

# THETA EDGE BERHAD

[199301005265 (260002-W)]

(Incorporated in Malaysia)

## QUARTERLY REPORT

### SUMMARY OF KEY UNAUDITED FINANCIAL INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Individual Period			Cumulative Period		
	Current Year Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000	Changes (%)	Current Year To-date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000	Changes (%)
1. Revenue	28,618	28,768	-1%	97,121	144,143	-33%
2. Gross Profit	5,653	4,453	27%	24,276	10,914	>100%
3. Profit/(Loss) before taxation	859	(3,445)	>-100%	8,490	(4,300)	>-100%
4. Profit/(Loss) after taxation	489	(3,941)	>-100%	8,069	(4,796)	>-100%
5. Profit/(Loss) for the period	489	(3,941)	>-100%	8,069	(4,796)	>-100%
6. Profit/(Loss) attributable to owners of the Company	489	(3,941)	>-100%	8,069	(4,796)	>-100%
7. Profit/(Loss) per share (sen)	0.41	(3.67)	>-100%	6.84	(4.47)	>-100%
8. Proposed/Declared dividend per share (sen)	-	-		-	-	

	As At End Of Current Financial Year End RM	As At Preceding Financial Year End RM	Changes %
9. Net assets per share attributable to owners of the Company	0.64	0.54	19%

#### Additional Information

	Individual Period			Cumulative Period		
	Current Year Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000	Changes (%)	Current Year To-date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000	Changes (%)
1. Gross Finance income	545	481	13%	1,379	1,274	8%
2. Gross Finance costs	(242)	(271)	-11%	(1,206)	(635)	>100%

# THETA EDGE BERHAD

[199301005265 (260002-W)]

(Incorporated in Malaysia)

## QUARTERLY REPORT

### UNAUDITED CONDENSED STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31/12/2022 RM'000	Preceding Year Corresponding Quarter Ended 31/12/2021 RM'000	Current Year Period Ended 31/12/2022 RM'000	Preceding Year Corresponding Period Ended 31/12/2021 RM'000
Revenue	28,618	28,768	97,121	144,143
Cost of sales	(22,965)	(24,315)	(72,845)	(133,229)
<b>Gross Profit</b>	<u>5,653</u>	<u>4,453</u>	<u>24,276</u>	<u>10,914</u>
Other operating income	121	188	697	886
Operating expenses	(4,283)	(7,849)	(14,326)	(15,116)
<b>Profit/(Loss) from operations</b>	<u>1,491</u>	<u>(3,208)</u>	<u>10,647</u>	<u>(3,316)</u>
Finance income	545	481	1,379	1,274
Depreciation	(935)	(445)	(2,330)	(1,670)
Allowances and non cash expenses	-	(2)	-	47
Finance costs	(242)	(271)	(1,206)	(635)
<b>Profit/(Loss) before taxation</b>	<u>859</u>	<u>(3,445)</u>	<u>8,490</u>	<u>(4,300)</u>
Taxation	14	(5)	(37)	(5)
Zakat	(384)	(491)	(384)	(491)
<b>Profit/(Loss) for the period</b>	<u>489</u>	<u>(3,941)</u>	<u>8,069</u>	<u>(4,796)</u>
<b>Total comprehensive profit/(loss) for the period</b>	<u>489</u>	<u>(3,941)</u>	<u>8,069</u>	<u>(4,796)</u>
<b>Profit/(Loss) attributable to :</b>				
Owners of the Company	489	(3,941)	8,069	(4,796)
<b>Profit/(Loss) for the period</b>	<u>489</u>	<u>(3,941)</u>	<u>8,069</u>	<u>(4,796)</u>
<b>Total comprehensive profit/(loss) attributable to:</b>				
Owners of the Company	489	(3,941)	8,069	(4,796)
<b>Total comprehensive profit/(loss) for the period</b>	<u>489</u>	<u>(3,941)</u>	<u>8,069</u>	<u>(4,796)</u>
<b>Profit/(Loss) per ordinary share (sen)</b>				
Basic	0.43	(3.67)	7.02	(4.47)

The unaudited condensed Statements of Profit & Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2021.

