

**Mega First Corporation Berhad**  
Registration No. 196601000210 (6682-V)  
Incorporated in Malaysia

**Interim Financial Report**  
**30 June 2022**

**Mega First Corporation Berhad**  
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Profit or Loss and Other  
Comprehensive Income  
For The 6-Month Period Ended 30 June 2022**

	2nd Quarter Ended		6-Month Period Ended		
	30.6.2022	30.6.2021	30.6.2022	30.6.2021	
	RM'000	RM'000	RM'000	RM'000	
Revenue	331,865	207,839	604,249	401,557	
Cost of sales	(189,357)	(89,677)	(342,973)	(184,460)	
Gross profit	142,508	118,162	261,276	217,097	
Other (expenses)/income	(1,192)	1,504	(3,941)	4,601	
Operating expenses	(13,858)	(10,896)	(27,500)	(21,177)	
Profit from operations	127,458	108,770	229,835	200,521	
Finance costs	(6,517)	(5,076)	(12,577)	(9,959)	
Share of results in equity accounted investments, net of tax	5,309	-	9,450	-	
Profit before tax	126,250	103,694	226,708	190,562	
Income tax expense	(4,525)	(1,162)	(8,500)	(2,444)	
Profit after tax for the period	121,725	102,532	218,208	188,118	
Other comprehensive income	63,576	18,231	40,444	122,712	
Total comprehensive income for the period	185,301	120,763	258,652	310,830	
Profit after tax attributable to:					
Owners of the Company	100,840	87,318	182,178	160,661	
Non-controlling interests	20,885	15,214	36,030	27,457	
	121,725	102,532	218,208	188,118	
Total comprehensive income attributable to:					
Owners of the Company	153,018	105,197	209,058	277,902	
Non-controlling interests	32,283	15,566	49,594	32,928	
	185,301	120,763	258,652	310,830	
EPS - Basic (sen)	B11	10.67	9.22	19.27	16.96

The notes set out on pages 7 to 29 form an integral part and should be read in conjunction with this interim financial report.

**Mega First Corporation Berhad**  
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2022**

	<b>Unaudited As At 30.6.2022 RM'000</b>	<b>Audited As At 31.12.2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Service concession asset	1,991,611	1,922,289
Property, plant and equipment	478,160	410,393
Investment properties	165,203	165,203
Right of use assets	150,810	129,325
Investment in quoted shares	138,497	200,067
Inventories	43,443	43,443
Joint Ventures and Associates	166,871	145,952
Goodwill on consolidation	54,673	54,673
Other assets	1,581	1,157
	<b>3,190,849</b>	<b>3,072,502</b>
<b>Current Assets</b>		
Inventories	155,230	128,858
Receivables	378,703	408,666
Contract assets	1,481	1,587
Bank balances and deposits	413,466	257,649
	<b>948,880</b>	<b>796,760</b>
<b>TOTAL ASSETS</b>	<b>4,139,729</b>	<b>3,869,262</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Owners Of The Company</b>		
Share capital	743,121	743,121
Treasury shares	(37,261)	(36,869)
Reserves	1,862,824	1,686,852
	<b>2,568,684</b>	<b>2,393,104</b>
Non-Controlling Interests	398,066	346,472
<b>Total Equity</b>	<b>2,966,750</b>	<b>2,739,576</b>
<b>Non-Current Liabilities</b>		
Long-term borrowings	480,890	504,586
Deferred tax liabilities	124,549	119,508
Put option liability	91,019	89,657
Lease liabilities	15,224	15,589
Payables	564	540
	<b>712,246</b>	<b>729,880</b>
<b>Current Liabilities</b>		
Payables	156,064	118,515
Short-term borrowings	298,728	273,295
Lease liabilities	5,941	7,996
	<b>460,733</b>	<b>399,806</b>
<b>Total Liabilities</b>	<b>1,172,979</b>	<b>1,129,686</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,139,729</b>	<b>3,869,262</b>
<b>Net Assets Per Ordinary Share (RM)</b>	<b>2.72</b>	<b>2.53</b>

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**Mega First Corporation Berhad**  
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**For the 6-month period ended 30 June 2022**

	← Non-Distributable →				Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve/ (Deficit) RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2021	743,121	(30,046)	(52,790)	33,955	27,394	1,205,876	1,927,510	238,102	2,165,612
Total comprehensive income for the period	-	-	48,019	69,222	-	160,661	277,902	32,928	310,830
Contributions by and distributions to owners of the Company:									
- Dividends to shareholders of the Company	-	-	-	-	-	(30,789)	(30,789)	-	(30,789)
Gain on accretion of interest in a subsidiary	-	-	-	-	-	2,869	2,869	(2,869)	-
Subscription of shares in subsidiary by non-controlling interest	-	-	-	-	-	-	-	3,510	3,510
Gain arising from disposal of equity investments recycled to retained profits	-	-	-	384	-	(384)	-	-	-
Balance at 30.6.2021	743,121	(30,046)	(4,771)	103,561	27,394	1,338,233	2,177,492	271,671	2,449,163

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**Mega First Corporation Berhad**  
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**Unaudited Condensed Consolidated Statement of Changes in Equity (Cont'd)**  
**For the 6-month period ended 30 June 2022**

