

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Dec-22 RM'000	Preceding year Corresponding Quarter 31-Dec-21 RM'000	Changes %	Current Year To date 31-Dec-22 RM'000	Preceding year Corresponding year 31-Dec-21 RM'000	Changes %
Revenue	60,087	66,171	-9.19%	254,128	223,982	13.46%
Direct costs	(394)	(2,784)	-85.85%	(1,422)	(10,052)	-85.85%
Changes in inventories of finished goods and work in progress	(9,419)	(165)	5608.48%	(6,392)	14,698	-143.49%
Raw materials and consumable used	(38,152)	(49,347)	-22.69%	(193,011)	(165,942)	16.31%
Changes in inventories of trading merchandise	(99)	(388)	-74.48%	(598)	(2,052)	-70.86%
Staff costs	(3,695)	(3,638)	1.57%	(16,570)	(13,781)	20.24%
Other income	380	886	-57.11%	1,290	2,039	-36.73%
Depreciation and amortisation	(2,115)	(2,114)	0.05%	(8,120)	(8,029)	1.13%
Other operating expenses	(4,345)	(3,475)	25.04%	(14,433)	(13,612)	6.03%
Finance cost	(259)	304	-185.20%	(1,422)	(691)	105.79%
Profit before taxation	1,989	5,450	-63.50%	13,450	26,560	-49.36%
Taxation	(974)	(803)	21.30%	(3,268)	(7,935)	-58.82%
Profit after taxation/ Total comprehensive income	1,015	4,647	-78.16%	10,182	18,625	-45.33%
Profit attributable to:						
Owners of the Company	1,015	4,636		10,182	19,140	
Non-controlling interest	-	11		-	(515)	
	1,015	4,647		10,182	18,625	
Total comprehensive income attributable to:						
Owners of the Company	1,015	4,636		10,182	19,140	
Non-controlling interest	-	11		-	(515)	
	1,015	4,647		10,182	18,625	
Earning per share attributable to owners of the Company (sen per share):						
Basic earning per share	0.17	0.74		1.68	3.17	

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Financial year 31-Dec-22 RM'000	Audited As at preceding Financial Year Ended 31-Dec-21 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	94,195	90,518
Right of use assets	7,264	7,835
Investment properties	35,693	35,693
Intangible assets	100	101
Other investments	2,350	2,350
Land held for development	10,568	10,570
Deferred tax assets	184	-
	150,354	147,067
Current Assets		
Inventories	62,782	71,703
Trade and other receivables	25,574	11,694
Tax recoverable	78	49
Other investment	8,917	6,600
Derivative assets	-	7
Fixed deposits with licensed banks	1,266	3,427
Cash and bank balances	11,494	29,866
	110,111	123,346
TOTAL ASSETS	260,465	270,413
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
Share capital	203,171	204,468
Treasury shares	(10,863)	(1,297)
Revaluation reserve	28,139	28,139
Reverse acquisition reserve	(72,051)	(72,051)
Retained profits	65,083	61,105
Equity attributable to the owners of the Company	213,479	220,364
Total equity	213,479	220,364
Non Current Liabilities		
Lease liabilities	4,404	5,468
Deferred income	308	448
Borrowings	10,686	17,681
Provision	39	38
Deferred tax liabilities	6,762	6,171
	22,199	29,806
Current Liabilities		
Trade and other payables	17,242	10,332
Tax payable	971	4,048
Borrowings	3,873	3,608
Lease Liabilities	2,701	2,255
	24,787	20,243
TOTAL LIABILITIES	46,986	50,049
TOTAL EQUITY AND LIABILITIES	260,465	270,413
Net assets per share (sen) attributable to owners of the Company	36.72	36.46

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

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Notes on the quarterly report for the financial year ended 31 December 2022

Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") Interim Financial Reporting

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”).

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted and as disclosed in the Group’s annual report for the financial year ended 31 December 2021.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”), amendments to published standards and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs, amendments to published standards and IC Interpretations does not result in significant changes in the accounting policies of the Group.

A3. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no audit qualification on the annual financial statements of JAG for the financial year ended 31 December 2021.