# THETA EDGE BERHAD

[199301005265 (260002-W)]

(Incorporated in Malaysia)

## QUARTERLY REPORT

### UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Unaudited As At 31/12/2022 RM'000	Audited As At 31/12/2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Plant and equipment	7,220	1,623
Right-of-use assets	8,221	1,529
Investment in joint venture	20	-
Trade Receivable	12,141	16,665
	27,602	19,817
<b>Current assets</b>		
Inventories	44	46
Trade and other receivables	17,985	15,124
Contract assets	38,125	14,858
Contract costs	836	275
Cash and cash equivalents	56,199	50,000
	113,189	80,303
<b>Total assets</b>	<b>140,791</b>	<b>100,120</b>
<b>EQUITY</b>		
Share capital	115,018	107,243
Reserves	(41,564)	(49,633)
<b>Equity attributable to owners of the Company</b>	<b>73,454</b>	<b>57,610</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Lease Liabilities	1,867	704
Hire Purchase	4,817	4,430
Trade and other payables	42,244	20,861
Contract liabilities	1,190	984
	50,118	26,979
<b>Non Current liabilities</b>		
Lease Liabilities	6,298	921
Hire Purchase	10,921	14,610
	17,219	15,531
<b>Total liabilities</b>	<b>67,337</b>	<b>42,510</b>
<b>Total equity and liabilities</b>	<b>140,791</b>	<b>100,120</b>

The unaudited condensed Statements of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2021

# THETA EDGE BERHAD

[199301005265 (260002-W)]  
(Incorporated in Malaysia)

## QUARTERLY REPORT

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Attributable to the owners of the Company</u>		
	Share capital RM'000	Accumulated profit/(loss) RM'000	Total equity RM'000
<b><u>12 months ended 31 December 2021</u></b>			
At 1 January 2021 (audited)	107,243	(44,837)	62,406
Comprehensive loss for the financial period	-	(4,796)	(4,796)
	<hr/>	<hr/>	<hr/>
At 31 December 2021 (audited)	<u>107,243</u>	<u>(49,633)</u>	<u>57,610</u>
<b><u>12 months ended 31 December 2022</u></b>			
At 1 January 2022 (audited)	107,243	(49,633)	57,610
Issuance of shares	7,775	-	7,775
Comprehensive profit for the financial period	-	8,069	8,069
	<hr/>	<hr/>	<hr/>
At 31 December 2022 (unaudited)	<u>115,018</u>	<u>(41,564)</u>	<u>73,454</u>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2021.

# THETA EDGE BERHAD

[199301005265 (260002-W)]

(Incorporated in Malaysia)

