

KHIND HOLDINGS BERHAD (380310-D)

(Incorporated in Malaysia)

The directors are pleased to announce the unaudited condensed consolidated quarterly report for the six months period ended 30 June 2023

Condensed Consolidated Statement of Comprehensive Income

For the six months period ended 30 June 2023 - Unaudited

	Individual Period 30 June		Cumulative Period 30 June	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Revenue	144,373	158,988	262,918	289,332
Cost of sales	(103,125)	(115,308)	(186,748)	(209,595)
Gross profit	41,248	43,680	76,170	79,737
Other operating (loss) / income	(216)	7,193	(404)	7,887
Interest income	179	16	275	35
Operating expenses	(37,757)	(39,179)	(70,905)	(72,115)
Finance cost	(1,146)	(993)	(2,080)	(1,677)
Share of results of associate	-	-	-	-
Profit before tax	2,308	10,717	3,056	13,867
Tax expense	(459)	(1,550)	(791)	(2,534)
Net profit for the period	1,849	9,167	2,265	11,333
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	3,709	1,968	4,595	2,395
Cash flow hedges	241	-	230	-
Total comprehensive income for the period	5,799	11,135	7,090	13,728
Profit attributable to:				
Equity holders of the parent	1,861	9,244	2,299	11,502
Non-controlling interest	(12)	(77)	(34)	(169)
Net profit for the period	1,849	9,167	2,265	11,333
Total comprehensive income attributable to:				
Equity holders of the parent	5,811	11,212	7,124	13,897
Non-controlling interest	(12)	(77)	(34)	(169)
Total comprehensive income for the period	5,799	11,135	7,090	13,728
Basic earning per share attributable to equity holders of the parent (sen)	4.43	23.08	5.47	28.71

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)

KHIND HOLDINGS BERHAD (380310-D)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position
As at 30 June 2023 - Unaudited

	As at 30 June 2023 RM'000	As at 31 December 2022 RM'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	43,531	43,263
Right-of-use assets	17,118	18,478
Intangible assets	3,690	3,734
Deferred Tax Assets	5,084	5,034
	<u>69,423</u>	<u>70,509</u>
<i>Current assets</i>		
Inventories	108,750	109,357
Other Investment	7,211	3,459
Current tax assets	1,205	358
Trade and other receivables	122,623	108,185
Derivative Financial Assets	282	-
Cash and cash equivalents	64,520	54,244
	<u>304,591</u>	<u>275,603</u>
TOTAL ASSETS	<u>374,014</u>	<u>346,112</u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Share capital	45,266	45,266
Translation reserve	15,729	11,134
Other reserve	230	-
Retained earnings	148,829	149,893
Total equity attributable to owner of the Company	210,054	206,293
Non-controlling interests	(601)	(567)
Total equity	<u>209,453</u>	<u>205,726</u>
<i>Non Current liabilities</i>		
Deferred tax liabilities	810	1,964
Loans and borrowings	16,156	15,616
Lease liabilities	764	1,558
Contract liabilities	302	-
	<u>18,032</u>	<u>19,138</u>
<i>Current liabilities</i>		
Loans and borrowings	70,188	51,586
Lease liabilities	2,370	2,866
Contract liabilities	155	329
Trade and other payables	72,713	66,249
Derivative Financial Liabilities	6	-
Current tax liabilities	1,097	218
	<u>146,529</u>	<u>121,248</u>
Total liabilities	<u>164,561</u>	<u>140,386</u>
TOTAL EQUITY AND LIABILITIES	<u>374,014</u>	<u>346,112</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>5.00</u>	<u>4.89</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)

KHIND HOLDINGS BERHAD (380310-D)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2023 - Unaudited

	Attributable to Equity Holders of the Parent					
	Share Capital RM'000	Non Distributable Translation Reserve RM'000	Other Reserve RM'000	Distributable Retained Earnings RM'000	Non-controlling Interest RM'000	Total RM'000
<u>6 months ended 30 June 2022</u>						
At 1 January 2022	40,059	8,541	-	132,355	(279)	180,676
Total comprehensive income for the period	-	2,395	-	11,502	(169)	13,728
At 30 June 2022	40,059	10,936	-	143,857	(448)	194,404
<u>6 months ended 30 June 2023</u>						
At 1 January 2023	45,266	11,134	-	149,893	(567)	205,726
Total comprehensive income for the period	-	4,595	230	2,299	(34)	7,090
Dividends to shareholders	-	-	-	(3,363)	-	(3,363)
At 30 June 2023	45,266	15,729	230	148,829	(601)	209,453

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)

