Company. The acquisition had the following effect on the Group's assets and liabilities.

The acquisition had the following effect on the Group's assets and liabilities.

	<b>30 September 2022 RM'000</b>
<b><u>Acquisition of non-controlling interests from AYI</u></b>	
Carrying amount of non-controlling interests acquired	17,294
Total purchase consideration	<u>(102,200)</u>
A decrease in equity attributable to owners of the Company	<i>(i)</i> <u>(84,906)</u>
<b><u>Acquisition of non-controlling interests from IIC and IC</u></b>	
Carrying amount of non-controlling interests acquired	1,068
Issuance of 3,009,498 new ordinary shares at the issue price of RM1.00 per share in the capital SKHSB to Inspire Investment Corporation	<u>(3,009)</u>
Issuance of 3,009,498 new ordinary shares at the issue price of RM1.00 per share in the capital SKHSB to Inspire Corporation	<u>(3,010)</u>
	<u>(6,019)</u>
A decrease in equity attributable to owners of the Company	<i>(ii)</i> <u>(4,951)</u>
Total decrease in equity reserve attributable to owners of the Group	<i>Total (i) + (ii)</i> <u><u>(89,857)</u></u>

**Amount owing to AYI**

	<b>30 SEPTEMBER 2023 RM'000</b>	<b>30 SEPTEMBER 2022 RM'000</b>
As at 1 January	75,000	-
Total purchase consideration	-	102,200
Payment	<u>(25,000)</u>	<u>(27,200)</u>
As at 30 September	<u><u>50,000</u></u>	<u><u>75,000</u></u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**1. Basis of preparation**

The condensed consolidated interim financial statements have been prepared on the historical cost basis, unless otherwise stated.

The 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 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial 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.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 December 2022 except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”) issued by the MASB:

**MFRSs and amendments effective for annual periods beginning on or after 1 January 2023**

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures 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

The above amendments to MFRSs are either not relevant or do not have material impacts on the Group’s financial statements for the current financial period.

The following are MFRSs and amendment to MFRSs that have been issued by the Malaysia Accounting Standard Board but are not yet effective to the Group’s current financial period:

**MFRSs and amendments effective for annual periods beginning on or after 1 January 2024**

Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
Amendments to MFRS 107	Statement of Cash Flows – Supplier Finance Arrangements
Amendments to MFRS 7	Finance Instruments: Disclosures – Supplier Finance Arrangements

**MFRSs and amendments effective for annual periods beginning on or after 1 January 2025**

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
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**1. Basis of preparation (Cont'd)****MFRSs and amendments effective for annual periods beginning on or after a date yet to be confirmed**

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

The Group plans to apply the abovementioned amendments to MFRSs, where applicable in the respective financial year, when the abovementioned amendments to MFRSs become effective.

The initial application of the amendments to MFRSs is not expected to have any material financial impacts to the Group's financial statements.

**2. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2022 was not qualified.

**3. Seasonality and cyclicity of interim operations**

The Group's operations were not significantly affected by any unusual seasonal or cyclical factors.

**4. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter and nine months ended 30 September 2023, other than gain on disposal of 49% equity interest in Merieux Nutrisciences Malaysia Sdn. Bhd. amounting to RM2.5 million.

**5. Changes in estimates**

There were no changes in estimates that have a material effect during the quarter and nine months ended 30 September 2023.

**6. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter ended 30 September 2023 other than 2,053,400 of issued ordinary shares were repurchased from the open market at an average price of RM1.85 per share for the nine months ended 30 September 2023.

**7. Dividend paid**

On 24 March 2023, the Company paid a second interim single tier dividend of RM0.05 per share amounting to RM5,855,000 for the financial year ended 31 December 2022.

