

GREATECH TECHNOLOGY BERHAD

(Company No. 201801008633 (1270647-H))
(Incorporated in Malaysia under the Companies Act 2016)

INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
31 MARCH 2022

GREATECH TECHNOLOGY BERHAD
(Company No. 201801008633 (1270647-H))
(Incorporated in Malaysia under the Companies Act 2016)
Interim Financial Report For The First Quarter Ended 31 March 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 [(1)]

	Unaudited as at 31/03/2022 RM'000	Audited as at 31/12/2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	135,884	107,400
Right-of-use assets	89,345	71,885
	225,229	179,285
Current assets		
Inventories	11,927	12,322
Trade and other receivables	110,062	93,364
Contract assets	15,582	1,521
Derivative assets	-	7
Current tax assets	1,736	1,676
Short term funds	215,131	214,080
Cash and bank balances	178,156	106,348
	532,594	429,318
TOTAL ASSETS	**757,823**	**608,603**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	113,122	113,084
Reserves	347,807	317,955
TOTAL EQUITY	460,929	431,039
Non-current liabilities		
Borrowings	14,742	15,017
Lease liabilities	3,173	3,242
Deferred tax liabilities	8,626	8,626
Government grant	360	393
	26,901	27,278
Current liabilities		
Trade and other payables	61,729	45,178
Contract liabilities	170,357	69,055
Provision for warranties	36,255	34,408
Borrowings	1,100	1,100
Lease liabilities	420	412
Government grant	132	133
	269,993	150,286
TOTAL LIABILITIES	296,894	177,564
TOTAL EQUITY AND LIABILITIES	**757,823**	**608,603**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 (1)

	Unaudited as at 31/03/2022	Audited as at 31/12/2021
Number of ordinary shares in issue ('000)	1,252,135	1,252,131
Net assets per share attributable to owners of the parent (RM)	0.37	0.34

(1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (1)

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Revenue	102,156	95,142	102,156	95,142
Cost of sales	(66,946)	(45,759)	(66,946)	(45,759)
Gross profit	35,210	49,383	35,210	49,383
Other income	6,187	7,340	6,187	7,340
Net (losses)/gains on impairment of financial assets	(820)	191	(820)	191
Administrative and marketing expenses	(11,157)	(9,664)	(11,157)	(9,664)
Finance cost	(126)	(237)	(126)	(237)
Profit before tax	29,294	47,013	29,294	47,013
Tax expense	(362)	(354)	(362)	(354)
Profit for the financial period	28,932	46,659	28,932	46,659
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translations	(53)	(43)	(53)	(43)
Total comprehensive income for the financial period attributable to owners of the parent	28,879	46,616	28,879	46,616
Earnings per ordinary share attributable to owners of the parent (sen)				
- Basic (2)	2.31	3.73	2.31	3.73
- Diluted (2)	2.31	3.73	2.31	3.73

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) Based on weighted average number of ordinary shares in issue during the financial period under review.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2022 [1]

	Non-distributable						Distributable	
	Share capital RM'000	**Exchange translation reserve RM'000**	**Reorganisation debit reserve RM'000**	**Revaluation reserve RM'000**	**Share grant reserve RM'000**	**Share option reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
Balance as at 1 January 2022	113,084	(69)	(39,500)	8,370	-	1,481	347,673	431,039
Profit for the financial period	-	-	-	-	-	-	28,932	28,932
Foreign currency translations	-	(53)	-	-	-	-	-	(53)
Other comprehensive income, net of tax	-	(53)	-	-	-	-	-	(53)
Total comprehensive income	-	(53)	-	-	-	-	28,932	28,879
Realisation of revaluation surplus	-	-	-	(62)	-	-	62	-
Transactions with owners:								
Issuance of ordinary shares pursuant to ESGP [2]	-	-	-	-	987	-	-	987
Issuance of ordinary shares pursuant to ESOP [3]	38	-	-	-	-	(189)	175	24
Total transactions with owners	38	-	-	-	987	(189)	175	1,011
Balance as at 31 March 2022	113,122	(122)	(39,500)	8,308	987	1,292	376,842	460,929
Balance as at 1 January 2021	111,951	3	(39,500)	8,604	-	-	205,688	286,746
Profit for the financial period	-	-	-	-		-	46,659	46,659
Foreign currency translations	-	(43)	-	-	-	-	-	(43)
Other comprehensive income, net of tax	-	(43)	-	-	-	-	-	(43)
Total comprehensive income	-	(43)	-	-	-	-	46,659	46,616
Realisation of revaluation surplus	-	-	-	(58)	-	-	58	-
Balance as at 31 March 2021	111,951	(40)	(39,500)	8,546	-	-	252,405	333,362

