



**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30.09.2023 RM'000	Preceding Year Corresponding Quarter Ended 30.09.2022 RM'000	Current Year To Date Ended 30.09.2023 RM'000	Preceding Year To Date Ended 30.09.2022 RM'000
Revenue	9,993	23,477	34,610	61,163
Cost of sales	(7,684)	(13,196)	(25,276)	(36,078)
Gross profit	2,309	10,281	9,334	25,085
Operating expenses	(1,963)	(3,103)	(7,031)	(7,763)
Other operating income	156	49	539	307
Profit before taxation	502	7,227	2,842	17,629
Taxation	(213)	(1,107)	(836)	(2,788)
Profit and total comprehensive income for the period	289	6,120	2,006	14,841
Attributable to:				
Owners of the Company	289	6,120	2,006	14,841
Non-controlling interest	-	-	-	-
	289	6,120	2,006	14,841
Earning per share (sen)				
Basic earnings per share*	0.08	1.69	0.53	4.10
Diluted earnings per share*	0.07	1.54	0.48	3.75

* Adjusted for the effect of bonus issue and effect of additional warrants arising pursuant to the bonus issue completed on 12 May 2023

Notes:

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 the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	(Unaudited) As at 30.09.2023 RM'000	(Audited) As at 31.12.2022 RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	113,289	113,682
Intangible asset	1,177	1,177
Total non-current assets	<u>114,466</u>	<u>114,859</u>
Current Assets		
Inventories	23,726	29,509
Trade and other receivables	5,148	5,624
Prepayments	456	758
Derivative financial assets	-	207
Current tax assets	1,091	492
Cash and cash equivalents	20,596	24,129
Total current assets	<u>51,017</u>	<u>60,719</u>
Total assets	<u>165,483</u>	<u>175,578</u>
EQUITY		
Share capital	67,962	64,630
Revaluation reserve	38,707	38,707
Retained earnings	45,628	57,492
Total equity attributable to owners of the Company	152,297	160,829
Non-controlling interest	-	-
Total equity	<u>152,297</u>	<u>160,829</u>
LIABILITIES		
Non-Current Liabilities		
Deferred tax liabilities	8,418	8,460
Total non-current liabilities	<u>8,418</u>	<u>8,460</u>
Current Liabilities		
Current tax liabilities	233	117
Derivative financial liabilities	714	-
Contract liabilities	688	491
Trade and other payables	3,133	5,681
Total current liabilities	<u>4,768</u>	<u>6,289</u>
Total liabilities	<u>13,186</u>	<u>14,749</u>
Total equity and liabilities	<u>165,483</u>	<u>175,578</u>
Net assets per share (RM)*	0.40	0.43

* Adjusted for the effect of bonus issue completed on 12 May 2023

Notes :

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 the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	Share Capital RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 January 2023	64,630	38,707	57,492	160,829
Profit and total comprehensive income for the period	-	-	2,006	2,006
Issuance of ordinary shares pursuant to exercise of warrants	3,332	-	-	3,332
Dividends to the owners of the Company	-	-	(13,870)	(13,870)
At 30 September 2023	<u>67,962</u>	<u>38,707</u>	<u>45,628</u>	<u>152,297</u>
At 1 January 2022	60,698	38,707	38,498	137,903
Profit and total comprehensive income for the period	-	-	14,841	14,841
Issuance of ordinary shares pursuant to exercise of warrants	703	-	-	703
At 30 September 2022	<u>61,401</u>	<u>38,707</u>	<u>53,339</u>	<u>153,447</u>

Notes :

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 the Interim Financial Statements.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

(The figures have not been audited)

	Current Year-to-date Ended 30.09.2023 RM'000	Preceding Year-to-date Ended 30.09.2022 RM'000
Cash flows from operating activities		
Profit before taxation	2,842	17,629
Adjustments for :		
- Depreciation of property, plant and equipment	2,193	1,909
- (Gain)/Loss on disposal of property, plant and equipment	(109)	167
- Finance income	(382)	(94)
- Unrealised loss on foreign exchange	801	175
Operating profit before changes in working capital	5,345	19,786
Changes in working capital :		
- Inventories	5,783	892
- Trade and other payables	(548)	75
- Trade and other receivables	180	(3,483)
Cash generated from operations	10,760	17,270
Net income tax paid	(1,361)	(1,653)
Interest received	382	94
Net cash generated from operating activities	9,781	15,711
Cash flows from investing activities		
Acquisition of property, plant and equipment (Note 2)	(2,940)	(17,151)
Acquisition of subsidiaries, net of cash acquired	-	(297)
Proceeds from disposal of property, plant and equipment	164	105
Net cash used in investing activities	(2,776)	(17,343)
Cash flows from financing activities		
Dividend	(13,870)	-
Proceeds from issuance of shares	3,332	703
Net cash (used in)/generated from financing activities	(10,538)	703
Net decrease in cash and cash equivalents	(3,533)	(929)
Cash and cash equivalents at the beginning of period	24,129	16,554
Cash and cash equivalents at the end of period (Note 1)	20,596	15,625