KHIND HOLDINGS BERHAD (380310-D)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows
For the six months period ended 30 June 2023 - Unaudited

	30 June 2023 RM'000	30 June 2022 RM'000
Profit before taxation	3,056	13,867
Adjustment for :		
Depreciation & amortisation	3,821	3,820
Finance cost	1,906	1,614
Interest expense for lease liabilities	174	63
Interest income	(275)	(35)
Dividend income	(4)	(5)
Gain on disposal of property, plant and equipment	(106)	(3,485)
Gain on disposal of right-of-use assets	-	(3,669)
Write down of inventories	196	-
Reversal of provision for bad debts	92	-
Net fair value loss on financial assets	(4)	102
Operating profit before changes in working capital	8,856	12,272
Changes in working capital :		
Inventories	411	9,774
Trade and other receivables	(14,530)	(14,471)
Payables and accruals	6,464	1,541
Contract Liabilities	127	61
Cash generated from operations	1,328	9,177
Tax refunded	-	36
Tax paid	(2,010)	(3,996)
Net cash generated from operating activities	(682)	5,217
Cash flows from investing activities		
Interest income	275	35
Dividend income	4	5
Acquisition of property, plant and equipment	(2,681)	(1,648)
Acquisition of other investment	(3,743)	(6,953)
Acquisition of intangible assets	-	(54)
Proceeds from disposal of :		
- asset classified as held for sale	-	4,100
- property, plant and equipment	122	32
- right-of-use assets	-	4,900
Net cash used in investing activities	(6,023)	417
Cash flows from financing activities		
Dividend paid to shareholders	(3,363)	-
Finance cost	(1,906)	(1,614)
Interest expense for lease liabilities	(174)	(63)
Net drawdown of bank borrowings	21,435	11,329
Net Repayment of lease liabilities	(1,290)	(1,104)
Net repayment of hire purchase liabilities	(334)	(219)
Net cash generated / (used) from financing activities	14,368	8,329
Net (decrease) / increase in cash and cash equivalents	7,663	13,963
Cash and cash equivalents at beginning of financial period	52,249	49,350
Effect of exchange rate changes	4,573	2,148
Cash and cash equivalents at end of financial period	64,485	65,461
Cash and cash equivalents at the end of the financial period comprise the following:		
	As at 30 June 2023 RM'000	As at 30 June 2022 RM'000
Cash and bank balances	64,520	67,008
Bank overdrafts	(35)	(1,547)
	64,485	65,461

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2022)

KHIND HOLDINGS BERHAD (380310-D)
(Incorporated in Malaysia)

Part A2 : Summary of Key Financial Information

Part A2 : Summary of Key Financial Information

		Individual Period		Cumulative Period	
		Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To date	Preceding Year Corresponding period
		30/06/2023 RM'000	30/06/2022 RM'000	30/06/2023 RM'000	30/06/2022 RM'000
1	Revenue	144,373	158,988	262,918	289,332
2	Profit before tax	2,308	10,717	3,056	13,867
3	Profit for the period	1,849	9,167	2,265	11,333
4	Profit attributable to ordinary equity holders of the parent	1,861	9,244	2,299	11,502
5	Basic earnings per ordinary share (sen)	4.43	23.08	5.47	28.71
6	Proposed/Declared dividend per share (sen)	0.00	0.00	8.00	0.00
		As at End of Current Quarter		As at Preceding Financial Year End	
7	Net assets per share attributable to ordinary equity holders of the parent (RM)	5.00		4.89	
Remark:					

Part A3 : Additional Information

		Individual Period		Cumulative Period	
		Current Year Quarter 30/06/2023 RM'000	Preceding Year Corresponding Quarter 30/06/2022 RM'000	Current Year To date 30/06/2023 RM'000	Preceding Year Corresponding period 30/06/2022 RM'000
1	Gross interest income	179	16	275	35
2	Gross interest expense	1,146	993	2,080	1,677

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

Notes to the Interim Financial Report

1. Basis of preparation

The unaudited consolidated interim financial statements (Condensed Report) have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standard Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The Condensed Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2022.

2. Significant Accounting Policies

2.1 Amendments to MFRSs adopted

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the Group adopted amendments to MFRS as follows:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023

- 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 these amendments to MFRS did not result in significant changes in the accounting policies of the Group and have no significant effect on the financial performance or position of the Group.

2.2 Amendments to MFRSs not yet effective

The following are amendments to the MFRSs that have been issued by the MASB up to the date of the issuance of this Condensed Report, but have not been adopted by the Group:

Amendments to MFRSs 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*
- Amendments to MFRS 107 and MFRS 7 *Supplier Finance Arrangements*

Amendments to MFRSs effective for annual periods beginning on or after a date yet to be confirmed

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

The directors anticipate that the above-mentioned amendments will be adopted by the Group when they become effective.