## QUARTERLY REPORT

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Unaudited 31/12/2022 RM'000	Audited 31/12/2021 RM'000
<b>Cash flow from operating activities</b>		
Net profit/(loss) before taxation	8,490	(4,791)
<b>Adjustments for:</b>		
Depreciation of plant and equipment	844	898
Depreciation of right-of-use assets	1,486	773
Finance costs paid	1,068	544
Finance cost on lease liabilities	138	91
Finance income received	(733)	(732)
Finance income from lease	(646)	(542)
Provision for doubtful debts	-	(145)
Gain on disposal of Plant and equipment	(627)	-
Gain on fair value of finance lease receivables	(892)	(22,729)
Gain on lease modification	-	(15)
Zakat	384	491
<b>Operating profit/(loss) before working capital changes</b>	<b>9,512</b>	<b>(26,157)</b>
<b>Movements in working capital</b>		
Inventories/Contract costs	(559)	992
Receivables	(20,066)	3,436
Payables	21,212	15,253
<b>Cash flow from/(used in) operations</b>	<b>10,099</b>	<b>(6,476)</b>
Income tax paid	(44)	(39)
Zakat paid	(384)	(491)
Finance costs paid	(1,068)	(635)
Finance income received	733	732
<b>Net cash flow from/(used in) operating activities</b>	<b>9,336</b>	<b>(6,909)</b>
<b>Cash flow used in investing activities</b>		
Purchase of plant and equipment	(5,814)	(590)
Investment in joint venture	(20)	-
<b>Net cash flow used in investing activities</b>	<b>(5,834)</b>	<b>(590)</b>
<b>Cash flow used in financing activities</b>		
Proceeds from issuance of share capital	7,775	-
Hire purchase	(3,302)	16,681
Lease liabilities	(1,776)	(741)
Pledged deposits	(18,258)	(922)
<b>Net cash flow (used in)/from financing activities</b>	<b>(15,561)</b>	<b>15,018</b>
<b>Net movement in cash and cash equivalents</b>	<b>(12,059)</b>	<b>7,519</b>
Cash and cash equivalents at beginning of financial period	46,423	38,904
<b>Cash and cash equivalents at end of financial period</b>	<b>34,364</b>	<b>46,423</b>
<b>Cash and cash equivalents consist of:</b>		
Deposits, cash & bank balances	56,199	50,000
Less : Pledged deposits	(21,835)	(3,577)
	<b>34,364</b>	<b>46,423</b>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2021.

**THETA EDGE BERHAD**  
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**QUARTERLY REPORT**

**(A) BASIS OF PREPARATION**

**A.1 Basis of preparation and significant accounting policies**

The interim unaudited financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS134, *Interim Financial Reporting* in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2021.

The accounting policies adopted in the preparation of the Condensed Consolidated Interim financial statements are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2021 except for the adoption of the pronouncements that became effective from 1 January 2022.

- |  |   |
|--|---|
| • Amendments to MFRS 9                                     | Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)                                     |
| • Amendments to MFRS 3                                     | Business Combinations - Reference to the Conceptual Framework   |
| • Amendments to Illustrative Examples accompanying MFRS 16 | Leases (Annual Improvements to MFRS Standards 2018-2020)  |
| • 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 |

The adoption of these Amendments has not resulted in any material impact on the financial statements of the Group.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been applied by the Group:

- |                          |  |
|--------------------------|--|
| • 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  |
| • Amendments to MFRS 112 | Definition of Accounting Estimates   |
| • Amendments to MFRS 10  | Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction  |
|                          | 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 above pronouncements are either not relevant or do not have any material impact on the interim financial statements of the Company upon their initial application. The Company has adopted the relevant standards from 1 January 2022 with practical expedients permitted under the standards.

## A.2 Report on the Financial Statements

The auditors' report on the financial statement for the financial year ended 31 December 2021 was not qualified.

## A.3 Seasonality and cyclicity of operations

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

## A.4 Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter under review and financial year to date.

## A.5 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in the current quarter and financial year to date.

## A.6 Debt and equity securities

There were no issuance, cancellation, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year to date.

## A.7 Dividends

No dividends have been declared and paid during the current quarter and financial year to date.

## A.8 Segmental information

	Current Year to Date 31/12/2022			Preceding Year Corresponding Period 31/12/2021		
	Information Technology RM'000	Telco Services RM'000	Total RM'000	Information Technology RM'000	Telco Services RM'000	Total RM'000
Revenue	27,738	69,383	97,121	134,727	9,416	144,143
Gross profit / (loss)	14,565	9,711	24,276	14,591	(3,476)	11,115
Other operating income			697			934
Operating expenses			(14,326)			(15,316)
			10,647			(3,267)
Finance income			1,379			1,274
Depreciation			(2,330)			(1,670)
Allowances and non-cash expenses			-			(2)
Finance cost			(1,206)			(642)
Profit/(Loss) before taxation & zakat			8,490			(4,307)

Geographical reporting is not presented as the operations of the Group are in Malaysia.

**A.9 Valuation of property, plant and equipment**

The valuations of plant and equipment have been brought forward without amendment from the previous financial statements ended 31 December 2021.

