



EG INDUSTRIES BERHAD

Registration No. 199101012585 (222897-W)
(Incorporated in Malaysia)

Interim Financial Statements For The Financial Period Ended

30 September 2022



**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	Note	Individual Quarter			Cumulative Quarter		
		Unaudited	Unaudited	Change	Unaudited	Unaudited	Change
		3 months ended			3 months ended		
		30.09.2022	30.09.2021	%	30.09.2022	30.09.2021	%
		RM'000	RM'000		RM'000	RM'000	
Revenue		380,334	196,988	93.1%	380,334	196,988	93.1%
Operating profit		22,270	13,617	63.5%	22,270	13,617	63.5%
Interest income		32	48	-33.3%	32	48	-33.3%
Interest expense		(2,848)	(1,219)	133.6%	(2,848)	(1,219)	133.6%
Depreciation and amortisation		(10,212)	(10,434)	-2.1%	(10,212)	(10,434)	-2.1%
Share of profit of equity accounted associate, net of tax		39	42	-7.1%	39	42	-7.1%
Profit before tax		9,281	2,054	351.9%	9,281	2,054	351.9%
Tax expense	B4	(311)	(110)	182.7%	(311)	(110)	182.7%
Profit for the financial period		8,970	1,944	361.4%	8,970	1,944	361.4%
Other comprehensive income, net of tax							
<i>Item that will not be reclassified subsequently to profit or loss</i>							
Net change in fair value of equity instruments designated at fair value through other comprehensive income ("FVOCI")		(443)	1,215	-136.5%	(443)	1,215	-136.5%
		(443)	1,215	-136.5%	(443)	1,215	-136.5%
<i>Items that are or may subsequently be reclassified to profit or loss</i>							
Foreign currency translation differences for foreign operations		(6,391)	(2,257)	183.2%	(6,391)	(2,257)	183.2%
		(6,391)	(2,257)	183.2%	(6,391)	(2,257)	183.2%
Other comprehensive expense for the financial period, net of tax		(6,834)	(1,042)	555.9%	(6,834)	(1,042)	555.9%
Total comprehensive income for the financial period		2,136	902	136.8%	2,136	902	136.8%

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 (CONTINUED)**

	Note	<u>Individual Quarter</u>			<u>Cumulative Quarter</u>		
		<u>Unaudited</u>	<u>Unaudited</u>	Change	<u>Unaudited</u>	<u>Unaudited</u>	Change
		3 months ended			3 months ended		
		30.09.2022	30.09.2021	%	30.09.2022	30.09.2021	%
		RM'000	RM'000		RM'000	RM'000	
Profit attributable to:							
Owners of the Company		8,970	1,944	361.4%	8,970	1,944	361.4%
Non-controlling interest		-	-	-	-	-	-
		<u>8,970</u>	<u>1,944</u>	361.4%	<u>8,970</u>	<u>1,944</u>	361.4%
Total comprehensive income attributable to:							
Owners of the Company		2,136	902	136.8%	2,136	902	136.8%
Non-controlling interest		-	-	-	-	-	-
		<u>2,136</u>	<u>902</u>	136.8%	<u>2,136</u>	<u>902</u>	136.8%
Basic earnings per ordinary share (sen)	B13	<u>2.15</u>	<u>0.51</u>	321.6%	<u>2.15</u>	<u>0.51</u>	321.6%
Diluted earnings per ordinary share (sen)	B13	<u>2.15</u>	<u>0.51</u>	321.6%	<u>2.15</u>	<u>0.51</u>	321.6%

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited Financial Statements as at 30 June 2022. The accompanying notes are an integral part of this statement.


CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	Note	Unaudited as at 30.09.2022 RM'000	Audited as at 30.06.2022 RM'000
ASSETS			
Property, plant and equipment		230,494	222,180
Right-of-use assets		37,643	38,283
Investment properties		3,493	3,509
Investment in associates		2,597	2,558
Other investments		9,996	9,315
Intangible asset		12,043	12,214
Deferred tax assets		1,533	1,538
Total non-current assets		297,799	289,597
Inventories		420,750	451,343
Trade and other receivables	B5	398,065	243,166
Current tax assets		2,743	2,725
Fixed deposits with licensed banks		1,025	938
Cash and bank balances		18,243	9,768
Total current assets		840,826	707,940
TOTAL ASSETS		1,138,625	997,537
EQUITY			
Share capital		188,535	188,060
Treasury shares		(8,043)	(8,043)
Redeemable convertible preference shares - Equity component	B9 (ii)	6,603	7,078
Reserves		200,501	198,365
Total equity attributable to owners of the Company		387,596	385,460
Non-controlling interests		(217)	(217)
Total equity		387,379	385,243
LIABILITIES			
Lease liabilities		6,265	5,823
Loans and borrowings	B9(i)	40,966	39,154
Provision for retirement benefits		636	662
Total non-current liabilities		47,867	45,639
Lease liabilities		2,437	3,067
Loans and borrowings	B9(i)	294,067	237,579
Trade and other payables		406,297	325,742
Provision for warranty		267	267
Current tax liabilities		311	-
Total current liabilities		703,379	566,655
Total liabilities		751,246	612,294
TOTAL EQUITY AND LIABILITIES		1,138,625	997,537
Net assets per ordinary share (RM)		0.97	0.97

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited Financial Statements as at 30 June 2022. The accompanying notes are an integral part of this Statement of Financial Position.



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	← Non-distributable				→ Distributable					
	Share capital	RCPS - equity component	Treasury shares	Fair value reserve	Translation reserve	Capital reserve	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2021	171,942	7,922	(8,043)	(4,218)	16,079	28,558	152,608	364,848	(217)	364,631
Foreign currency translation differences for foreign operations	-	-	-	-	(2,257)	-	-	(2,257)	-	(2,257)
Net change in fair value of equity instruments designated at FVOCI	-	-	-	1,215	-	-	-	1,215	-	1,215
Total other comprehensive expense for the financial period	-	-	-	1,215	(2,257)	-	-	(1,042)	-	(1,042)
Profit for the financial period	-	-	-	-	-	-	1,944	1,944	-	1,944
Total comprehensive income for the financial period	-	-	-	1,215	(2,257)	-	1,944	902	-	902
Conversion of RCPS to ordinary shares	2	(2)	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	2	(2)	-	-	-	-	-	-	-	-
At 30 September 2021 (Unaudited)	171,944	7,920	(8,043)	(3,003)	13,822	28,558	154,552	365,750	(217)	365,533



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 (CONTINUED)**

	← Non-distributable →					Distributable		Total RM'000	Non- controlling interest RM'000	Total equity RM'000
	Share capital RM'000	RCPS - equity component RM'000	Treasury shares RM'000	Fair value reserve RM'000	Translation reserve RM'000	Capital reserve RM'000	Retained earnings RM'000			
At 1 July 2022	188,060	7,078	(8,043)	(4,337)	10,713	28,558	163,431	385,460	(217)	385,243
Foreign currency translation differences for foreign operations	-	-	-	-	(6,391)	-	-	(6,391)	-	(6,391)
Net change in fair value of equity instruments designated at FVOCI	-	-	-	(443)	-	-	-	(443)	-	(443)
Total other comprehensive expense for the financial period	-	-	-	(443)	(6,391)	-	-	(6,834)	-	(6,834)
Profit for the financial period	-	-	-	-	-	-	8,970	8,970	-	8,970
Total comprehensive income for the financial period	-	-	-	(443)	(6,391)	-	8,970	2,136	-	2,136
Conversion of RCPS to ordinary shares	475	(475)	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	475	(475)	-	-	-	-	-	-	-	-
At 30 September 2022 (Unaudited)	188,535	6,603	(8,043)	(4,780)	4,322	28,558	172,401	387,596	(217)	387,379

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited Financial Statements as at 30 June 2022. The accompanying notes are integral part of this statement.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022**