**TEXCHEM RESOURCES BHD**  
**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**
**8. Operating segments**

	Industrial		Polymer Engineering		Food *		Restaurant *		Venture Business		Others		Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 30</b>																
<b>September</b>																
Revenue from external customers	102,335	115,256	47,870	61,272	26,383	28,974	66,128	76,437	132	165	440	485	-	-	243,288	282,589
Inter-segment revenue	1,160	2,172	303	412	12,664	21,643	198	390	1,155	1,671	3,067	3,175	(18,547)	(29,463)	-	-
<b>Total revenue</b>	<b>103,495</b>	<b>117,428</b>	<b>48,173</b>	<b>61,684</b>	<b>39,047</b>	<b>50,617</b>	<b>66,326</b>	<b>76,827</b>	<b>1,287</b>	<b>1,836</b>	<b>3,507</b>	<b>3,660</b>	<b>(18,547)</b>	<b>(29,463)</b>	<b>243,288</b>	<b>282,589</b>
Profit/ (loss) before share of profit/ (loss) of equity accounted associates, net of tax	280	1,437	1,323	4,033	(1,370)	3,728	(323)	2,572	(970)	(584)	943	(1,992)	-	-	(117)	9,194
Share of profit/ (loss) of equity accounted associates, net of tax	-	-	-	-	(66)	-	313	142	-	-	880	(330)	-	-	1,127	(188)
<b>Profit/ (loss) before tax</b>	<b>280</b>	<b>1,437</b>	<b>1,323</b>	<b>4,033</b>	<b>(1,436)</b>	<b>3,728</b>	<b>(10)</b>	<b>2,714</b>	<b>(970)</b>	<b>(584)</b>	<b>1,823</b>	<b>(2,322)</b>	<b>-</b>	<b>-</b>	<b>1,010</b>	<b>9,006</b>

\* With effect from 1 January 2023, the results of Wilpack Food Services Sdn. Bhd. ("WFS") and Sea Master Food Sdn. Bhd. ("SMF") were reported under the Food Division segment to reflect similar operational and marketing strategies in that strategic business unit.

The comparative figures for same reporting period in FY 2022 have been reclassified accordingly.

**TEXCHEM RESOURCES BHD**  
**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**
**8. Operating segments (Cont'd)**

	Industrial		Polymer Engineering		Food *		Restaurant *		Venture Business		Others		Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 months ended 30</b>																
<b>September</b>																
Revenue from external customers	<b>324,124</b>	387,366	<b>134,245</b>	190,483	<b>96,861</b>	101,218	<b>195,100</b>	209,668	<b>210</b>	1,171	<b>1,700</b>	1,636	-	-	<b>752,240</b>	891,542
Inter-segment revenue	<b>3,517</b>	7,674	<b>1,035</b>	1,457	<b>34,887</b>	58,305	<b>716</b>	1,119	<b>3,152</b>	5,336	<b>9,049</b>	9,261	<b>(52,356)</b>	(83,152)	-	-
<b>Total revenue</b>	<b>327,641</b>	395,040	<b>135,280</b>	191,940	<b>131,748</b>	159,523	<b>195,816</b>	210,787	<b>3,362</b>	6,507	<b>10,749</b>	10,897	<b>(52,356)</b>	(83,152)	<b>752,240</b>	891,542
Profit/ (loss) before share of profit/ (loss) of equity accounted associates, net of tax	<b>2,615</b>	9,365	<b>(377)</b>	12,430	<b>3,436</b>	13,290	<b>(1,503)</b>	8,733	<b>(2,794)</b>	(1,572)	<b>(2,730)</b>	(4,426)	-	-	<b>(1,353)</b>	37,820
Share of profit/ (loss) of equity accounted associates, net of tax	-	-	-	-	<b>425</b>	-	<b>466</b>	450	-	-	<b>128</b>	(935)	-	-	<b>1,019</b>	(485)
Profit/ (loss) before tax	<b>2,615</b>	9,365	<b>(377)</b>	12,430	<b>3,861</b>	13,290	<b>(1,037)</b>	9,183	<b>(2,794)</b>	(1,572)	<b>(2,602)</b>	(5,361)	-	-	<b>(334)</b>	37,335
<b>Segment assets</b>	<b>152,528</b>	152,378	<b>172,355</b>	198,090	<b>90,702</b>	94,156	<b>264,077</b>	262,179	<b>7,359</b>	7,271	<b>44,131</b>	44,779	-	-	<b>731,152</b>	758,853

\* With effect from 1 January 2023, the results of Wilpack Food Services Sdn. Bhd. ("WFS") and Sea Master Food Sdn. Bhd. ("SMF") were reported under the Food Division segment to reflect similar operational and marketing strategies in that strategic business unit.

The comparative figures for same reporting period in FY 2022 have been reclassified accordingly.

**9. Carrying amount of revalued assets**

The valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the financial year ended 31 December 2022.

**10. Material events subsequent to the end of the reporting period**

There were no material events which occurred subsequent to the end of the reporting period until the date of this announcement.

**11. Changes in composition of the Group for the nine months ended 30 September 2023**

There are no changes to the composition of the Group since the last quarter.

**12. Changes in contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets in the Group since the last financial year ended 31 December 2022.