**A.10 Subsequent events**

There were no material events subsequent to the end of the current quarter.

**A.11 Changes in the composition of the Group**

There were no material changes in the composition of the Group for the current quarter and financial year to date.

**A.12 Changes in contingent liabilities and contingent assets**

(A) There were no contingent assets for the current quarter and financial year to date.

(B) The changes in the Group's contingent liabilities is as follows:

- (i) Bank guarantees issued mainly to trade customers decreased from RM22,146,410 to RM21,927,213 during the current quarter.

**A.13 Material Litigations**

There were no material litigations during the current quarter and financial year to date.

**A.14 Capital Commitments**

There were no major capital commitments as at the date of this report.

**A.15 Related party transactions**

The related party transactions of the Group are recurrent in nature and had been entered into in the ordinary course of business. Below are the significant transactions and balances with related parties of the Group during the current financial period.

Related Parties	Transactions	Transactions for the year ended 31 Dec 2022 RM '000	Balance due from as at 31 Dec 2022 RM '000
Lembaga Tabung Haji	Various ICT services	2,944	788
TH Properties Sdn Bhd	ICT Equipment rental & services	568	-
		3,512	788



#### A.16 Financial instruments and fair value measurements

The carrying amounts of cash and cash equivalents, receivables and payables reasonably approximate fair values due to the relatively short-term nature of these financial instruments as at the end of the current year to date other than the below:

Group	Fair value of financial instruments not carried at fair value as at 31/12/2022				Total fair value 31/12/2022 RM'000	Carrying amount 31/12/2022 RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<u>Financial liabilities</u>						
Hire Purchase			18,210	18,210	18,210	15,737
	-	-	18,210	18,210	18,210	15,737

**(B) EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B.1 Review of performance**

	Individual Period		Changes (%)	Cumulative Period		Changes (%)
	Current Year Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000		Current Year To date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000	
Revenue	28,618	28,768	-1%	97,121	144,143	-33%
Profit/(Loss) from Operations	1,491	(3,208)	>100%	10,647	(3,316)	>100%
Profit/(Loss) Before Finance cost and Taxation	1,101	(3,174)	>100%	9,696	(4,300)	>100%
Profit/(Loss) Before Taxation	859	(3,445)	>100%	8,490	(4,796)	>100%
Profit/(Loss) After Taxation	489	(3,941)	>100%	8,069	(4,796)	>100%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	489	(3,941)	>100%	8,069	(4,796)	>100%

**Twelve (12) months ended 31 December 2022**

As at 31 December 2022, the Group's profit before taxation stood at RM8.1 million in contrast to loss before taxation of RM4.8 million in the corresponding period of the preceding year, partly contributed from a higher revenue and margin materialized by the Technology and Telco segments.

The Group reported revenue of RM97.1 million as compared to RM144.1 million in the same period of the previous year. The decrease was due to the absence of one-off trading from the supply of binocular and computer equipment, amounting to collectively RM98.5 million. The decrease was offset by new projects secured by both segments.

**Information Technology**

The revenue for this segment decreased from RM134.7 million to RM27.7 million or a drop by 79.4% for the current period due to completion of the one-off supply of equipment to Government related bodies, in the previous year.

**Telecommunication Services (Telco Services)**

The revenue contribution from this segment increased from RM9.4 million to RM69.4 million due to partial materialisation of newly secured contract and other existing contract.

## B.2 Material changes in quarterly results

	Individual Current Quarter 31/12/2022 RM '000	Immediate Preceding Quarter 30/09/2022 RM '000	Changes (%)
Revenue	28,618	33,456	-15%
Gross profit	5,653	7,546	-19%
Profit from operations	1,491	4,447	-38%
Profit before Finance cost and Taxation	1,101	3,959	-46%
Profit Before Taxation	859	3,723	-52%
Profit After Taxation	489	3,672	-51%
Profit Attributable to Ordinary Equity Holders of the Parent holders of the parent	489	3,672	-51%

The lower PAT is attributed to the provision of administration cost and delay in completion of construction due to weather, resulting in lesser sites completed in time.