	Note	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000
Cash flows from operating activities			
Profit before tax from continuing operations		9,281	2,054
Adjustments for:			
Depreciation of property, plant and equipment		9,436	9,638
Depreciation of right-of-use assets		592	612
Depreciation of investment properties		16	16
Amortisation of intangible assets		168	168
Interest expense		2,848	1,219
Dividend income		(252)	-
Loss/(Gain) on disposal of property, plant and equipment		85	(1)
Gain on disposal of other investments		(657)	-
Interest income		(32)	(48)
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss		(3,301)	-
Share of results of an associate		(39)	(42)
Loss on foreign exchange, net - unrealised		18,279	914
Operating profit before changes in working capital		36,424	14,530
Inventories		20,948	5,612
Trade and other receivables		(151,740)	4,101
Trade and other payables		81,292	(28,355)
Cash used in operations		(13,076)	(4,112)
Tax paid		(17)	(215)
Dividend received		252	-
Net cash used in operating activities		(12,841)	(4,327)
Cash flows from investing activities			
Acquisition of property, plant & equipment		(21,213)	(3,675)
Interest received		32	48
Proceeds from disposal of property, plant and equipment		1	64
Proceeds from disposal of other investments		2,834	-
Proceeds from disposal of right-of-use assets		48	-
Net cash used in investing activities		(18,298)	(3,563)
Cash flows from financing activities			
Drawdown of bank borrowings, net		44,615	27,490
Drawdown of lease liabilities		726	-
Repayment of lease liabilities		(914)	(942)
Repayment of term loans		(1,573)	(937)
Dividend paid		(198)	(216)
Interest paid		(2,848)	(1,219)
(Placement)/Withdrawal of pledged deposits		(103)	3,662
Net cash generated from financing activities		39,705	27,838
Net increase in cash and cash equivalents		8,566	19,948
Effect of exchange rate fluctuation on cash and bank balances		(91)	36
Cash and cash equivalents at 1 July 2022/2021		9,768	10,543
Cash and cash equivalents at 30 September	A	18,243	30,527

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2022 (CONTINUED)**

A. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	Note	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000
Cash and bank balances		19,450	30,527
Bank overdrafts	B9(i)	(1,207)	-
		<u>18,243</u>	<u>30,527</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements as at 30 June 2022. The accompanying notes are an integral part of this statement.



A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2022. The explanatory notes attached to the interim financial statements provide explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

A2. Significant Accounting Policies

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the financial year ended 30 June 2022, except for the following:

Standards issued but not yet effective

The following are accounting standards, interpretations and amendments that have been issued by the MASB but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Annual improvements to MFRS Standards 2018-2020
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, plant and equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*

MFRSs, interpretations 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*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable in the respective financial years when the abovementioned standards, interpretations and amendments become effective.



A2. Significant Accounting Policies (continued)

Standards issued but not yet effective (continued)

The Group does not plan to apply MFRS 17, *Insurance Contracts and Amendments to MFRS 17, Insurance Contracts - Initial Application of MFRS 17* and MFRS 9 - *Comparative Information* that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group.

The initial application of the accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group.

A3. Auditors' Report of Preceding Annual Audited Financial Statements

The auditors' report on financial statements for financial year ended 30 June 2022 of the Group was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The business operations of the Group are subject to seasonal or cyclical factors that are common in the industry in which the Group operates in.

A5. Material Unusual Items

There are no unusual items affecting assets, liabilities, equity, net income and cash flows during the current financial quarter under review.

A6. Material Changes in Estimates

There are no material changes in estimates for the current financial quarter and financial period-to date.

A7. Issuance of Equity or Debt Securities

During the current financial period-to-date, the Company increased its issued and paid-up share capital by way of issuance of 500,000 new ordinary shares at the issue price of RM0.95 each pursuant to conversion of 500,000 RCPS on the basis of 1 ordinary share for 1 RCPS held.

As at 30 September 2022, the Company held 17,585,900 of its shares as treasury shares. The number of outstanding ordinary shares in issue after deducting treasury shares held is 399,389,289.

Other than the above, there were no issuance and repayment of equity and debts securities, share cancellations and resale of treasury shares during the financial period ended 30 September 2022.

A8. Dividend Paid

During the current financial quarter, the annual RCPS dividend of 2% amounting to RM197,564 in respect of the financial year ended 30 June 2022 was paid on 13 July 2022.