**13. Commitments**

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Property, plant and equipment	6,041	7,762

**TEXCHEM RESOURCES BHD**
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**14. Group's Financial Performance Review and Segmental Analysis**
**(a) Overall review of Group's financial performance**

	3 months ended 30 September			9 months ended 30 September		
	2023 RM'000	2022 RM'000	Changes (%)	2023 RM'000	2022 RM'000	Changes (%)
Revenue	243,288	282,589	(13.91)	752,240	891,542	(15.62)
Operating profit	1,746	13,262	(86.83)	9,335	47,900	(80.51)
Profit before interest and tax	5,361	13,074	(58.99)	12,842	48,994	(73.79)
Profit/ (Loss) before tax	1,010	9,006	(88.79)	(334)	37,335	(100.89)
(Loss)/ Profit after tax	(477)	3,541	(113.47)	(7,151)	24,998	(128.61)
(Loss)/ Profit attributable to owners of the Company	(750)	2,350	(131.91)	(7,254)	22,165	(132.73)

**(i) Statement of Profit or Loss and Other Comprehensive Income**

The Group recorded lower revenue of RM752.2 million and pre-tax loss of RM0.3 million in YTD Q3 2023 compared to revenue of RM891.5 million and pre-tax profit of RM37.3 million in YTD Q3 2022. The variance in revenue and pre-tax profit or loss will be explained in the respective operating business segments in Note 14(b).

**(ii) Statement of Financial Position**

As at 30 September 2023, total equity attributable to owners of the Company reduced to RM180.6 million from RM191.3 million as at 31 December 2022 mainly due to purchase of own shares and dividends paid during the period ended 30 September 2023.

Total borrowings of the Group increased to RM174.4 million as at 30 September 2023 against RM160.1 million as at 31 December 2022 mainly due to drawdown of loans and borrowings to part finance the second consideration for the acquisition of 28% of the issued share capital of Sushi King Sdn. Bhd..

**(iii) Statement of Cash Flows**

The Group has net cash generated from operating activities of RM71.2 million for YTD Q3 2023 and RM71.5 million for YTD Q3 2022.

The net cash used in investing activities of RM14.1 million for YTD Q3 2023 is marginally lesser than YTD Q3 2022 of RM14.2 million.

The net cash used in financing activities was lower at RM61.8 million for YTD Q3 2023 compared to RM72.7 million for YTD Q3 2022 mainly attributed to dividend paid of RM21.2 million in YTD Q3 2022.



**14. Group's Financial Performance Review and Segmental Analysis (Cont'd)****(b) Segmental analysis (Note 8)**

The global economic challenges and global inflationary pressure had affected the Group's performance in Q3 2023.

**(1) Current quarter compared with previous corresponding quarter**

In Q3 2023, the Group achieved a lower revenue of RM243.3 million (Q3 2022: RM282.6 million). Excluding the share-based payments of RM0.7 million (Q3 2022: RM3.5 million), the Group generated a lower pre-tax profit of RM1.7 million (Q3 2022: RM12.5 million) due to the various factors as explained in the respective operating business segments as follows:

**(i) Industrial Division**

The Industrial Division achieved a lower revenue of RM103.5 million (Q3 2022: RM117.4 million) in Q3 2023. Excluding the share-based payments of RM0.1 million (Q3 2022: RM0.7 million), the Industrial Division achieved a lower pre-tax profit of RM0.4 million (Q3 2022: RM2.1 million) in Q3 2023 mainly due to weak market demand in electrical & electronics, latex gloves and textile sectors and price dumping by China chemical and polymer producers.

**(ii) Polymer Engineering Division**

The Polymer Engineering Division achieved a lower revenue of RM48.2 million (Q3 2022: RM61.7 million) in Q3 2023. Excluding the share-based payments of RM0.2 million (Q3 2022: RM0.9 million), the Polymer Engineering Division achieved a pre-tax profit of RM1.5 million (Q3 2022: RM4.9 million) in Q3 2023 mainly due to weak global market demand in the hard disk drive and electrical & electronics industry.

**(iii) Food Division**

The Food Division recorded a lower revenue of RM39.0 million (Q3 2022: RM50.6 million) in Q3 2023. Excluding the share-based payments of RM0.1 million (Q3 2022: RM0.3 million), the Food Division recorded a pre-tax loss of RM1.3 million (Q3 2022 pre-tax profit of RM4.0 million) in Q3 2023 mainly due to weaker consumer demand.

