

KHIND HOLDINGS BERHAD (380310-D)

(Incorporated in Malaysia)

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

Condensed Consolidated Statement of Comprehensive Income
For the nine months period ended 30 September 2023 - Unaudited

	Individual Period 30 September		Cumulative Period 30 September	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Revenue	115,575	141,782	378,493	431,114
Cost of sales	(81,190)	(104,023)	(267,938)	(313,618)
Gross profit	34,385	37,759	110,555	117,496
Other operating income	441	497	37	8,384
Interest income	175	65	450	100
Operating expenses	(34,938)	(33,199)	(105,843)	(105,314)
Finance cost	(974)	(1,070)	(3,054)	(2,747)
Share of results of associate	-	-	-	-
(Loss)/Profit before tax	(911)	4,052	2,145	17,919
Tax credit/(expense)	370	(577)	(421)	(3,111)
Net (loss)/profit for the period	(541)	3,475	1,724	14,808
Other comprehensive (expenses)/income Item that may be reclassified subsequently to profit or loss				
Foreign exchange translation difference	(243)	2,367	4,352	4,762
Cash flow hedges	(8)	-	222	-
Total comprehensive (expenses)/income for the period	(792)	5,842	6,298	19,570
Profit attributable to:				
Equity holders of the parent	(480)	3,514	1,819	15,016
Non-controlling interest	(61)	(39)	(95)	(208)
Net (loss)/profit for the period	(541)	3,475	1,724	14,808
Total comprehensive income attributable to:				
Equity holders of the parent	(731)	5,881	6,393	19,778
Non-controlling interest	(61)	(39)	(95)	(208)
Total comprehensive (expenses)/income for the period	(792)	5,842	6,298	19,570
Basic (loss)/earning per share attributable to equity holders of the parent (sen)	(1.14)	8.57	4.33	37.20

(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 September 2023 - Unaudited

	As at 30 September 2023 RM'000	As at 31 December 2022 RM'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	41,938	43,263
Right-of-use assets	16,348	18,478
Intangible assets	3,683	3,734
Deferred Tax Assets	4,596	5,034
	<u>66,565</u>	<u>70,509</u>
<i>Current assets</i>		
Inventories	110,870	109,357
Other Investment	4,269	3,459
Current tax assets	2,886	358
Trade and other receivables	105,635	108,185
Derivative Financial Assets	268	-
Cash and cash equivalents	56,922	54,244
	<u>280,850</u>	<u>275,603</u>
TOTAL ASSETS	<u>347,415</u>	<u>346,112</u>
EQUITY AND LIABILITIES		
<i>Capital and reserves</i>		
Share capital	45,266	45,266
Translation reserve	15,486	11,134
Other reserve	222	-
Retained earnings	148,349	149,893
Total equity attributable to owner of the Company	209,323	206,293
Non-controlling interests	(662)	(567)
Total equity	<u>208,661</u>	<u>205,726</u>
<i>Non Current liabilities</i>		
Deferred tax liabilities	1,766	1,964
Loans and borrowings	15,377	15,616
Lease liabilities	526	1,558
Contract liabilities	651	-
	<u>18,320</u>	<u>19,138</u>
<i>Current liabilities</i>		
Loans and borrowings	58,948	51,586
Lease liabilities	1,888	2,866
Contract liabilities	330	329
Trade and other payables	59,089	66,249
Derivative Financial Liabilities	-	-
Current tax liabilities	179	218
	<u>120,434</u>	<u>121,248</u>
Total liabilities	<u>138,754</u>	<u>140,386</u>
TOTAL EQUITY AND LIABILITIES	<u>347,415</u>	<u>346,112</u>
Net assets per share attributable to equity holders of the parent (RM)	<u>4.98</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 nine months ended 30 September 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>9 months ended 30 September 2022</u>						
At 1 January 2022	40,059	8,541	-	132,355	(279)	180,676
Issue of shares	5,207	-	-	-	-	5,207
Total comprehensive income for the period	-	4,762	-	15,016	(208)	19,570
At 30 September 2022	45,266	13,303	-	147,371	(487)	205,453
<u>9 months ended 30 September 2023</u>						
At 1 January 2023	45,266	11,134	-	149,893	(567)	205,726
Total comprehensive income for the period	-	4,352	222	1,819	(95)	6,298
Dividends to shareholders	-	-	-	(3,363)	-	(3,363)
At 30 September 2023	45,266	15,486	222	148,349	(662)	208,661