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2023 (CONTINUED)**

(The figures have not been audited)

Note 1

	RM'000	RM'000
Cash and bank balances	5,238	6,684
Highly liquid investment with non-bank financial institution	15,358	8,941
	<u>20,596</u>	<u>15,625</u>

Note 2

Acquisition of property, plant and equipment

	RM'000	RM'000
Purchase of property, plant and equipment	1,855	17,151
Add: Settlement of amount due to creditor for purchase of property, plant and equipment acquired in prior year	1,085	-
	<u>2,940</u>	<u>17,151</u>

Notes :

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the Interim Financial Statements.

NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER MFRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB), International Accounting Standard ("IAS") 34: Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and Chapter 9 Part K of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 of Classic Scenic Berhad ("CSCENIC" or "the Company"), which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"). The 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 significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2022 except for the adoption of the following Amendments to MFRSs, which are applicable to its financial statements and are relevant to its operation:-

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

- Amendments to MFRS 101, *Presentation of Financial Statements - 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 adoption of the above amendments to MFRSs did not have any significant financial impacts on the Group's financial results.

The following are MFRSs and amendments that have been issued by the Malaysian Accounting Standard Board ("MASB") but have not been adopted by the Group:

MFRSs, Interpretations 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, *Non-current Liabilities with Covenants*

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*

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

PART A : EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)

A2. Auditors' Report

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

A3. Seasonal and Cyclical factors

The Group's performance is not subject to seasonality or cyclicity.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review and financial year to date.

A5. Material Changes in Estimates

There were no changes in accounting estimates that have had material effect in the current quarter under review and financial year to date.

A6. Issuances, Repurchases and Repayment of Debt and Equity Securities

There were no issuances, repurchases and repayment of debts and equity securities, shares buy-back, shares cancellation, shares held as treasury shares or resale of treasury shares during the current quarter under review and financial year to date except as follows:-

a) Bonus Issue of Ordinary Shares

On 12 May 2023, the Company has completed a bonus issue of 126,430,188 new ordinary shares on the basis of one (1) bonus share for every two (2) existing CSCENIC ordinary shares.

b) Warrants 2021/2026

The Company had on 9 August 2021 issued 120,499,740 free Warrants on the basis of one (1) Warrant for every one (1) existing CSCENIC ordinary share. The Warrants are constituted by a Deed Poll dated 19 July 2021.

The salient terms of the Warrants 2021/2026 are as follows: -

- i. Each Warrant entitles the registered Warrant holder to subscribe for one (1) new CSCENIC ordinary share at any time on or before the maturity date, 8 August 2026, falling five (5) years from the date of issue of the Warrants. Unexercised Warrants after the exercise period will thereafter lapse and cease to be valid;
- ii. The exercise price of the Warrants is fixed at RM0.61 per Warrant;

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

PART A : EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)

A6. Issuances, Repurchases and Repayment of Debt and Equity Securities (Continued)

- iii. The new ordinary shares to be issued upon the exercise of the Warrants shall rank equally in all respects with the existing CSCENIC ordinary shares; and
- iv. The Warrants were listed and quoted on the Main Market of Bursa Securities on 12 August 2021.

Following the completion of the Bonus Issue on 12 May 2023, the exercise price and the number of outstanding Warrants 2021/2026 had been adjusted in accordance with the provisions of the Deed Poll ("Adjustments") as follows: -

- i. Exercise price of the Outstanding Warrants 2021/2026 = RM0.41 sen;
- ii. Number of additional Warrants 2021/2026 arising from the Adjustments = 54,319,410 Warrants 2021/2026..