**(iv) Restaurant Division**

The Restaurant Division recorded a lower revenue of RM66.3 million (Q3 2022: RM76.8 million) in Q3 2023. Excluding the share-based payments of RM0.1 million (Q3 2022: RM0.6 million), the Restaurant Division recorded a pre-tax profit of RM0.1 million (Q3 2022: RM3.3 million) in Q3 2023 mainly impacted by weaker consumer sentiment and higher operating costs.

**(v) Venture Business Division**

The Venture Business Division achieved a lower revenue of RM1.3 million (Q3 2022: RM1.8 million) and a pre-tax loss of RM1.0 million (Q3 2022: RM0.6 million) in Q3 2023 mainly due to weaker market demand for conductive sheet business.

**14. Group's Financial Performance Review and Segmental Analysis (Cont'd)****(b) Segmental analysis (Note 8) (Cont'd)**

(2) Current nine (9) months financial period compared with previous corresponding financial period

The Group achieved a revenue of RM752.2 million (YTD Q3 2022: RM891.5 million) in YTD Q3 2023. Excluding the share-based payments of RM2.2 million (Q3 2022: RM5.9 million), the Group recorded a pre-tax profit of RM1.9 million (YTD Q3 2022: RM43.2 million) in YTD Q3 2023 due to the various factors as explained in the respective operating business segments as follows:

(i) Industrial Division

The Industrial Division achieved a lower revenue of RM327.6 million (YTD Q3 2022: RM395.0 million) in YTD Q3 2023. Excluding the share-based payments of RM0.4 million (YTD Q3 2022: RM1.2 million), the Industrial Division recorded a lower pre-tax profit of RM3.0 million (YTD Q3 2022: RM10.6 million) in YTD Q3 2023 mainly due to weak market demand.

(ii) Polymer Engineering Division

The Polymer Engineering Division achieved a lower revenue of RM135.3 million (YTD Q3 2022: RM191.9 million) in YTD Q3 2023. Excluding the share-based payments of RM0.6 million (YTD Q3 2022: RM1.5 million), the Polymer Engineering Division achieved a marginal pre-tax profit of RM0.2 million (YTD Q3 2022: RM13.9 million) in YTD Q3 2023 mainly impacted by downturn in electrical & electronics industry and coupled with increased operating costs.

(iii) Food Division

The Food Division achieved a lower revenue of RM131.8 million (YTD Q3 2022: RM159.5 million) in YTD Q3 2023. Excluding the share-based payments of RM0.2 million (YTD Q3 2022: RM0.6 million), the Food Division recorded a lower pre-tax profit of RM4.1 million (YTD Q3 2022: RM13.9 million) in YTD Q3 2023 mainly due to weaker consumer demand and higher operating costs.

(iv) Restaurant Division

The Restaurant Division recorded a lower revenue of RM195.8 million (YTD Q3 2022: RM210.8 million) in YTD Q3 2023. Excluding the share-based payments of RM0.3 million (YTD Q3 2022: RM0.9 million), the Restaurant Division recorded a pre-tax loss of RM0.7 million (YTD Q3 2022: pre-tax profit of RM10.1 million) in YTD Q3 2023 mainly driven by weak consumer sentiment and increase in operating costs due to higher inflation.

(v) Venture Business Division

The Venture Business Division achieved a lower revenue of RM3.4 million (YTD Q3 2022: RM6.5 million) and higher pre-tax loss of RM2.8 million (YTD Q3 2022: RM1.6 million) in YTD Q3 2023 was mainly due to weaker market demand for conductive sheet business.

**15. Financial review for current quarter compared with immediate preceding quarter**

The comparison of the Group's revenue and loss or profit for the current and the immediate preceding quarter are as follows:

	Quarter 3	Quarter 2	Changes
	2023	2023	
	RM'000	RM'000	%
Revenue	243,288	240,456	1.18
Operating profit	1,746	728	139.84
Profit before interest and tax	5,361	1,037	416.97
Profit/ (Loss) before tax	1,010	(3,537)	128.56
Loss after tax	(477)	(6,601)	92.77
Loss attributable to owners of the Company	(750)	(6,262)	88.02

The Group achieved a revenue of RM243.3 million in the current quarter, representing an increase of 1.18% compared to the preceding quarter. The Group registered a pre-tax profit of RM1.0 million in the current quarter against pre-tax loss of RM3.5 million in the preceding quarter, the pre-tax profit mainly contributed by gain on disposal of investment in associate and some recovery in semiconductor sector in Polymer Division. Restaurant Division also contributed improvement in current quarter as compared to the preceding quarter where its sales performance were affected by Ramadhan period.