A9. Segmental Reporting

The segmental analysis of the Group's results was as follows:

	Individual Quarter Ended			Cumulative Quarter Ended		
	<u>Unaudited</u>	<u>Unaudited</u>	Change	<u>Unaudited</u>	<u>Unaudited</u>	Change
	30.09.2022	30.09.2021		30.09.2022	30.09.2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Segment revenue						
- Electronic						
Manufacturing						
Services	380,259	196,880	93.1%	380,259	196,880	93.1%
- Other	75	108	-30.6%	75	108	-30.6%
Total Segment Revenue	380,334	196,988	93.1%	380,334	196,988	93.1%
Segment result						
- Electronic						
Manufacturing						
Services	6,011	2,772	116.8%	6,011	2,772	116.8%
- Other	3,270	(718)	-555.4%	3,270	(718)	-555.4%
Profit before tax	9,281	2,054	351.9%	9,281	2,054	351.9%
Segment assets						
- Electronic						
Manufacturing						
Services	1,109,995	901,758	23.1%	1,109,995	901,758	23.1%
- Other	28,630	21,143	35.4%	28,630	21,143	35.4%
	1,138,625	922,901	23.4%	1,138,625	922,901	23.4%

A10. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the financial period ended 30 September 2022.

A11. Material Subsequent Events

Subsequent to the financial period under review, the Group has awarded RM63.0 million worth of construction works for the building of Phase 1 of Smart 4.0 factory in Taman Perindustrian Batu Kawan.

A12. Changes in the Composition of the Group

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

A13. Changes in Contingent Liabilities or Contingent Assets

There were no material changes in contingent liabilities or contingent assets as at the end of the current financial period.

**A14. Capital Commitments**

Capital commitments of the Group as at 30 September 2022 were as follows:

	Unaudited As at 30.09.2022 RM'000	Audited As at 30.06.2022 RM'000
Contracted but not provided for - Property, plant and equipment	76,567	1,393

A15. Significant Related Party Transactions

Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group were as follows:

	Unaudited As at 30.09.2022 RM'000	Audited As at 30.06.2022 RM'000
(a) Transactions with a related company		
Purchase of raw materials	(492)	(359)
(b) Transactions with an associate		
Advances	-	2,885
Sales	11,534	42,648
Purchase of plant and machinery	-	(7)
Service charges	38	226

A16. Fair Value

The Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the Group can access at the measurement date;
- Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); or
- Level 3 fair value is estimated using unobservable inputs for the financial liabilities.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

**A16. Fair Value (continued)**

	Fair value of financial instruments not carried at fair value		Fair value of financial instruments not carried at fair value		Total fair value RM'000	Carrying amount RM'000
	Level 1	Total	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000		
30.09.2022						
Financial asset						
Quoted shares	9,996	9,996	-	-	9,996	9,996
Financial liabilities						
Term loans - variable rate	-	-	(46,721)	(46,721)	(46,721)	(46,721)
Lease liabilities	-	-	(8,277)	(8,277)	(8,277)	(8,702)
	-	-	(54,998)	(54,998)	(54,998)	(55,423)
30.06.2022						
Financial asset						
Quoted shares	9,315	9,315	-	-	9,315	9,315
Financial liabilities						
Term loans - variable rate	-	-	(46,139)	(46,139)	(46,139)	(46,139)
Lease liabilities	-	-	(9,195)	(9,195)	(9,195)	(8,890)
	-	-	(55,334)	(55,334)	(55,334)	(55,029)

There has been no transfer between the fair value levels during the financial period to date and the comparative period.

B. ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF BURSA MALAYSIA LISTING REQUIREMENTS

B1. Review of Performance

Comparison with preceding year's corresponding quarter

During the current financial quarter under review, the Group recorded revenue of RM380.3 million, an increase of 93.1% as compared to previous year's corresponding quarter's revenue of RM197.0 million. This was mainly attributable from higher sales volume for both new and existing data storage and consumer electronic products. In addition, sales revenue in previous year's corresponding quarter had been severely impacted by the temporary shutdown of manufacturing operation in July 2021 following the Government's imposition of Enhanced Movement Control Order ("EMCO") to curb the outbreak of Covid-19 pandemic in Kedah.

Correspondingly, the Group's profit before tax increased by RM7.2 million from RM2.1 million in previous year's corresponding quarter. This was primarily driven by higher sales generated coupled with RM0.7 million gain on disposal of quoted investments and RM3.3 million fair value gain on quoted investment, and offset by net foreign exchange loss due to stronger US Dollar.