The initial application of amendments to MFRSs is not expected to have any significant impact on the financial statements of the Group.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

3. Audit qualification

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2022 was not subject to any qualification.

4. Seasonal or cyclical factors

Generally, sales of our products are enhanced during festive seasons celebrated in Malaysia.

5. Unusual items

Other than those stated in the notes, there were no other items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence.

6. Changes in estimates

There were no changes in estimates for the financial period under review.

7. Issuance or repayment of debts and equity securities

There were no other issuance and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to date.

8. Dividend paid

The Company paid an interim tax exempt dividend of 8 sen per ordinary share totalling to RM3,363,120 in respect of the financial year ending 31 December 2023 on 18 May 2023.

9. Segment reporting

The Group has three reportable segments, as described below, which are the Group's strategic business units.

- (i) Investment holdings – includes the holding of investment in subsidiaries
 - (ii) Trading and service – includes trading of electrical products and providing general repair and rework services
 - (iii) Manufacturing – includes manufacturing and distribution of electrical products
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KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

9. Segment reporting (Continued)

(Period ended 30.06)	Investment holding		Trading & service		Manufacturing		Elimination		Total	
	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
Turnover										
External										
Local	-	-	154,515	168,276	5,519	8,506	-	-	160,034	176,782
Overseas	-	-	100,552	108,227	2,332	4,323	-	-	102,884	112,550
Internal	3,383	4,799	8,825	4,317	50,203	61,459	(62,411)	(70,575)	-	-
Total revenue	3,383	4,799	263,892	280,820	58,054	74,288	(62,411)	(70,575)	262,918	289,332
Segment results	(2,434)	(851)	4,416	10,083	330	(750)	1,940	272	4,252	8,754
Finance cost									(2,080)	(1,677)
Interest income									275	35
Other income									609	6,755
Profit before tax									3,056	13,867
Tax expense									(791)	(2,534)
Net Profit for the period									2,265	11,333

10. Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward, without amendment from the previous annual financial statements.

11. Material events during the financial period

There was no significant event during the current quarter ended 30 June 2023.

12. Material subsequent events

As at the date of issue of this quarterly report, there were no material events subsequent to the end of this period reported on that have not been reflected in the financial statement for the said period.

13. Changes in the composition of the group

Save as disclosed below, there were no changes in the composition of the Group since the end of the previous financial year end:

The following dormant subsidiary has been deregistered from the Register of Companies:
Khind Electrical (Hong Kong) Limited

14. Contingent liabilities

There were no material changes in contingent liabilities or contingent assets since the last annual reporting date.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

1. Review of Performance

Comparison results of current quarter and previous corresponding quarter

The Group recorded revenue of RM144.37 million for the current quarter under review representing a decrease of 9.2% over revenue of RM158.99 million of previous corresponding quarter.

The Group recorded profit before tax of RM2.31 million for the current quarter under review representing a decrease of 78.5% over profit before tax of RM10.72 million of previous corresponding quarter.

Comparison results of current period and previous corresponding period

The Group recorded revenue of RM262.92 million for the current period under review representing an decrease of 9.1% over revenue of RM289.33 million of previous corresponding period.

The Group recorded profit before tax of RM3.05 million for the current period under review representing a decrease of 78.0% over profit before tax of RM13.87 million of previous corresponding period, mainly due to the one-off gain on disposal of land recorded in the previous corresponding period.

The performance of the business segments for the current period is described as below:

1) Investment Holdings Division

The Investment Holdings Division recorded lower revenue as compared to previous corresponding period due to lower management fees received from subsidiaries. As a result, the division recorded higher segmental loss compared with the previous corresponding period.

2) Trading and Service Division

The revenue in Trading and Service Division recorded a decrease by 6.03% as compared to previous corresponding period. The results were underpinned by the lower local sales due to rising cost of living eroded purchasing power of most consumers in Malaysia.

The division's results decreased significantly by 56.20% as compared to previous corresponding period in tandem with lower revenue coupled with increased operating expenses amidst challenging market condition.

3) Manufacturing Division

The revenue in Manufacturing Division has decreased by 21.85% as compared to previous corresponding period which were driven by the overall weak market demand.