**16. Prospects for 2023**

The fourth quarter of 2023 will continue to be challenging with global inflation, heightened geopolitical tensions and persistent strengthening of the US dollar against Ringgit (MYR) that may hinder current economic growth.

Although the business operating climate had been demanding, we managed to sustain our gross profit margin. As such, barring any unforeseen circumstances, the management is cautiously optimistic of better performance in the quarter ahead as a result of cost optimization and anticipated recovery in the electrical & electronics sector.

**17. Profit forecast**

Not applicable as no profit forecast was published.

**TEXCHEM RESOURCES BHD**
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD**
**18. Tax expense**

The tax expense comprises:

	3 months ended		9 months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
- current period	2,449	3,932	7,120	9,882
- prior period	(944)	676	377	677
	<u>1,505</u>	<u>4,608</u>	<u>7,497</u>	<u>10,559</u>
<b>Deferred tax (income)/ expense</b>				
- current period	(198)	795	(586)	1,716
- prior period	180	62	(94)	62
<b>Tax expense</b>	<u><b>1,487</b></u>	<u><b>5,465</b></u>	<u><b>6,817</b></u>	<u><b>12,337</b></u>

The effective tax rates were higher than the statutory tax rate mainly due to certain expenses or losses being disallowed for tax purposes as well as non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

**19. (Loss)/ Profit for the period**

(Loss)/ Profit for the period is arrived at after charging/ (crediting):

	3 months ended		9 months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(190)	(265)	(671)	(676)
Interest expense on loans and borrowings	2,661	2,526	8,294	6,986
Interest expense on lease liabilities	1,690	1,542	4,882	4,673
Depreciation of property, plant and equipment	6,196	4,811	16,695	15,747
Depreciation of right-of-use assets	7,826	7,344	23,069	21,709
Reversal of impairment loss on property, plant and equipment	-	-	(4)	(1)
Provision for/ (Reversal of) impairment loss on trade receivables	60	(11)	58	(97)
Inventories written down/ (back)	161	(809)	225	(659)
Gain on disposal of property, plant and equipment	(61)	(86)	(27)	(876)
Gain on termination of leases	-	-	(138)	(14)
Property, plant and equipment written off	23	181	329	259
Loss/ (Gain) on foreign exchange	1,406	(2,752)	(54)	(5,406)
Provision for Directors' retirement/ resignation benefits	349	161	402	584
Gain on deconsolidation of a subsidiary	-	-	-	(1,579)
Gain on disposal of an associate	(2,488)	-	(2,488)	-

**20. Status of corporate proposals**

As at 19 October 2023, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report, there were no corporate proposals announced and pending completion, save for the following:

**Member’s Voluntary Winding Up of Sea Master International Sdn. Bhd.**

On 2 October 2023, the Company announced that Sea Master International Sdn. Bhd., a wholly-owned subsidiary of Wilpack Food Services Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, has commenced winding up proceedings voluntarily in accordance with Section 439(1)(b) and Section 441 of the Companies Act, 2016 (“Member’s Voluntary Winding Up”).

The completion of the Member’s Voluntary Winding Up is pending as at todate.

**21. Loans and borrowings**

At 30 September 2023	Long term		Short term		Total borrowings	
	Foreign currency ('000)	RM Equivalent ('000)	Foreign currency ('000)	RM Equivalent ('000)	Foreign currency ('000)	RM Equivalent ('000)
<b><u>Unsecured</u></b>						
<b><u>Denominated in USD</u></b>						
Revolving credits	-	-	700	3,285	700	3,285
Trade financing	-	-	255	1,197	255	1,197
Term loans	-	-	14	66	14	66
<b><u>Denominated in THB</u></b>						
Trade financing	-	-	49,660	6,371	49,660	6,371
Hire purchase creditors	-	-	246	32	246	32
<b><u>Denominated in VND</u></b>						
Trade financing	-	-	28,981,531	5,593	28,981,531	5,593
Term loans	2,177,387	420	829,333	160	3,006,720	580
<b><u>Denominated in RM</u></b>						
Bank overdrafts	-	-	-	11,272	-	11,272
Revolving credits	-	13,232	-	55,900	-	69,132
Trade financing	-	-	-	44,190	-	44,190
Term loans	-	18,599	-	5,598	-	24,197
Hire purchase creditors	-	4,923	-	3,522	-	8,445
<b>Total</b>		<b>37,174</b>		<b>137,186</b>		<b>174,360</b>