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) ESGP - Employees' Share Grant Plan

(3) ESOP - Employees' Share Option Plan

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2022 [1]

	3 months ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	29,294	47,013
Adjustments for:		
Amortisation of government grant	(34)	(34)
Depreciation of:		
- property, plant and equipment	1,737	1,095
- right-of-use assets	427	573
Fair value adjustment on derivative assets	7	119
Gain on lease modification	-	(2)
Impairment losses on:		
- contract assets	375	47
- trade receivables	1,136	621
Interest expense	126	237
Interest income	(201)	(137)
Loss on disposal of property, plant and equipment	18	58
Property, plant and equipment written off	207	-
Provision for warranties	2,867	3,862
Reversals of:		
- impairment losses on contract assets	(36)	(332)
- impairment losses on trade receivables	(656)	(527)
- unused provision for warranties	(1,020)	(9,088)
Share grant expenses	987	-
Unrealised loss/(gain) on foreign exchange	995	(4,489)
Operating profit before changes in working capital	36,229	39,016
Decrease in inventories	395	4,688
Increase in trade and other receivables	(17,015)	(89,640)
(Increase)/Decrease in contract assets	(14,400)	12,849
Increase in trade and other payables	16,578	12,690
Increase in contract liabilities	101,302	55,136
Cash generated from operations	123,089	34,739
Interest paid	(109)	(219)
Interest received	201	137
Tax paid	(162)	(181)
Net cash from operating activities	123,019	34,476

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2022 [1]

	3 months ended	
	31/03/2022	31/03/2021
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	12	161
Purchases of:		
- property, plant and equipment	(30,454)	(1,930)
- right-of-use assets	(17,835)	(36)
Net changes in deposits with a licensed bank (more than three months)	-	(5,011)
Net cash used in investing activities	(48,277)	(6,816)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
- issuance of ordinary shares	24	-
Repayments of:		
- lease liabilities	(130)	(368)
- term loans	(275)	(349)
Net cash used in financing activities	(381)	(717)
Net changes in cash and cash equivalents	74,361	26,943
Effects of exchange rate changes on cash and cash equivalents	(1,502)	1,854
Cash and cash equivalents at beginning of financial period	320,428	284,023
Cash and cash equivalents at end of financial period	393,287	312,820
Cash and cash equivalents comprise the following at end of financial period:		
Cash and bank balances	178,156	46,663
Deposits with a licensed bank (more than three months)	-	6,518
Short term funds	215,131	266,157
	393,287	319,338
Less: Deposits with a licensed bank (more than three months)	-	(6,518)
	393,287	312,820

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (1)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities RM'000	Term loans RM'000
Balance as at 1 January 2022	3,654	16,117
Cash flows	(130)	(275)
Non-cash flows		
- addition of lease liabilities	28	-
- translation difference	24	-
- unwinding of interest	17	-
Balance as at 31 March 2022	3,593	15,842

	Lease liabilities RM'000	Term loans RM'000
Balance as at 1 January 2021	1,754	18,618
Cash flows	(368)	(349)
Non-cash flows		
- addition of lease liabilities	3,896	-
- effects of lease modification	(53)	-
- unwinding of interest	18	-
Balance as at 31 March 2021	5,247	18,269

(1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

Part A - Explanatory Notes Pursuant To MFRS 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial report of Greatech Technology Berhad ("**Company**" or "**Greatech**") and its subsidiaries (collectively known as "**Group**") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRSs**") 134 *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**").

This interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the latest audited financial statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations.

a) New and revised MFRSs, Amendments to MFRSs and IC interpretations adopted during the financial year

Title	Effective date
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018−2020"	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022

The adoption of the above accounting standards and interpretations have no impact on the financial statements of the Group upon their initial application.

b) New and revised MFRSs, Amendments to MFRSs and IC interpretations, but only effective for annual periods beginning on or after 1 January 2023

The following are standards of the MFRSs Framework that have been issued by the Malaysian Accounting Standards Board but have not been early adopted by the Group:

Title	Effective date
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-Current*	1 January 2023
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contracts - Initial Application of MFRS 17 and 9 - Comparative Information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A3. Audit Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2021.

A4. Seasonal or Cyclical Factors

The Group did not experience any material seasonality or cyclicality in the business as the demand for the products and services are neither subject to seasonal fluctuations nor cyclical variations.

A5. Material Unusual Items

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

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current financial quarter under review.

A7. 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 under review.

The Company had issued 4,450 new ordinary shares at an exercise price of RM5.475 pursuant to the Employees' Share Option Plan ("**ESOP**").

A8. Dividend Paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental Reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the sale of automated equipment together with provision of parts and services.

No provision of parts and services segment information is presented as the Chief Executive Officer ("**CEO**") views the Group as a single reportable segment.

A10. Valuations of Property, Plant and Equipment and Right-Of-Use Assets

The valuations of buildings and leasehold land classified under Property, Plant and Equipment and Right-Of-Use Assets respectively is performed by an independent professional valuer using the open market value basis on 31 December 2020.

A11. Material Events Subsequent to the end of the Interim Financial Period

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A12. Changes in Group's Composition

There were no changes in the composition of the Group during the current financial quarter under review.

A13. Contingent Assets and Contingent Liabilities

There were no material contingent assets or contingent liabilities to be disclosed as at the date of this interim financial report.

A14. Capital Commitments

Save as disclosed below, as at 31 March 2022, the Group does not have any material capital commitments:

Property, Plant and Equipment	**RM'000**
- Approved and contracted for	38,561

Capital commitments of the Group relate to the building cost for its new operational facilities at Batu Kawan Industrial park, plant and machinery, tools and equipment, furniture and fittings, electrical installations, office equipment, renovations and computer systems.

A15. Significant Related Party Transactions

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

A16. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial quarter under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

Part B - Additional Information Required by the Main Market Listing Requirements of Bursa Securities

B1. Review of Group's Performance

Comparison with prior year corresponding quarter results

The Group's revenue of RM102.16 million for the current financial quarter were 7.38% or RM7.01 million higher than that of prior year corresponding quarter. Revenue from the Single Automated Equipment ("**SAE**") and Provision of Parts & Services ("**PSS**") increased RM11.32 million and RM0.68 million respectively in current financial quarter. The increased of both SAE and PSS revenue was primarily from the revenue generated in electric vehicle ("**EV**") energy storage driven by several orders secured in 3rd quarter 2021 for invoicing in the early of 2022 and increased sales of parts and services. This was offset by a RM4.99 million decrease in revenue generated from Production Line Systems ("**PLS**") due to the lengthening global supply chain which negatively impact the cycle time of the projects.

The Group has recorded a lower gross profit ("**GP**") and GP margin of RM35.21 million and 34.47% respectively, as compared to RM49.38 million and 51.90% respectively in the prior year corresponding quarter. The normalised GP margin without the net warranty impact was 36.27% and 46.41% respectively for current financial quarter and prior year corresponding quarter. The current financial quarter's margin was mainly impacted by (i) increase in project expenditures as the new projects secured were in the fabrication and assembly stage; (ii) increase in subcontract charges to ensure timely delivery of projects. COVID-19 new variant related operational inefficiencies arising from closed contact quarantine measures to minimise exposure has also reduced manpower capacity and added subcontract cost to projects to meet delivery; and (iii) prior year corresponding quarter also benefited from favourable GP margin mix realised from installation and commissioning revenue.