Despite the decline in revenue, the division's segmental results turned into marginal profit as mainly attributed to the improved gross profit margin due to overall freight cost and material prices have stabilized. The Company continues to focus on improving efficiency and productivity.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

1. Review of Performance (Continued)

Financial review for current quarter and financial year to date

	Individual Period				Cumulative Period			
	30 June		Variance		30 June		Variance	
	2023	2022			2023	2022		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	144,373	158,988	-14,615	-9.2%	262,918	289,332	-26,414	-9.1%
Profit before interest and tax	3,275	11,694	-8,419	-72.0%	4,861	15,509	-10,647	-68.7%
Profit before tax	2,308	10,717	-8,409	-78.5%	3,056	13,867	-10,811	-78.0%
Profit after tax	1,849	9,167	-7,318	-79.8%	2,265	11,333	-9,068	-80.0%
Profit attributable to Equity Holders of the Parent	1,861	9,244	-7,383	-79.9%	2,299	11,502	-9,203	-80.0%

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Variance	
	30 June 2023	31 March 2023		
	RM'000	RM'000	RM'000	%
Revenue	144,373	118,545	25,828	21.8%
Profit before interest and tax	3,275	1,586	1,689	>100%
Profit before tax	2,308	748	1,560	>100%
Profit after tax	1,849	416	1,433	>100%
Profit attributable to Equity Holders of the Parent	1,861	438	1,423	>100%

2. Variation of results against immediate preceding quarter

The Group recorded revenue of RM144.37 million for the current quarter under review, representing an increase of 21.8% as compared to RM118.55 million in the immediate preceding quarter. Meanwhile, the Group recorded profit before tax of RM2.31 million, representing an increase of 208.0% as compared to the preceding quarter's profit before tax of RM0.75 million, mainly due to an increase in sales for the Fan products attributable to the hot weather in the region.

3. Commentary on prospect

Considering the continuing geopolitical tensions, high interest rates and persistent inflation, the Group will actively manage the supply chain and material cost challenges, as well as improving operational efficiency. The Group is working toward protecting our market position in Malaysia and Singapore and will continue to invest in enhancing synergies, people, process, data and analytics, and branding strategies.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

4. Profit forecast

Not applicable as no profit forecast was published.

5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	30/06/23	30/06/22	30/06/23	30/06/22
	RM'000	RM'000	RM'000	RM'000
- Current tax expense	1,726	1,644	2,041	2,313
- Deferred tax expense	(1,267)	(94)	(1,250)	221
Total	459	1,550	791	2,534

The group's effective tax rate for the period ended 30 June 2023 is 25.9%.

6. Status of corporate proposals

There were no corporate proposals during the current quarter.

7. Status of utilisation of proceeds raised from the Private Placement

The status of utilisation of proceeds gross proceeds arising from the Private Placement amounting to RM5,207,400 and its utilisation is disclosed in the following manner as at 30 June 2023:

Details	Gross Proceeds (1st Tranche) RM'000	Actual utilisation (1 st Tranche) RM'000	Unutilised Proceeds (1 st Tranche) RM'000	Intended timeframe for utilisation
Working capital	5,188	(5,188)	-	Within 12 months
Estimated expenses for the Proposed Private Placement	19	(19)	-	Within 6 months
Total gross proceeds	5,207	(5,207)	-	

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

8. Borrowings and debt securities

(a) Bank Borrowings (current and repayable within 1 year)

Details of the Group's bank borrowings as at the end of this reporting period: -

	Foreign Currency '000	30/06/23 RM'000	Foreign Currency '000	31/12/22 RM'000
Bank Overdrafts				
Secured		-		401
Unsecured		35		1,594
Banker Acceptances				
Secured – denominated in Ringgit Malaysia		-		-
Unsecured – denominated in Ringgit Malaysia		58,203		43,532
Revolving Credit				
Denominated in Ringgit Malaysia		2,500		2,500
Offshore Currency Loan				
Denominated in foreign currency	CNY8,005	5,128		-
	USD136	593		-
Total		<u>66,459</u>		<u>48,027</u>

Secured bank borrowings are secured by fixed charges over the long term leasehold or freehold land and building of certain subsidiary company and are guaranteed by the Company. Unsecured bank overdraft and bankers' acceptances are guaranteed by the Company.

The bank overdrafts bear interest at rates 6.97% to 8.14% (2022 – 5.22% to 7.89%) per annum. The banker acceptances bear interest at rates ranging from 3.30%% to 6.80% (2022 – 3.73% to 7.32%) per annum. The Offshore Currency Loans bear interest at rates ranging from 3.25% to 6.70% (2022 – Nil) per annum.