A4. SEASONAL AND CYCLICAL FACTORS

The Group’s primary sources of revenue (approximately 98% of its total revenue) are its manufacturing and trading business segment, which involve recycling and recovery activities. These operations are affected by the cyclicity of the semiconductor industry, which, in turn, is dependent on end-user industries such as electrical and electronic industries. The demand for semiconductors typically mirrors the trend in the demand for personal computers, mobile phones, and other electronic equipment.

As the availability of electronic waste (E-waste) for recycling and manufacturing services is reliant on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is also influenced by the trends in the semiconductor industry.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

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

A6. MATERIAL CHANGES IN ESTIMATES

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

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Notes on the quarterly report for the financial year ended 31 December 2022

A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and year ended 31 December 2022:

- i. On 27 May 2022, the Company had cancelled 7,325,000 of its treasury shares amounting to RM1,296,500.00.
- ii. During the financial year under review, the Company has repurchased 38,150,000 of its issued ordinary shares from open market at average price of RM0.365 per share. The purchases were financed by internally generated funds, and retained as treasury shares of the Company.

On 25 November 2022, the Company announced a share dividend in the form of a distribution of treasury shares at a ratio of 1:70. The distribution was completed on 27 December 2022, with 8,405,397 treasury shares, valued at RM3,069,732, being distributed

As at 31 December 2022, the number of treasury shares held were 29,744,603 ordinary share with the carrying amount of RM10,863,017.50.

A8. DIVIDEND

Save as disclosed below, there were no dividends paid or declared for the previous corresponding quarter and year:

- i. The interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3,133,924.46 for the financial year ending 31 December 2021 was declared on 23 February 2022 and paid on 25 March 2022.
- ii. On 25 November 2022, the Company announced an interim share dividend in the form of a distribution of treasury shares at a ratio of 1:70. The distribution was completed on 27 December 2022, with 8,405,397 treasury shares, valued at RM3,069,732, being distributed

QUARTERLY REPORT

Notes on the quarterly report for the financial year ended 31 December 2022

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation or revaluation of property, plant and equipment during the current financial quarter and year under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual audited financial statements.

A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

There were no material events subsequent to the current financial quarter and year ended 31 December 2022 up to the date of this report.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes and/or intended changes in the composition of the Group during the current financial quarter and year under review.

A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no changes in the contingent liabilities and contingent assets during the current financial quarter and year review.

A14. CAPITAL COMMITMENTS

Save as disclosed below, the Board is not aware of any material commitment incurred or known to be incurred by the Company or the Group, which may have material impact on the financial position of the Group.

	Authorised and contracted for RM'000
Acquisition of investment property	<u>31,759</u>

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the current financial quarter and year under review.

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Notes on the quarterly report for the financial year ended 31 December 2022

Part B - Explanatory Notes Pursuant to Appendix 9B of the ACE LR

B1. REVIEW OF PERFORMANCE

4th Quarter 2022 vs 4th Quarter 2021

	4th Quarter 2022 RM'000	4th Quarter 2021 RM'000	Changes %
Revenue by business segments			
Manufacturing and trading activities	58,366	61,884	-6
Investment holding	-	2,587	-100
Lifestyle and services	1,721	1,700	1
	<u>60,087</u>	<u>66,171</u>	-9
Segment results			
Manufacturing and trading activities	3,873	6,477	-40
Investment holding	(586)	(1,144)	49
Lifestyle and services	(145)	606	->100
Property development	(894)	(793)	-13
Profit from operations	<u>2,248</u>	<u>5,146</u>	
Interest income	(9)	101	
Finance cost	(250)	203	
Profit before taxation	<u>1,989</u>	<u>5,450</u>	
Taxation	(974)	(803)	
Profit after taxation	<u>1,015</u>	<u>4,647</u>	

The Group's revenue decreased by 9% from RM66.2 million in the corresponding quarter of the previous year to RM60.1 million in the current quarter. This decrease was mainly due to the total waste management (“**TWM**”) business segment, which reported revenue of RM58.4 million, down from RM61.2 million in the corresponding quarter of the previous year.