(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 nine months period ended 30 September 2023 - Unaudited

	30 September 2023 RM'000	30 September 2022 RM'000
Profit before taxation	2,145	17,919
Adjustment for :		
Depreciation & amortisation	6,600	5,759
Finance cost	2,806	2,643
Interest expense for lease liabilities	249	104
Interest income	(450)	(100)
Dividend income	(6)	(5)
Gain on disposal of property, plant and equipment	(123)	(3,634)
Gain on disposal of right-of-use assets	-	(3,669)
Write down of inventories	10,574	-
Reversal of provision for bad debts	(58)	-
Net fair value loss on financial assets	-	111
Operating profit before changes in working capital	21,737	19,128
Changes in working capital :		
Inventories	(12,087)	(24,720)
Trade and other receivables	2,609	(2,202)
Payables and accruals	(7,159)	3,108
Contract Liabilities	651	230
Cash generated from operations	5,751	(4,456)
Tax refunded	-	196
Tax paid	(2,795)	(7,477)
Net cash generated from operating activities	2,956	(11,737)
Cash flows from investing activities		
Interest income	450	100
Dividend income	6	5
Acquisition of property, plant and equipment	(3,735)	(2,095)
Acquisition of right-of-use assets	(185)	-
Acquisition of other investment	(841)	(14,581)
Acquisition of intangible assets	-	(89)
Proceeds from disposal of :		
- asset classified as held for sale	-	4,100
- property, plant and equipment	986	198
- right-of-use assets	-	4,900
Net cash used in investing activities	(3,319)	(7,462)
Cash flows from financing activities		
Dividend paid to shareholders	(3,363)	5,207
Finance cost	(2,806)	(2,643)
Interest expense for lease liabilities	(249)	(104)
Net drawdown of bank borrowings	7,355	21,771
Net Repayment of lease liabilities	(2,010)	(1,684)
Net repayment of hire purchase liabilities	(188)	(579)
Net cash generated / (used) from financing activities	(1,261)	21,968
Net (decrease) / increase in cash and cash equivalents	(1,624)	2,769
Cash and cash equivalents at beginning of financial period	52,249	49,350
Effect of exchange rate changes	4,345	4,299
Cash and cash equivalents at end of financial period	54,970	56,418

Cash and cash equivalents at the end of the financial period comprise the following:

	As at 30 September 2023 RM'000	As at 30 September 2022 RM'000
Cash and bank balances	56,922	57,706
Bank overdrafts	(1,952)	(1,288)
	54,970	56,418

(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

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 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 1 January 2025

- Amendments to MFRS 121 *Lack of Exchangeability*

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2023

2. Significant Accounting Policies (Continued)

2.2 Amendments to MFRSs not yet effective (Continued)

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.

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.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 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

	Investment holding		Trading & service		Manufacturing		Elimination		Total	
(Period ended 30.09)	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	-	-	216,082	254,376	10,681	12,520	-	-	226,763	266,896
Overseas	-	-	148,184	157,877	3,546	6,340	-	-	151,730	164,217
Internal	5,099	10,745	13,302	7,811	71,825	94,553	(90,226)	(113,109)	-	-
Total revenue	5,099	10,745	377,568	420,064	86,052	113,413	(90,226)	(113,109)	378,493	431,113
Segment results	(1,688)	1,681	4,685	21,344	306	2,660	440	(11,875)	3,743	13,810
Finance cost									(3,054)	(2,746)
Interest income									450	100
Other income									1,006	6,755
Profit before tax									2,145	17,919
Tax expense									(421)	(3,111)
Net Profit for the period									1,724	14,808

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 September 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.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2023

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.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 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 RM115.58 million for the current quarter under review representing a decrease of 18.5% over revenue of RM141.78 million of previous corresponding quarter.