The Group's profit before tax ("**PBT**") for the current financial quarter has decreased by RM17.72 million or 37.69% as compared to the prior year corresponding quarter. The normalised PBT margin without the net warranty impact was 30.48% and 43.92% respectively for current financial quarter and prior year corresponding quarter. The decrease in PBT was primarily contributed by the decline of GP amounting to RM14.17 million, share grant expenses of RM0.99 million and lesser net foreign exchange gain of RM3.09 million.

B2. Comparison with Immediate Preceding Quarter's Results

The Group's revenue for the current financial quarter ended 31 March 2022 has increased by RM26.77 million or 35.51% as compare to the preceding financial quarter ended 31 December 2021. The revenue increase was driven by the progress of new projects secured in late 2021 in comparison to lower revenue recognised in last quarter where new projects secured was yet to reach the milestone for revenue recognition.

Despite the increase of revenue, the Group's gross profit ("**GP**") decreased by RM1.97 million or 5.29% as compared to preceding financial quarter. The GP margin has also reduced from 49.32% in preceding financial quarter to 34.47% in current financial quarter. The normalised GP margin without the net warranty impact was 36.27% and 39.73% respectively for current financial quarter and immediate preceding quarter. The margin declined was primarily due to (i) increase in project expenditures as the new projects secured were in the fabrication and assembly stage; and (ii) increase in subcontract charges to ensure timely delivery of projects. COVID-19 related operational inefficiencies arising from closed contact quarantine measures has also reduced manpower capacity and added subcontract cost to projects.

The profit before tax ("PBT") of the Group for the current financial quarter was decreased by RM0.97 million as compared to preceding financial quarter. The normalised PBT margin without the net warranty impact was 30.48% and 30.55% respectively for current financial quarter and prior year corresponding quarter.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B3. Commentary on Prospects

Coming off a strong year in 2021, the Group business continued to be influenced by persistent supply chain bottlenecks, which not only lead to rises in the cost of materials, components and freight, but also impacted the project execution and production efficiencies. The Group believes that as the conditions of supply chain improves, it will enable execution and orders conversion of ongoing customer, which will accelerate our growth in revenue throughout 2022.

Despite geopolitical tensions, persistent COVID-19 pandemic with renewed lockdowns in Shanghai, China, global supply chain constraint and increasingly inflationary environment, the demand for environmental and sustainability related solutions continued to benefit positively from the increased in investment driven by technological change in e-mobility and energy industry. The group anticipate that supply-chain constraint will continue to pose pressure in our industries. The Group is working closely with its suppliers to address these challenges and remain focused on executing its strategy for long-term profitable growth.

As of 9 May 2022, the Group's order book stood at RM467.00 million, which is expected to last until first half of 2023.

B4. Profit Forecast

The Group did not issue any profit forecast during the financial quarter under review.

B5. Status of Corporate Proposals

There were no corporate proposals announced but not completed for the current financial quarter under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B6. Tax Expense

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Malaysian income tax				
- Current tax	(102)	(120)	(102)	(120)
- Deferred tax	-	-		-
Withholding tax expense	(260)	(234)	(260)	(234)
	(362)	(354)	(362)	(354)
Effective tax rate	1.24%	0.75%	1.24%	0.75%

The overall effective tax rate for the financial period of the Group was lower than the statutory tax rate of 24% as the subsidiary, Greatech Integration (M) Sdn. Bhd., was granted pioneer status by Ministry of International Trade and Industry of Malaysia under the Promotion of Investments Act, 1986 on 29 March 2013, for a period of five (5) years up to 28 March 2018, which was subsequently extended for another five (5) years to 28 March 2023. As such, its statutory income during this period is exempted from income tax.