The TWM business segment's profitability was impacted by lower revenue and a lower average selling price for commodities. Meanwhile, the lifestyle and services segment reported a slight improvement in revenue compared to the corresponding quarter of the previous year. However, the business segment incurred a loss of RM0.15 million, as opposed to a profit of RM0.61 million in the previous year's corresponding quarter. This was mainly due to the business segment recorded the fixed asset written off of RM0.45 million in connection with the relocation of the gelato manufacturing plant and refurbishment of two existing outlets during the year.

The investment holding business segment recorded a loss mainly from changes in the fair value of investments held.

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Notes on the quarterly report for the financial year ended 31 December 2022

B1. REVIEW OF PERFORMANCE (CONTINUED)

Financial Year ended 31 December 2022 vs Financial Year ended 31 December 2021

	FY 2022	FY 2021	Changes
	RM'000	RM'000	%
Revenue by business segments			
Manufacturing and trading activities	247,862	207,120	20
Investment holding	-	12,484	-100
Lifestyle and services	6,266	4,217	49
	<u>254,128</u>	<u>223,821</u>	14
Segment results			
Manufacturing and trading activities	20,336	30,114	-32
Investment holding	(2,933)	967	->100
Lifestyle and services	(1,688)	(3,775)	55
Property development	(842)	(1,183)	29
Profit from operations	<u>14,873</u>	<u>26,123</u>	-43
Interest income	146	323	
Finance cost	(1,568)	(986)	
Profit before taxation	<u>13,451</u>	<u>25,460</u>	
Taxation	(3,268)	(6,803)	
Profit after taxation	<u>10,183</u>	<u>18,657</u>	

The Group's revenue increased by 14% from RM223.8 million in the previous financial year to RM254.1 million in the current financial year. The increase was mainly contributed by the TWM business segment, which reported revenue of RM247.9 million compared to RM207.1 million in the previous financial year. This growth was due to an agreement the Group entered into with Bank Negara Malaysia on 31 March 2022, regarding the sale and meltdown of cupronickel and nickel as scrap to the TWM business segment. The TWM business segment fulfilled the agreement during the financial year, resulting in improved revenue compared to the previous financial year.

The lifestyle and services business segment's revenue improved by 49% compared to the previous financial year, mainly due to the overall recovery of retail market activities in the financial year 2022.

Despite the revenue growth, the Group's profitability decreased due to the weakening of commodity prices in 2022, particularly copper, tin, and nickel, which are the commonly traded commodities of the TWM division.

The lifestyle and services segment's profitability improved in the current financial year as a result of higher revenue generated. However, the investment holding segment recorded a loss mainly due to a softer share market performance and no disposal of investments during the year.

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Notes on the quarterly report for the financial year ended 31 December 2022

B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER

	Current Quarter 31 Dec 2022	Immediate Preceding Quarter 30 Sept 2022	Changes
	RM'000	RM'000	%
Revenue	60,087	61,412	-2
Staff cost	3,695	3,585	3
Other income	380	761	-50
Other operating expenses	4,345	2,838	53
Profit before taxation	1,989	2,789	-29
Profit after taxation	1,015	2,384	-57

The Group recorded lower revenue of RM60.1 million for the current financial quarter ended 31 December 2022 as compared to immediate preceding financial quarter ended 30 September 2022 of RM61.4 million.

The increase in other operating expenses was mainly due to the write-off of fixed assets resulting from the relocation of the gelato manufacturing plant and the refurbishment of existing outlets in the lifestyle and services business segment. Additionally, the recognition of realised and unrealised losses on foreign exchange contributed to the increase in other operating expenses.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2023

Looking ahead, the TWM business segment will remain a major contributor to the Group's revenue and profit in the upcoming financial year. To maintain its position as a leading player in the e-waste recycling industry, the Group will continue to focus on strengthening its sourcing capabilities and investing in production capacity, efficiency, and technology.

The Group is optimistic about the outlook for the food and beverage retail industry and the coin-operated launderette industry. In 2023, the Group plans to support these business segments through marketing strategies, the introduction of new products, and the opening of new outlets.

In the face of a challenging business environment, the Group is committed to strategic adaptation and effective risk management. The Group will take timely and appropriate actions to minimize operating risks and optimize its resources, ensuring resilient business operations during uncertain times. Moreover, the Group is preparing a strong foundation for a sustainable recovery after the pandemic.