The Group suffered loss before tax of RM0.91 million for the current quarter under review compared to profit before tax of RM4.05 million of previous corresponding quarter.

Comparison results of current period and previous corresponding period

The Group recorded revenue of RM378.49 million for the current period under review representing a decrease of 12.2% over revenue of RM431.11 million of previous corresponding period.

The Group recorded profit before tax of RM2.15 million for the current period under review representing a decrease of 76.9% over profit before tax of RM17.92 million of previous corresponding period, mainly due to lower sales attributable to short term effect of consolidation and market repositioning exercise during the period under review, coupled with a 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 and lower dividend income from subsidiaries. As a result, the division recorded segmental loss for the period under review.

2) Trading and Service Division

The revenue in Trading and Service Division recorded a decrease by 10.12% as compared to previous corresponding period. The results were underpinned by the lower sales from both local and overseas markets due to rising cost of living eroded purchasing power of consumers.

The division's results decreased significantly by 78.05% 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 24.13% as compared to previous corresponding period which were driven by the overall weak market demand.

The division's results decreased significantly by 88.50% as compared to previous corresponding period in tandem with lower revenue coupled with rightsizing exercise performed during the period under review.

KHIND HOLDINGS BERHAD

Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2023

1. Review of Performance (Continued)

Financial review for current quarter and financial year to date

	Individual Period				Cumulative Period			
	30 September		Variance		30 September		Variance	
	2023	2022			2023	2022		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	115,575	141,782	(26,207)	-18.5%	378,493	431,114	(52,621)	-12.2%
(Loss)/Profit before interest and tax	(111)	5,057	(5,168)	-102.2%	4,749	20,566	(15,817)	-76.9%
(Loss)/Profit before tax	(911)	4,052	(4,963)	-122.5%	2,145	17,919	(15,774)	-88.0%
(Loss)/Profit after tax	(541)	3,475	(4,016)	-115.6%	1,724	14,808	(13,084)	-88.4%
(Loss)/Profit attributable to Equity Holders of the Parent	(480)	3,514	(3,994)	-113.7%	1,819	15,016	(13,197)	-87.9%

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Variance	
	30 September 2023	30 June 2023		
	RM'000	RM'000	RM'000	%
Revenue	115,575	144,373	(28,798)	-19.9%
(Loss)/Profit before interest and tax	(111)	3,275	(3,386)	>100%
(Loss)/Profit before tax	(911)	2,308	(3,219)	>100%
(Loss)/Profit after tax	(541)	1,849	(2,390)	>100%
(Loss)/Profit attributable to Equity Holders of the Parent	(480)	1,861	(2,341)	>100%

2. Variation of results against immediate preceding quarter

The Group recorded revenue of RM115.58 million for the current quarter under review, representing a decrease of 19.9% as compared to RM144.37 million in the immediate preceding quarter. Meanwhile, the Group turned into red recorded loss before tax of RM0.91 million as compared to the preceding quarter's profit before tax of RM2.31 million, mainly due to low sales attributable to short term effect of consolidation and market repositioning exercise in the Group during the quarter, coupled with soft market conditions.

3. Commentary on prospect

The Malaysian government remains confident to meet its GDP forecast of 4.0% to 5.0% for 2023, as domestic economy remains vibrant driven by private consumption. However, the Group expects the industry outlook remain challenging, as inflationary pressure, higher interest rates and fluctuating foreign currencies may adversely affect regional economic growth momentum.

The Group will continue to be cautious and responsive to market needs, actively manage the supply chain and material cost challenges, rightsizing the operations as well as improving operational efficiency. The Group is working toward improving the profitability and will continue to invest in enhancing synergies, people, process, data and analytics, and branding strategies.