## B.3 Prospects

The Group anticipates that the business and operating environment will be challenging in the period to come on the back of Malaysia's GDP growth which is forecasted to contract to 4.0% amid price inflation, in line with the global recession which is expected to dampen to 2.9%. The Group will continuously monitor this development and impact on Group's growth prospect, while practising stringent cost management to ensure capital is preserved for business sustainability and investment opportunities.

Telco Services is expected to continue its growth momentum in line with the Jalanan Digital Nasional's (JENDELA) positive developments and leveraging on the Group's appointment as the current trusted partner to deliver the Universal Service Provider for the provision and implementation of JENDELA Phase 1 Project. Additionally, the Group is competitively positioned to capitalize on the recently announced acceleration of JENDELA project, which includes Phase 2. In the long run, the Group targets to position itself as a key strategic player in the national digital agenda and national rollout of the 4G/5G network developments.

For the Information Technology (IT) segment, the Group is committed to delivering its current projects within the allocated time and costs to ensure the project's profitability remains intact. IT segment is also proactively seeking new projects as part of the strategy to increase the Group's project pipeline. The segment is also focusing on growing its digital services to include 'software as a service' as well as 'device as a service' as part of its growth strategies.

Under the Group's transformation program, the Group will continue its strategic initiatives which include group-wide cost optimisation, strategic partnerships for the acquisition of new competencies, strategic supply chain management and rollout of best practices for operational policies and procedures to strengthen corporate governance.

**B.4 Statement of the Board of Directors' opinion on financial estimates, forecasts, projections, internal targets or profit guarantees**

The Group did not previously announce, disclose or publish any financial estimate, forecast, projection, internal targets or profit guarantee in a public document.

**B.5 Profit/(Loss) before taxation**

The following amounts have been included in arriving at loss before taxation:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000	Current Year To Date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000
Short term investment income	(396)	(62)	(733)	(732)
Finance income from lease receivables	(149)	(446)	(646)	(542)
Other income	(55)	-	(618)	-
Finance cost	192	469	1,068	544
Finance cost from Right-of-Use assets	50	20	138	98
Depreciation	394	57	844	898
Depreciation from Right-of-Use assets	541	101	1,486	772
Provision for Voluntary Separation Scheme for staff	-	4,532	-	4,532
Write off /(recovery) of bad receivables	(3)	-	(3)	-

**B.6 Taxation**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31/12/2022 RM'000	Preceding Year Corresponding Quarter 31/12/2021 RM'000	Current Year To Date 31/12/2022 RM'000	Preceding Year Corresponding Period 31/12/2021 RM'000
Current year income tax	37	34	37	34
Under/(over) provision for previous period	-	(29)	-	(29)
	37	5	37	5

**B.7 Sale of unquoted investments and/or properties**

The Group was not involved in any sale of unquoted investments and/or properties during the current quarter.

**B.8 Quoted securities**

There were no quoted securities held by the Group.

## B.9 Status of Corporate Proposals

### Private Placement

On 25 February 2022, the Company proposed to undertake a private placement of up to 10,724,300 new ordinary shares in the Company, representing up to approximately 10% of the total number of issued shares of the Company (excluding treasury shares) ("Private Placement").

On 25 April 2022, 10,724,300 Placement Shares have been allotted to third party investors at an issue price of RM0.725 with gross proceeds of RM7,775,117.50 raised by the Company.