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Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

8. Borrowings and debt securities (Continued)**(b) Term Loans**

Details of the Group's term loans as at the end of this reporting period :-

	Foreign Currency '000	30/06/23 RM'000	Foreign Currency '000	31/12/22 RM'000
Current Term Loans				
Secured – Denominated in Ringgit Malaysia		1,584		1,364
Secured – Denominated in foreign currency	SGD236	813	SGD241	791
Total		<u>2,397</u>		<u>2,155</u>
Non-Current Term Loans				
Secured – Denominated in Ringgit Malaysia		7,109		6,843
Secured – Denominated in foreign currency	SGD2,219	7,659	SGD2,330	7,646
Total		<u>14,768</u>		<u>14,489</u>
Grand Total		<u>17,165</u>		<u>16,644</u>

Term loans repayment schedule:

	Total RM'000	Under 1 year RM'000	1-2 year RM'000	2-5 year RM'000	Over 5 year RM'000
Secured	17,165	2,398	2,370	5,378	7,019
Total	<u>17,165</u>	<u>2,398</u>	<u>2,370</u>	<u>5,378</u>	<u>7,019</u>

The term loans are secured by :-

- fixed charges over the respective subsidiary's long term leasehold or freehold land and building, and
- corporate guarantee from the Company.

The term loans bear interest at 4.32% to 5.13% (2022 – 3.32% to 4.83%) per annum.

(c) Hire purchase liabilities

Details of the Group's hire purchase liabilities as at the end of this reporting period:-

	30/06/23 RM'000	31/12/22 RM'000
Hire Purchase Creditors	3,050	2,737
Less: Interest in suspense	(330)	(206)
Balance	<u>2,720</u>	<u>2,531</u>
Repayable within one year	1,333	1,404
Repayable one to five years	1,387	1,127
Balance	<u>2,720</u>	<u>2,531</u>

The finance lease liabilities bear interest at rates ranging from 2.20% to 4.60% (2022 – 2.20% to 4.60%) per annum.

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Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

9. Material Litigation

There was no impending material litigation as at 21 August 2023, being the date not earlier than 7 days from the date of this announcement.

10. Dividend

An interim tax exempt dividend of 8 sen per share in respect of the financial year ending 31 December 2023 was announced on 18 April 2023 and paid on 18 May 2023 to the shareholders whose names appear in the Record of Depositors on the entitlement date of 8 May 2023.

The Board of Directors does not recommend any interim dividend for the current quarter.

11. Earnings per share

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Quarter 30.06.23	Preceding year corresponding quarter 30.06.22	Six Months to 30.06.23	Six Months to 30.06.22
Net profit attributable to ordinary equity holders of the parent (RM'000)	1,861	9,244	2,299	11,502
Weighted average number of ordinary shares ('000)	42,039	40,059	42,039	40,059
Basic earnings per share (sen)	4.43	23.08	5.47	28.71

Basic earnings per share of the Group is calculated by dividing net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

12. Profit for the period is arrived at after charging/(crediting):-

	<u>Individual Period</u>		<u>Cumulative Period</u>	
	Current Quarter 30.06.23	Preceding year corresponding quarter 30.06.22	Six Months to 30.06.23	Six Months to 30.06.22
(RM'000)				
Depreciation & Amortisation	1,593	1,955	3,821	3,820
Net gain on disposal of property, plant and equipment	(96)	(7,137)	(106)	(7,154)
Foreign exchange loss / (gain)	351	24	1,013	(95)

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Quarterly Report on unaudited consolidated results for the second financial quarter ended 30 June 2023

13. Financial Instrument

The Group's outstanding derivatives as at 30 June 2023 were as follows:

30 June 2023	Notional Value RM'000	Fair Value RM'000	Difference RM'000
Foreign currency forward contracts	12,272	12,548	276

The above instruments were executed with established financial institutions. There is no cash requirement for these contracts.

Foreign currency forward contracts measured at fair value through other comprehensive income are designated as hedging instruments in cash flow hedges of forecast purchases in the United States Dollars to hedge against foreign currency exchange rate fluctuations. These forecast transactions are highly probable.

The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates and its terms has been negotiated for the expected highly probable forecast transactions.

14. Changes in comparatives

The Group has effected certain reclassifications principally to more appropriately reflect the nature of incentives given to its customers and the detailed disclosure requirements of MFRS 15, Revenue from Contracts with Customers.

The changes in certain comparative amounts to conform to the current year's financial statements of the Group are as follows:

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
For the quarter ended 30 June 2022			
Revenue	166,715	(7,727)	158,988
Operating expenses	46,906	(7,727)	39,179
For the six months ended 30 June 2022			
Revenue	302,910	(13,578)	289,332
Operating expenses	85,693	(13,578)	72,115