4. Profit forecast

Not applicable as no profit forecast was published.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 2023

5. Tax expense

	<u>Individual period</u>		<u>Cumulative period</u>	
	30/09/23	30/09/22	30/09/23	30/09/22
	RM'000	RM'000	RM'000	RM'000
- Current tax expense	(1,823)	590	218	2,903
- Deferred tax expense	1,453	(13)	203	208
Total (credit)/expense	(370)	577	421	3,111

The group's effective tax rate for the period ended 30 September 2023 is 19.6% mainly due to reversal of prior year tax overprovision in certain subsidiaries.

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 September 2023:

Details	Gross Proceeds (1 st 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)	-	

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 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	30/09/23 RM'000	Foreign Currency '000	31/12/22 RM'000
Bank Overdrafts				
Secured		1,477		401
Unsecured		474		1,594
Banker Acceptances				
Secured – denominated in Ringgit Malaysia		24,454		-
Unsecured – denominated in Ringgit Malaysia		22,370		43,532
Revolving Credit				
Denominated in Ringgit Malaysia		2,500		2,500
Offshore Currency Loan				
Denominated in foreign currency	CNY6,561	4,149		-
Total		<u>55,424</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 7.50% to 8.55% (2022 – 5.22% to 7.89%) per annum. The banker acceptances bear interest at rates ranging from 3.68%% to 5.45% (2022 – 3.73% to 7.32%) per annum. The Offshore Currency Loans bear interest at rates ranging from 3.30% to 4.65% (2022 – Nil) per annum.

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Quarterly Report on unaudited consolidated results for the third financial quarter ended 30 September 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	30/09/23 RM'000	Foreign Currency '000	31/12/22 RM'000
Current Term Loans				
Secured – Denominated in Ringgit Malaysia		1,609		1,364
Secured – Denominated in foreign currency	SGD225	772	SGD241	791
Total		<u>2,381</u>		<u>2,155</u>
Non-Current Term Loans				
Secured – Denominated in Ringgit Malaysia		6,681		6,843
Secured – Denominated in foreign currency	SGD2,181	7,495	SGD2,330	7,646
Total		<u>14,176</u>		<u>14,489</u>
Grand Total		<u>16,557</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	16,557	2,381	2,193	5,329	6,654
Total	<u>16,557</u>	<u>2,381</u>	<u>2,193</u>	<u>5,329</u>	<u>6,654</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:-

	30/09/23 RM'000	31/12/22 RM'000
Hire Purchase Creditors	2,627	2,737
Less: Interest in suspense	284	(206)
Balance	<u>2,343</u>	<u>2,531</u>
Repayable within one year	1,142	1,404
Repayable one to five years	1,201	1,127
Balance	<u>2,343</u>	<u>2,531</u>

The finance lease liabilities bear interest at rates ranging from 2.50% to 4.50% (2022 – 2.20% to 4.60%) per annum.

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9. Material Litigation

There was no impending material litigation as at 14 November 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 30.09.23	Preceding year corresponding quarter 30.09.22	Nine Months to 30.09.23	Nine Months to 30.09.22
Net profit attributable to ordinary equity holders of the parent (RM'000)	(480)	3,514	1,819	15,016
Weighted average number of ordinary shares ('000)	42,039	40,984	42,039	40,371
Basic earnings per share (sen)	(1.14)	8.57	4.33	37.20

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 30.09.23	Preceding year corresponding quarter 30.09.22	Nine Months to 30.09.23	Nine Months to 30.09.22
(RM'000)				
Depreciation & Amortisation	2,779	1,939	6,600	5,759
Net gain on disposal of property, plant and equipment	(17)	(149)	(123)	(7,303)
Foreign exchange (gain)/loss	(44)	48	969	(47)

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13. Financial Instrument

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

	Notional Value RM'000	Fair Value RM'000	Difference RM'000
30 September 2023			
Foreign currency forward contracts	9,511	9,778	267

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 September 2022			
Revenue	148,616	(6,834)	141,782
Operating expenses	40,033	(6,834)	33,199
For the nine months ended 30 September 2022			
Revenue	451,526	(20,412)	431,114
Operating expenses	125,726	(20,412)	105,314