As at the date of this report, the status of utilisation of proceeds from the Private Placement is as below:

<b>Purpose</b>	<b>Proposed Utilisation</b>	<b>Actual Utilisation</b>	<b>Timeframe</b>	<b>Utilisation</b>	<b>Explanation</b>
	<b>RM'000</b>	<b>RM'000</b>		<b>%</b>	
Expenses relating to the Private Placement	300	300	Immediate	100%	Completed. Excess of RM0.03 million has been utilised as working capital
Working capital requirements	7,475	7,475	12 months	100%	Completed
<b>Total</b>	<b>7,775</b>	<b>7,775</b>		<b>100%</b>	

## B.10 Group borrowings

Details of the Group's borrowing as at the end of the reporting period are as follows:

<b>Cumulative Quarter - 31/12/2022</b>			
<b>(Amount in RM'000)</b>			
	<b>Long term</b>	<b>Short term</b>	<b>Total Borrowing</b>
Unsecured			
Hire Purchase	10,921	4,816	15,737
<b>Total</b>	<b>10,921</b>	<b>4,816</b>	<b>15,737</b>

<b>Preceding Year Cumulative Quarter -31/12/2021</b>			
<b>(Amount in RM'000)</b>			
	<b>Long term</b>	<b>Short term</b>	<b>Total Borrowing</b>
Unsecured			
Hire Purchase	14,610	4,430	19,040
<b>Total</b>	<b>14,610</b>	<b>4,430</b>	<b>19,040</b>

The fixed rate of borrowings as at 31 December 2022 is from 3.03% to 3.94% (31 December 2021: 3.03%-3.38%).

All the borrowings are denominated in Ringgit Malaysia and are guaranteed by the Company.

### B.11 Lease liabilities

Details of the Group's lease liabilities as at the end of the reporting period are as follows:

Cumulative Quarter - 31/12/2022 (Amount in RM'000)			
	Long term	Short term	Total Lease liabilities
Lease Liabilities	6,298	1,867	8,165
<b>Total</b>	<b>6,298</b>	<b>1,867</b>	<b>8,165</b>

Preceding Year Cumulative Quarter - 31/12/2021 (Amount in RM'000)			
	Long term	Short term	Total lease liabilities
Lease Liabilities	1,105	792	1,897
<b>Total</b>	<b>1,105</b>	<b>792</b>	<b>1,897</b>

The lease liabilities relate to the lease of office units and warehouses. The implicit interest rate of lease as at 31 December 2022 was assumed at 4.2% per annum (31 December 2021: 4.2%)

### B.12 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at 22 February 2023, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

### B.13 Changes in material litigations

There were no changes in material litigations as at 22 February 2023, the latest practicable date which shall not be earlier than seven (7) days from the date of issue of this quarterly report.

### B.14 Dividends

No dividends have been paid, declared or proposed since the end of the Company's previous financial year. The Directors do not recommend any interim dividend for the period under review.

**B.15 Earning/(Loss) per share**

The basic loss per share for the quarter and year to date ended 31 December 2022 are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31/12/2022	Preceding Year Corresponding Quarter 31/12/2021	Current Year To Date 31/12/2022	Preceding Year Corresponding Period 31/12/2021
Net profit/(loss) (RM'000)	489	(3,941)	8,069	(4,796)
No of ordinary shares in issue ('000)	117,968	107,243	117,968	107,243
Weighted average number of ordinary shares in issue ('000)	117,968	107,243	117,968	107,243
Basic EPS /(LPS) (sen)	0.41	(3.67)	6.84	(4.47)
Diluted EPS /(LPS) (sen)	N/A	N/A	N/A	N/A

Diluted LPS is not computed as there are no outstanding share options or instruments that will dilute the basic loss per share.

**B.16 Derivatives**

There are no derivatives outstanding as at the end of the current financial year to date.

**B.17 Fair value changes of financial liabilities**

There are no fair value changes of financial liabilities as at the end of the current financial year to date except for the below.

	Lease Liabilities		Hire Purchase		Balance as at 31 Dec 2022	
	Carrying Amount RM'000	Total Fair Value RM'000	Carrying Amount RM'000	Total Fair Value RM'000	Carrying Amount RM'000	Total Fair Value RM'000
Balance at 01/1/2022	1,625	2,002	19,040	22,107	20,665	24,109
Repayment/derecognition	6,540	6,541	(3,303)	(3,897)	3,237	2,644
Balance as at 31/12/2022	8,165	8,543	15,737	18,210	23,902	26,753

**B.18 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 February 2023.