Comparison with immediate preceding quarter

Description	1 st Quarter 2023 RM'000 (Unaudited)	4 th Quarter 2022 RM'000 (Restated)	Increase/(Decrease)	
			RM'000	%
Revenue	380,334	252,980	127,354	50.3%
Profit/(Loss) before tax	9,281	(5,071)	14,352	283.0%
Profit/(Loss) for the period	8,970	(4,635)	13,605	293.5%

Revenue of the Group for the current financial quarter stood at RM380.3 million, increased by 50.3% as compared to the immediate preceding quarter of RM253.0 million on the back of higher sales generated from both new and existing data storage and consumer electronic products.

Consequently, the Group recorded a profit before tax of RM9.3 million as compared to loss before tax of RM5.1 million in the immediate preceding quarter. The remarkable improvement in current quarter's earnings was mainly due to higher sales volume with favourable product sales mix, and RM1.8 million higher fair value gain on quoted investments as compared to immediate preceding quarter. However, this has been partially offset by net foreign exchange loss as a result of continuous weakening of Ringgit Malaysia against US Dollars.

B2. Prospect

The Group remains optimistic on the outlook for Year 2023 despite the continuous challenges in overall macro economy, especially on the prolonged global shortages of key components, rising inflation rate, increased minimum wages and weakening of Ringgit Malaysia against US Dollar.

The Group has signed a Letter of Intent ("LOI") with our US-based customer for the transfer of its first-ever pioneer 5G photonic technology to South East Asia, and the production of the advanced high speed optical signal transmitter and receiver ("Optical Modules") for 5G wireless network. With that, we would add the said 5G photonic products into our portfolio, on top of expanding on our current and new range of wireless and wired access routers gateway products.

B2. Prospect (continued)

In addition, the Group expects demand for both Data Storage and Consumer Electronic Products to remain robust and therefore, management has taken necessary steps to mitigate risk of components shortages and working closely with suppliers to secure the necessary material to fulfil market demand. Besides, the Group will continue its efforts towards the implementation of factory automation to improve its overall cost-efficiency, quality and reduce reliance in labour.

B3. Profit Forecast and Profit Guarantee

The Group did not issue any profit forecast or profit guarantee for the current financial period-to-date.

B4. Tax Expense

	Individual Quarter Ended		Cumulative Quarter Ended	
	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000
Current tax expense	311	110	311	110
Deferred tax	-	-	-	-
Total tax expense	311	110	311	110

The effective tax rate of the Group for the current quarter and year to date is lower than the statutory income tax rate as one of its foreign subsidiary was granted promotional privileges under the Investment Promotional Act B.E. 2520 for a period of eight years from the date the income is first derived and a fifty percent reduction in the normal income tax rate on the net profit derived from promoted business for a period of five years for the manufacturing of printed circuit boards.

B5. Trade and Other Receivables

The trade and other receivables of the Group were as follows:

	Unaudited As at 30.09.2022 RM'000	Audited As at 30.06.2022 RM'000
Trade	393,853	237,020
Non-trade	4,212	6,146
	398,065	243,166

B6. Trade and Other Receivables (continued)

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was as follows:

	Unaudited	Audited
	As at	As at
	30.09.2022	30.06.2022
	RM'000	RM'000
Not past due	275,480	206,984
Past due 1 - 30 days	89,226	26,597
Past due 31 - 60 days	12,432	2,492
Past due 61 - 90 days	15,978	165
	<hr/>	<hr/>
	393,116	236,238
Credits impaired		
Past due more than 90 days	737	782
	<hr/>	<hr/>
	393,853	237,020
	<hr/>	<hr/>

B7. Profit/(Loss) on Sale of Unquoted Investment and/or Property

There is no sale of unquoted investments or properties during the financial period under review.

B8. Corporate Proposals

Proposed Private Placement ("Private Placement")

At the extraordinary general meeting held on 14 April 2021, the Company had been given approval to undertake the listing of and quotation for up to 107,623,600 Placement Shares to be issued pursuant to be Private Placement, representing up to 30% of the existing issued and paid-up share capital of the Company.

On 17 February 2022, the Company issued 36,195,400 new ordinary shares at an issue price of RM0.42 per ordinary share for RM15,202,068 pursuant to the Private Placement exercise.

On 10 March 2022, the Board of Directors announced that Bursa Securities had granted the Company a further extension of time of six (6) months until 19 September 2022 for the Company to complete the implementation of the entire Private Placement.

On 19 September 2022, the Board of Directors announced that the Company no longer wishes to seek for further extension to the above deadline and as such the Private Placement is deemed completed.