Withholding tax expense is related to foreign withholding tax liability from sales of production line systems and provision of engineering services to a customer in certain jurisdiction. Due to complexity of the tax law, significant judgement is required in evaluating the tax positions, including uncertainties. There is no assurance of refundability. Thus, the Group has decided to expense the withholding tax to the statement of profit or loss and other comprehensive income.

B7. Use of Proceeds from the Initial Public Offering ("IPO")

The gross proceeds of RM73.05 million raised from the Public Issue and status of utilisation as at 31 March 2022 is disclosed in the following manner:

Purposes	Estimated time frame for utilisation upon Listing	Proposed utilisation RM'000	Actual utilisation RM'000	Percentage utilised %
Business expansion and development, and marketing activities	Within 48 months	18,000	10,104	56%
Capital expenditure	Within 24 months	5,000	5,000	100%
R&D expenditure	Within 24 months	5,000	5,000	100%
Working capital	Within 30 months	36,548	36,548	100%
Repayment of bank borrowings	Within 3 months	4,500	4,500	100%
Estimated listing expenses	Immediately	4,000	4,000	100%
Total		**73,048**	**65,152**	**89%**

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 May 2019.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B8. Borrowings and Debt Securities

The details of the Group's borrowings are as follows:

	Unaudited	
	31/03/2022	**31/03/2021**
	RM'000	**RM'000**
Secured:		
Current liabilities		
Term loans	1,100	1,430
Non-current liabilities		
Term loans	14,742	16,839
Total liabilities		
Term loans	15,842	18,269

B9. Material Litigation

As at the date of this interim financial report, there were no material litigations involving the Group.

B10. Proposed Dividend

The Board of Directors did not declare or recommend any dividend for the current financial quarter under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B11. Earnings Per Ordinary Share ("EPS")

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2022	**31/03/2021**	**31/03/2022**	**31/03/2021**
Profit after tax attributable to owners of the parent (RM'000)	28,932	46,659	28,932	46,659
Basic				
Weighted average number of ordinary shares in issue ('000)	1,252,135	1,252,000	1,252,135	1,252,000
Basic EPS (sen) [(1)]	2.31	3.73	2.31	3.73
Diluted				
Weighted average number of ordinary shares in issue ('000)	1,252,135	1,252,000	1,252,135	1,252,000
Effect of dilution due to employee share option plan ('000)	440	153	440	153
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	1,252,575	1,252,153	1,252,575	1,252,153
Diluted EPS (sen) [(2)]	2.31	3.73	2.31	3.73

(1) Basic EPS for the financial period is calculated by dividing the profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period.

(2) Diluted EPS for the financial period is calculated by dividing the profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period/year adjusted for the effects of dilutive potential ordinary shares.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B12. Profit Before Tax

Included in profit before tax for the financial period are the following income/(expense) items:

	Individual Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31/03/2022 RM'000	31/03/2021 RM'000	31/03/2022 RM'000	31/03/2021 RM'000
Amortisation of government grant	34	34	34	34
Depreciation of:				
- property, plant and equipment	(1,737)	(1,095)	(1,737)	(1,095)
- right-of-use assets	(427)	(573)	(427)	(573)
Fair value adjustment on derivative liabilities	(7)	(119)	(7)	(119)
Gain on lease modification	-	2	-	2
Impairment losses on:				
- contract assets	(375)	(47)	(375)	(47)
- trade receivables	(1,136)	(621)	(1,136)	(621)
Interest expense	(126)	(237)	(126)	(237)
Interest income	201	137	201	137
Loss on disposal of property, plant and equipment	(18)	(58)	(18)	(58)
Property, plant and equipment written off	(207)	-	(207)	-
Provision for warranties	(2,867)	(3,862)	(2,867)	(3,862)
Realised gain on foreign exchange	4,094	1,698	4,094	1,698
Reversals of:				
- impairment losses on contract assets	36	332	36	332
- impairment losses on trade receivables	656	527	656	527
- unused provision for warranties	1,020	9,088	1,020	9,088
Share grant expenses	987	-	987	-
Unrealised (loss)/gain on foreign exchange	(995)	4,489	(995)	4,489

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