B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

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Notes on the quarterly report for the financial year ended 31 December 2022

B5. TAXATION

	Current Quarter Ended		Year to date	
	31 Dec 2022 RM'000	31 Dec 2021 RM'000	31 Dec 2022 RM'000	31 Dec 2021 RM'000
Income tax				
- current year	(1,402)	(1,600)	(4,302)	(6,500)
- (under)/over provision in prior years	686	(3)	1,039	(3)
	<u>(716)</u>	<u>(1,603)</u>	<u>(3,263)</u>	<u>(6,503)</u>
Deferred tax				
- current year	(258)	800	(258)	(300)
- over/(under) provision in prior years	-	-	253	-
	<u>(974)</u>	<u>(803)</u>	<u>(3,268)</u>	<u>(6,803)</u>

The effective tax rate for the current financial quarter and year is higher than the statutory income tax rate of 24%. This is primarily due to the majority of the tax provision is applied to the profit making business entity, whereas the loss-making entity has no tax impact. The business tax losses of the loss making entity will be carried forward to the next financial year for utilisation.

B6. STATUS OF CORPORATE PROPOSALS

On 4 June 2021, M&A Securities Sdn Bhd (“M&A”) had on behalf of the Board announced that the Company proposes to undertake a proposed private placement of up to 30% of the total number of issued shares in JAG (excluding treasury shares) (“Private Placement”) to independent third party investor(s). The listing application for the Private Placement was submitted to Bursa Securities on 14 June 2021.

The Company had on 30 June 2021 obtained Bursa Securities’ approval for the listing and quotation of up to 161,035,400 Placement Shares to be issued pursuant to the Private Placement. The approval granted by Bursa Securities for the Private Placement, is subjected to the following conditions:

- i. JAG and M&A must fully comply with the relevant provisions under the ACE LR pertaining to the implementation of the Private Placement;
- ii. JAG and M&A to inform Bursa Securities upon the completion of the Private Placement; and
- iii. JAG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Private Placement is complete.

On 28 July 2021, the Company had obtained the approval from shareholders through Extraordinary General Meeting (“EGM”) held on the same day.

On 11 August 2021, the Company completed the issuance of the first tranche of 90,000,000 new ordinary shares at RM0.285 each and raised gross proceeds of RM25,650,000.

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Notes on the quarterly report for the financial year ended 31 December 2022

B6. STATUS OF CORPORATE PROPOSALS (CONTINUED)

On 9 December 2021, the Company had submitted an application for extension of time to complete the Company’s Private Placement to Bursa Securities.

On 23 February 2022, the Company had obtained the approval that the application for expansion of time of 6 months up to 30 June 2022 to complete the implementation of the Private Placement.

On 25 May 2022, the Company announced that the extended timeframe to implement the Private Placement will lapse on 30 June 2022 and the Company will not seek further extension to implement the said exercise.

As such, the Private Placement is deemed completed with the listing of 90,000,000 Placement Shares in 11 August 2021.

Save as above, there were no corporate proposals announced but not complete as at 21 February 2023, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT

Private Placements 2021

The actual utilisation of the total gross proceeds of RM25,650,000 raised from the 30% private placement on 11 August 2021 (referring to Note B6) were as below:

	Proposed utilisation RM’000	Actual utilisation RM’000	Balance proceeds RM’000	Intended timeframe for utilisation
Acquisition of equipment	4,410	4,410	-	15 months
Working capital	14,245	14,245	-	12 months
Repayment of bank borrowings	6,742	6,742	-	6 months
Estimated expenses in relation to the Private Placements	253	253	-	1 month
Total	25,650	25,650	-	

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Notes on the quarterly report for the financial year ended 31 December 2022

B8. GROUP BORROWINGS

The Group’s borrowings as at 31 December 2022 (all denominated in Ringgit Malaysia) are as follows:-

	As at 31 Dec 2022 RM’000	As at 31 Dec 2021 RM’000
Short term borrowing (secured)		
Term loan	3,873	3,608
Lease liabilities	2,701	2,255
	6,574	5,863
Long term borrowing (secured)		
Term loan	10,686	17,681
Lease liabilities	4,407	5,468
	15,093	23,149
Total	21,667	29,012