Saved as disclosed above, there were no other corporate proposals which had been announced by the Company and are pending for completion as of to date.

**B9. Group Borrowings and Debt Securities****(i) Group borrowings**

	Unaudited As at 30.09.2022 RM'000	Audited As at 30.06.2022 RM'000
(a) Secured		
Bank overdraft	1,207	-
Bankers' acceptances	254,321	199,281
Trust receipt	10,602	18,502
Term loans	46,721	46,139
Trade financing	13,900	4,000
Revolving credits	9,282	8,811
	<u>335,033</u>	<u>276,733</u>
(b) Current	294,067	237,579
Non-current	40,966	39,154
	<u>335,033</u>	<u>276,733</u>
(c) Denominated in Malaysia Ringgit	25,111	6,194
Denominated in US Dollar	309,922	270,539
	<u>335,033</u>	<u>276,733</u>

(ii) Debt securities – Redeemable Convertible Preference Shares (“RCPS”)

	No. of RCPS (‘000)	Amount RM'000
Equity component of RCPS		
At 1 July 2022	10,398	7,078
Conversion of RCPS into ordinary shares	(500)	(475)
At 30 September 2022	<u>9,898</u>	<u>6,063</u>

B10. Changes in Material Litigation

The Group is not engaged in any material litigation either as plaintiff or defendant and the Board does not have any knowledge of any proceedings pending or threatened against the Group as at the date of this report.

B11. Dividend Declared

During the current financial quarter ended 30 September 2022, the Company has declared an annual RCPS dividend of 2% for the period covering from 1 July 2022 to 12 October 2022, amounting to RM53,585 which is payable on 12 October 2022.

B12. Notes to the Statement of Profit or Loss and Other Comprehensive Income

Profit before tax is arrived at after charging/(crediting):

	Individual Quarter Ended		Cumulative Quarter Ended	
	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2022 RM'000
Depreciation and amortisation	10,212	10,434	10,212	10,434
Interest expense	2,848	1,219	2,848	1,219
Interest income	(32)	(48)	(32)	(48)
(Gain)/Loss on foreign exchange, net				
- realised	(3,707)	(747)	(3,707)	(747)
- unrealised	18,279	914	18,279	914
Loss/(Gain) on disposal of property, plant and equipment	85	(1)	85	(1)
Gain on disposal of other investments	(657)	-	(657)	-
Fair value gain on financial instruments mandatorily measured at fair value through profit or loss	(3,301)	-	(3,301)	-

B13. Earnings Per Ordinary Share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share for the financial period ended 30 September 2022 was based on the profit attributable to ordinary shareholders as follows:

	Individual Quarter Ended		Cumulative Quarter Ended	
	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000
Profit attributable to ordinary shareholders	8,970	1,944	8,970	1,944
Weighted average number of ordinary shares outstanding ('000)	416,877	379,317	416,877	379,317
Basic earnings per ordinary share (sen)	2.15	0.51	2.15	0.51

B13. Earnings Per Ordinary Share (continued)

Diluted earnings per ordinary share

The diluted earnings per share has been computed based on adjusted earnings attributable to ordinary shareholders divided by the adjusted weighted average number of ordinary shares outstanding after adjusting the effect of all dilutive potential ordinary shares calculated as follows:

	Individual Quarter Ended		Cumulative Quarter Ended	
	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000	Unaudited 30.09.2022 RM'000	Unaudited 30.09.2021 RM'000
Profit attributable to ordinary shareholders	8,970	1,944	8,970	1,944
Weighted average number of ordinary shares used in the calculation of basic earnings per share ('000)	416,877	379,317	416,877	379,317
Effect of conversion of RCPS ('000)	*	*	*	*
Weighted average number of ordinary shares ('000)	416,877	379,317	416,877	379,317
Diluted earnings per ordinary share (sen)	2.15	0.51	2.15	0.51

* The effect of the potential incremental shares from RCPS was not taken into account in the computation of diluted earnings per share as the exercise price of the RCPS are higher than the average market price of the Company's ordinary shares.

BY ORDER OF THE BOARD

DATO' KANG PANG KIANG
GROUP CHIEF EXECUTIVE OFFICER/ EXECUTIVE DIRECTOR
29 NOVEMBER 2022