The additional Warrants 2021/2026 issued arising from the Adjustments and Warrants exercised by registered warrant holders to new ordinary shares are as follows: -

Month	No. of Warrants 2021/2026 issued arising from the adjustments	No. of Warrants 2021/2026 exercised	Balance Warrants 2021/2026 outstanding
Balance b/f	-	-	114,042,540
January	-	206,700	113,835,840
February	-	77,000	113,758,840
March	-	1,066,000	112,692,840
April	-	3,639,200	109,053,640
May	54,319,410	414,800	162,958,250
June	-	-	162,958,250
July	-	-	162,958,250
August	-	87,000	162,871,250
September	-	-	162,871,250

As at 30 September 2023, the total number of issued shares of the Company was 379,377,568 ordinary shares.

A7. Dividends Paid

During the current quarter under review, there were no dividends paid by the Company.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
PART A : EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)
A8. Segmental Reporting

The Group is principally engaged in the manufacture and sales of wooden picture frame and mouldings and other timber products. The business activities of holding and rental of properties of its subsidiaries are merely inter-segment transactions. The Group's reportable segments result for the financial period ended 30 September 2023 is as follows:-

	Wooden Picture Frame and Mouldings 30.09.2023	Other Timber Products 30.09.2023	Property Holding 30.09.2023	Total Current Period To Date 30.09.2023	Other Non- reportable Segments 30.09.2023	Elimination of Inter-segment Transactions or Balances 30.09.2023	Consolidated Total 30.09.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Profit/ (Loss)	284	(39)	2,397	2,642	7,436	(8,072)	2,006
<i>Included in the measure of segment profit are:</i>							
Revenue from external customers	34,158	452	-	34,610	-	-	34,610
Inter-segment revenue	-	31	3,709	3,740	68	(3,808)	-
Depreciation	1,684	123	385	2,192	1	-	2,193
Finance Income	239	13	32	284	98	-	382
Tax Expense	178	(59)	757	876	(1)	(39)	836
Segment Assets	73,072	1,957	43,090	118,119	71,635	(24,271)	165,483
<i>Included in the measure of segment assets are:</i>							
Additions to non-current assets other than financial instruments and deferred tax	1,988	-	-	1,988	-	(133)	1,855

A9. Subsequent Events

There were no other material events subsequent to the end of the reporting quarter that have not been reflected in the interim financial statements.

A10. Change in The Composition of The Group

There were no changes in the composition of the Group for the quarter ended 30 September 2023 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operation.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
PART A : EXPLANATORY NOTES AS PER MFRS 134 (CONTINUED)
A11. Capital Commitments Outstanding Not Provided in The Interim Financial Report

	As at 30.09.2023 RM'000
Capital expenditure commitments	
Property, plant and equipment	
Approved and contracted for	315

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS
B1. Review of Performance

Table 1: Financial review for current quarter and financial period to date

	Individual Period 3rd Quarter		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended 30.09.2023	Preceding Year Corresponding Quarter Ended 30.09.2022			Current Year To Date Ended 30.09.2023	Preceding Year Corresponding Year To Date Ended 30.09.2022		
	RM'million	RM'million	RM'million	%	RM'million	RM'million	RM'million	%
Revenue	10.0	23.5	(13.5)	-57.4%	34.6	61.2	(26.6)	-43.5%
Gross profit	2.3	10.3	(8.0)	-77.7%	9.3	25.1	(15.8)	-62.9%
Profit before tax	0.5	7.2	(6.7)	-93.1%	2.8	17.6	(14.8)	-84.1%
Profit after tax	0.3	6.1	(5.8)	-95.1%	2.0	14.8	(12.8)	-86.5%
Profit attributable to Owners of the Company	0.3	6.1	(5.8)	-95.1%	2.0	14.8	(12.8)	-86.5%

The Group registered a revenue of RM10.0 million for the current quarter ended 30 September 2023, a decrease of RM13.5 million or 57.4% compared to RM23.5 million in the preceding year corresponding quarter ended 30 September 2022 mainly attributable to lower export volume of wooden picture frame mouldings amid the the weak customer demand in USA, the Group's main market, as a result of high inventory level. The Group's profit before tax declined to RM0.5 million, a decrease of RM6.7 million or 93.1% compared to RM7.2 million in the preceding year corresponding quarter ended 30 September 2022 mainly due to lower export sales revenue and higher input costs.

For the nine months ended 30 September 2023, the Group's revenue recorded at RM34.6 million, a decrease of RM26.6 million or 43.5% compared to the preceeding year corresponding period of RM61.2 million mainly due to lower export volume of wooden picture frame mouldings. The gross profit margin contracted to 27.0% from 41.0% primarily due to higher input costs and the weaker export volume of wooden picture frame mouldings leading to a loss of economies of scale. The Group's profit before tax was 2.8 million, down by RM14.8 million or 84.1% as compared to the preceeding year corresponding period ended 30 September 2022 mainly due to lower export sales revenue, higher input costs and the higher unrealised loss on foreign currency forward contracts.