	As at 31 Dec 2022 %	As at 31 Dec 2021 %
The weighted average effective interest rate are as follows:		
Term loan	6.91	6.55
Overdraft	7.30	7.05
Hire purchase liabilities	4.63	4.63
Other lease liabilities	5.83	5.83
Proportion of borrowings between fixed and floating interest rates	33 : 67	27 : 73

B9. DERIVATIVE FINANCIAL INSTRUMENTS

(i) Disclosure of derivatives

The Group uses forward foreign exchange contracts to manage some of the transactions exposure of the Group’s sales denominated in USD and uses the commodity future contracts to manage the metal commodity price fluctuations.

There are no cash requirement risks as the Group only uses forward foreign currency contracts and commodity future contracts as its hedging instruments.

There have been no significant changes to the Group’s exposure to credit risk, market risk and liquidity risk from the previous financial quarter and year. Since the previous financial year, there have been no changes to the Group’s management objectives, accounting policies and processes.

(ii) Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group determines the fair value of the derivative financial instruments relating to the forward foreign exchange contracts and commodity future contracts by using the difference between the contracted foreign exchange rates and commodity price and the market forward rates and commodity price. The basis of fair value measurement is the difference between the contracted value and the market forward rates and market price. This resulted in the Group recording a gain when the rates and commodity price move favourable against the Group or recorded a loss when the rates and commodity price move unfavourable against the Group.

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Notes on the quarterly report for the financial year ended 31 December 2022

B10. MATERIAL LITIGATION

There was no pending material litigation as at the date of this announcement.

B11. DIVIDEND

Save as disclosed below, there were no dividends paid or declared for the previous corresponding quarter and year:

- i. The first interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3,133,924.46 for the financial year ending 31 December 2021 was declared on 23 February 2022 and paid on 25 March 2022.
- ii. The interim dividend via share dividend distribution of approximately 8.4 million treasury shares on the basis of 1 treasury share for every 70 existing ordinary shares in respect of financial year ended 31 December 2022, amounting to approximately RM3.03 million declared on 25 November 2022, share transferred on 27 December 2022.

B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended		Year to date	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment of receivables	-	125	465	1,125
Allowance for impairment of receivables no longer required	-	(965)	(500)	(826)
Changes in fair value of derivative financial instruments	7	10	-	-
Changes in fair value on other investments	209	285	1,637	788
Depreciation of property, plant and equipment and right of use assets	2,115	2,114	8,120	8,182
Dividend income	-	(204)	(17)	(371)
Fixed asset written off	444	-	472	682
Gain on disposal of fixed assets	(151)	(231)	(268)	(231)
Gain on disposal of other investments	-	-	(28)	(1,456)
Loss/(Gain) on foreign exchange				
- unrealised	508	(230)	203	71
- realised	22	458	803	276
Government grant income	(35)	(35)	(140)	(140)
Impairment loss on equipment and right of use assets	-	29	-	35
Impairment loss on investment property	-	631	-	631
Interest income	9	(101)	(146)	(283)
Interest expenses				
- Banker acceptance	-	-	109	-
- Hire purchase	33	57	70	61
- Overdraft	11	12	42	77
- Term loan	125	(391)	994	397
- Unwinding interest	1	-	5	-
- Implicit interest of lease liabilities	80	119	348	451

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Notes on the quarterly report for the financial year ended 31 December 2022

B13. EARNINGS PER SHARE

The basic earnings per share was calculated by dividing the net profit for the current financial quarter and year by the weighted average number of ordinary shares in issue:

	Current Quarter Ended		Year to date	
	31 Dec 2022 RM	31 Dec 2021 RM	31 Dec 2022 RM	31 Dec 2021 RM
Net profit attributable to owners of the Company (RM'000)	1,015	4,636	10,183	19,140
Weighted average number of ordinary shares in issue ('000)	589,600	626,785	604,344	603,152
Basic earnings per share (sen)	0.17	0.74	1.68	3.17

B14. AUTHORISED FOR ISSUE

This interim financial statement was authorised for issue by the Board on 27 February 2023 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

27 February 2023