**TEXCHEM RESOURCES BHD**
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**21. Loans and borrowings (Cont'd)**

At 31 December 2022	Long term		Short term		Total borrowings	
	Foreign currency ('000)	RM Equivalent ('000)	Foreign currency ('000)	RM Equivalent ('000)	Foreign currency ('000)	RM Equivalent ('000)
<b><u>Unsecured</u></b>						
<b><u>Denominated in USD</u></b>						
Revolving credits	-	-	700	3,073	700	3,073
Trade financing	-	-	1,276	5,599	1,276	5,599
Term loans	3	15	41	181	44	196
<b><u>Denominated in THB</u></b>						
Trade financing	-	-	71,778	9,130	71,778	9,130
Hire purchase creditors	161	19	468	60	629	79
Term loans	-	-	1,500	191	1,500	191
<b><u>Denominated in VND</u></b>						
Trade financing	-	-	19,756,316	3,675	19,756,316	3,675
Term loans	15,210	3	182,516	34	197,726	37
<b><u>Denominated in RM</u></b>						
Bank overdrafts	-	-	-	11,120	-	11,120
Revolving credits	-	8,200	-	48,400	-	56,600
Trade financing	-	-	-	49,793	-	49,793
Term loans	-	8,846	-	2,692	-	11,538
Hire purchase creditors	-	4,943	-	4,126	-	9,069
<b>Total</b>	-	22,026	-	138,074	-	160,100

**Exchange rates applied**

	At 30 September 2023	At 31 December 2022
USD/ RM	4.6930	4.3900
THB/ RM	0.1283	0.1272
VND/ RM	0.000193	0.000186

**22. Derivative financial instruments**

As at 30 September 2023, the Group has the following outstanding derivative financial instruments:

Type of Derivative	Contract/ Notional Value RM'000	Fair Value RM'000	Fair Value-Net Gain RM'000
Forward exchange contracts			
- Payables	4,058	4,255	197
			<u>197</u>

For the nine months ended 30 September 2023, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the end of the last reporting period.

**23. Gains and Losses arising from fair value changes of financial liabilities**

There are no material gains and losses arising from the changes on the fair values of financial liabilities as all financial liabilities are measured at the amortised cost using the effective interest method.

**24. Material impairment of assets**

There was no material impairment of assets during the quarter under review and nine months ended 30 September 2023.

**25. Changes in material litigation**

There was no material litigation against the Group as at 19 October 2023, being a date not earlier than 7 days from date of issue of this quarterly report.

**26. Dividends**

No dividend has been proposed or declared for the quarter ended 30 September 2023.

**27. Basic / Diluted (loss)/ earnings per share**

Basic or diluted loss or earnings per share of the Group is calculated by dividing the loss or profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares outstanding.

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(Loss)/Profit for the period attributable to owners of the Company	(750)	2,350	(7,254)	22,165
Weighted average number of ordinary shares for computing basic (loss)/earnings per share*	117,463	118,293	117,463	118,293
Basic (loss)/earnings per share (sen)	(0.64)	1.99	(6.18)	18.74
Weighted average number of ordinary shares for computing diluted (loss)/earnings per share*	117,463	119,834	117,463	119,834
Diluted (loss)/ earnings per share (sen)	(0.64)	1.96	(6.18)	18.50

**27. Basic / Diluted (loss)/ earnings per share (Cont'd)**
**\*Weighted average number of ordinary shares:**

<b>In thousands of shares</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
Issued ordinary shares at 1 January	126,373	124,099
Effect of shares issued pursuant to ESOS	-	770
Effect of treasury shares held	(8,910)	(6,576)
Weighted average number of ordinary shares for computing basic earnings per share	117,463	118,293
Number of shares under ESOS deemed to have been issued for no consideration	**	1,541
Weighted average number of ordinary shares for computing diluted earnings per share	117,463	119,834

\*\* The Group's diluted loss per share is assumed to be the same as basic loss per share as the assumed potential new ordinary shares are anti-dilutive since the market share price is lower than the ESOS's exercise price. The Group has no dilution in its earnings per share in the period ended 30 September 2023 as there were no dilutive potential ordinary shares.

**BY ORDER OF THE BOARD**

**LOH SAU MUN**  
**GROUP CHIEF FINANCIAL OFFICER**  
**Date: 26 October 2023**