The Group is primarily involved in the manufacturing and sale of wooden picture frame moulding and other timber products, and its operation are carried out solely in Malaysia. Hence, there is no detailed analysis on revenue and earnings of other business operating segments.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)
B2. Variation of Results Against Preceding Quarter

Table 2: Financial review for current quarter compared with immediate preceding quarter.

	Current Year Quarter Ended Quarter Ended	Immediate Preceding Quarter 30.06.2023	Changes	
	RM'million	RM'million	RM'million	%
Revenue	10.0	10.8	(0.8)	-7.4%
Gross profit	2.3	3.1	(0.8)	-25.8%
Profit before tax	0.5	0.2	0.3	150.0%
Profit after tax	0.3	0.2	0.1	50.0%
Profit attributable to Owners of the Company	0.3	0.2	0.1	50.0%

The Group recorded revenue of RM10.0 million for the current quarter ended 30 September 2023, a decrease of RM0.8 million or 7.4% compared to RM10.8 million in the immediate preceding quarter mainly due to lower export sales revenue of wooden picture frame mouldings. The Group's profit before tax for the current quarter was RM0.5 million, an increase of RM0.3 million or 150.0% compared to RM0.2 million in the immediate preceding quarter mainly attributable to lower unrealised loss on foreign currency forward contracts.

B3. Current Year Prospects

The recently released USA inflation data reveals signs of a broad slowdown, raising hopes that the Fed is concluding its rate hikes, which could positively bode the recovery of consumer-spending-driven economy. However, the ongoing wars in Gaza and Ukraine, coupled with the geographical tensions, raise concerns about economic uncertainties and present challenges for the Group. To navigate these uncertainties and challenges, our Group will actively pursue various cost control measures, strive to improve production efficiency, and explore new market opportunities. Despite those challenges, we maintain a cautious optimism regarding the Group's outlook for the financial year ending 31 December 2023, barring any unforeseen circumstances.

B4. Profit Forecast and Estimates Announced or Disclosed

Not applicable as there were no profit forecast or estimates that have been announced or disclosed.

B5. Variance of Actual and Forecast Profit

Not applicable as there were no profit forecast and profit guarantee published.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)
B6. Taxation

	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Current tax expense				
- current	(206)	1,630	780	2,641
- prior year	98	(588)	98	(588)
Deferred tax expense				
Origination and reversal of temporary differences				
- current	345	(120)	(18)	550
- prior year	(24)	185	(24)	185
	<u>213</u>	<u>1,107</u>	<u>836</u>	<u>2,788</u>

The effective tax rate for the quarter under review and financial year to date was 42% and 29% respectively. The effective tax rate for the quarter under review was higher than the statutory rate of 24% mainly due to underprovision of prior year taxation and non deductible expenses, whereas, the higher effective tax rate for the financial year to date was mainly due to the non deductible expenses.

B7. Status of Corporate Proposal

The Company had on 17 February 2023 announced that the Company proposed to undertake the following :-

- i. proposed bonus issue of up to 361,499,220 new ordinary shares in CScenic on the basis of 1 Bonus Share for every 1 existing CScenic Share held by the shareholders whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later ("Proposed Bonus Issue of Shares"); and
- ii. proposed share buy-back of up to 10% of the issued CScenic Shares through Bursa Malaysia Securities Berhad ("Bursa Securities") in accordance with Section 127(1) of the Companies Act 2016 ("Proposed Share Buy-Back").

On 17 March 2023, the Company announced that the Company aborted the Proposed Bonus Issue of Shares which was announced on 17 February 2023. The Company was not able to submit the listing application for the Proposed Bonus Issue of Shares to Bursa Securities as the Company would not comply with paragraph 6.30(1A) of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements") as a result of the decline in the Company's share price. Nevertheless, the Company still intended to proceed with the Proposed Share Buy-Back.

The Company also announced its revised proposals on 17 March 2023 as follows :-

- i. proposed bonus issue of up to 180,749,610 new ordinary shares in CScenic on the basis of 1 Bonus Share for every 2 existing CScenic Shares held by the shareholders whose names appear in the Record of Depositors of the Company on an entitlement date to be determined and announced later; and
- ii. proposed share buy-back of up to 10% of the issued CScenic Shares through Bursa Securities in accordance with Section 127(1) of the Companies Act 2016.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)

B7. Status of Corporate Proposal (Continued)

Bursa Securities had vide its letter dated 30 March 2023, resolved to approve the following :-

- i. listing and quotation of up to 180,749,610 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
- ii. listing and quotation of up to 56,866,670 additional Warrants A (“Additional Warrants-A”) to be issued pursuant to the adjustment arising from the Proposed Bonus Issue of Shares; and
- iii. listing and quotation of up to 56,866,670 new shares to be issued arising from the exercise of Additional Warrants-A.

The above approval granted by Bursa Securities is subject to the conditions which were stated in the Company’s announcement dated 30 March 2023.

The Bonus Issue of Shares has been completed on 12 May 2023 following the listing and quotation of 126,430,188 Bonus Shares and 54,319,410 additional Warrants on the Main Market of Bursa Securities. Please refer to our announcements to Bursa Securities for further details.

B8. Group Borrowings and Debt Securities

As at 30 September 2023, the Group does not have any bank borrowings.

B9. Derivative Financial Instruments

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

Currency Forward Contracts	Principal or Notional Amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
- Less than 1 year	18,823	-	714

The purpose of entering currency forward contracts is to minimise the impact of unfavourable movement in exchange rate on the trade receivables and expected sales denominated in United States Dollar. There are no cash requirements for these contracts.

The market risk posed by the Group’s currency forward contracts depends on the economic changes that may impact market prices. As the exchange rate is pre-determined under such contracts, the market risk in these instruments is not significant. The currency forward contracts are transacted with the Group’s banker and the credit risk for non-performance by the counterparty in these instruments is minimal.

The fair value derivative liabilities amounting to RM714,000 has been recognised in the financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS (CONTINUED)
B10. Material Litigation

Since the last Audited Financial Statements for the year ended 31 December 2022, the Group does not have any material litigation until the date of this report.

B11. Dividends

No dividend has been proposed or declared by the Board for the current quarter under review.

B12. Basis of Calculation of Earnings Per Share

	Current Year Quarter 30.09.2023	Preceding Year Corresponding Quarter 30.09.2022 Restated	Current Year To Date 30.09.2023	Preceding Year Corresponding Period 30.09.2022 Restated
Basic earnings per share				
Net profit attributable to equity holders (RM'000)	<u>289</u>	<u>6,120</u>	<u>2,006</u>	<u>14,841</u>
Weighted average number of ordinary shares (basic) ('000)*	<u>379,348</u>	<u>362,084</u>	<u>376,878</u>	<u>361,710</u>
Basic Earnings Per Share (sen)	<u>0.08</u>	<u>1.69</u>	<u>0.53</u>	<u>4.10</u>
Diluted earnings per share				
Net profit attributable to equity holders (RM'000)	<u>289</u>	<u>6,120</u>	<u>2,006</u>	<u>14,841</u>
Weighted average number of ordinary shares (basic) ('000)*	379,348	362,084	376,878	361,710
Effect of warrant issue **	<u>44,933</u>	<u>34,196</u>	<u>43,544</u>	<u>34,196</u>
Weighted average number of ordinary shares (diluted) ('000)	<u>424,281</u>	<u>396,279</u>	<u>420,422</u>	<u>395,906</u>
Diluted Basic Earnings Per Share (sen)	<u>0.07</u>	<u>1.54</u>	<u>0.48</u>	<u>3.75</u>

The average market value of the Company's shares for purpose of calculating the dilutive effect of warrants was based on quoted market prices for the period during which the warrants were outstanding.

* Adjusted for the effect of bonus issue completed on 12 May 2023.

** Adjusted for the effect of additional warrants arising pursuant to the bonus issue completed on 12 May 2023.

NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)

**PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS (CONTINUED)**

B13. Profit for the Period

	Current Year Quarter 30.09.2023 RM'000	Preceding Year Corresponding Quarter 30.09.2022 RM'000	Current Year To Date 30.09.2023 RM'000	Preceding Year Corresponding Period 30.09.2022 RM'000
Profit and total comprehensive income for the period is arrived at after crediting/(charging):				
Interest income	142	59	382	94
Depreciation of property, plant and equipment	(793)	(701)	(2,193)	(1,909)
(Loss)/Gain on foreign exchange	(2)	(1,300)	300	(981)
(Loss)/Gain on derivatives	(32)	1,227	(1,243)	649
(Loss)/Gain on disposal of property, plant and equipment	-	(156)	109	(167)

Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

By order of the Board

WONG YOUN KIM
Company Secretary
MAICSA 7018778