	← Non-Distributable →				Distributable					Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve/ (Deficit) RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Other Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non- Controlling Interests RM'000	
Balance at 1.1.2022	743,121	(36,869)	847	140,324	27,394	(88,556)	1,606,843	2,393,104	346,472	2,739,576
Total comprehensive income for the period	-	-	88,475	(61,595)	-	-	182,178	209,058	49,594	258,652
Contributions by and distributions to owners of the Company:										
- Dividends to shareholders of the Company	-	-	-	-	-	-	(33,086)	(33,086)	-	(33,086)
Purchase of treasury shares	-	(392)	-	-	-	-	-	(392)	-	(392)
Subscription of shares in subsidiaries by non-controlling interest	-	-	-	-	-	-	-	-	2,000	2,000
Balance at 30.6.2022	743,121	(37,261)	89,322	78,729	27,394	(88,556)	1,755,935	2,568,684	398,066	2,966,750

**Mega First Corporation Berhad**  
**Registration No. 196601000210 (6682-V)**

**Unaudited Condensed Consolidated Statement of Cash Flows**  
**For the 6-month period ended 30 June 2022**

	<b>6 Months Period Ended</b>	
	<b>30.6.2022</b>	<b>30.6.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	226,708	190,562
Adjustments for non-cash flow - Non-cash items	62,092	50,509
- Non-operating items	2,855	5,319
Operating profit before working capital changes	291,655	246,390
Changes in working capital - Net change in assets	(3,854)	26,058
- Net change in liabilities	44,567	4,738
Cash from operations	332,368	277,186
Income tax paid	(2,131)	(2,737)
<b>Net cash from operating activities</b>	<b>330,237</b>	<b>274,449</b>
<b>Cash flows for investing activities</b>		
Cash outflow for Don Sahong Hydropower Project	(46,674)	(18,235)
Dividends received	712	410
Interest received	7,636	4,211
Investment in joint ventures and associates	(11,469)	-
Payments for purchase of:		
- property, plant and equipment	(35,930)	(59,849)
- right of use assets	(25,077)	(880)
- other intangible assets	(582)	-
- quoted shares	(26)	(217)
Proceeds from disposal of:		
- property, plant and equipment	12	22
- quoted shares	-	402
<b>Net cash for investing activities</b>	<b>(111,398)</b>	<b>(74,136)</b>

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**Mega First Corporation Berhad**  
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**Unaudited Condensed Consolidated Statement of Cash Flows (Cont'd)**  
**For the 6-month period ended 30 June 2022**

	<b>6 Months Period Ended</b>	
	<b>30.6.2022</b>	<b>30.6.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows for financing activities</b>		
Dividends paid to:		
- shareholders of the Company	(33,086)	(30,789)
Finance costs paid	(11,215)	(9,959)
Net repayment of:		
- Revolving credits, trade financing and loans	9,012	41
- Lease liabilities	(2,612)	(2,605)
- Term loans	(34,047)	(3,530)
Proceeds from issuance of shares by subsidiaries to non-controlling interests	2,000	3,510
Purchase of treasury shares	(392)	-
Placement of deposits pledged with banks	471	474
<b>Net cash for financing activities</b>	<b>(69,869)</b>	<b>(42,858)</b>
<b>Effect of foreign exchange translation</b>	<b>8,248</b>	<b>2,994</b>
<b>Net increase in cash and cash equivalents</b>	<b>157,218</b>	<b>160,449</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>251,937</b>	<b>89,949</b>
<b>Cash and cash equivalents at end of the period</b>	<b>409,155</b>	<b>250,398</b>
Cash and cash equivalents included in the statement of cash flows comprise the following amounts:		
Bank balances and deposits	413,466	254,882
Bank overdrafts	-	(1,300)
	413,466	253,582
Less:		
- Deposits pledged with licensed banks	(4,311)	(3,184)
	409,155	250,398

The notes set out on pages 7 to 29 form an integral part and should be read in conjunction with this interim financial report.

**Notes to the interim financial report**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of preparation**

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”), Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Issuers Communication No. 1/2017 - Guidance on Disclosures in Notes to Quarterly Report issued by Bursa Malaysia.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

- (a) During the current quarter and 6-month period ended 30 June 2022, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments):

**MFRSs and/or IC Interpretations (including the Consequential Amendments)**

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment –  
Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2021

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any impact on the Group’s financial statements.

- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the MASB but are not yet effective for the financial year ending 31 December 2022:

**MFRSs and/or IC Interpretations (including the Consequential Amendments)**

**Effective Date**

MFRS 17 Insurance Contracts	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
Amendments to MFRS 17 - Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	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: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

Other than as disclosed above, the accounting policies and methods of computation adopted by the Group in preparing this interim financial report are consistent with those in the financial statements for the financial year ended 31 December 2021.



**A2. Qualification of financial statements**

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

**A3. Seasonal or cyclical factors**

The Group's principal business operations were not significantly affected by seasonal or cyclical factors other than its Renewable Energy Division where hydropower generation is subject to seasonal fluctuation of the water level. Normally, the water level will peak between June to November during the wet season. More detailed commentary is set out in B3 and B4 to these financial statements.

**A4. Unusual item**

There was no item affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size or incidence in these financial statements.

**A5. Nature and amount of changes in estimates**

There was no change in estimates of amounts reported in prior periods that have a material effect in the period under review.

**A6. Debt and equity securities**

	Number of Ordinary Shares		← Amount →	
	Share Capital (Issued and Fully Paid) '000	Treasury Shares '000	Share Capital (Issued and Fully Paid) RM'000	Treasury Shares RM'000
At 1 January 2022	988,352	(42,932)	743,121	(36,869)
Shares repurchased in current period	-	(114)	-	(392)
At 30 June 2022	<u>988,352</u>	<u>(43,046)</u>	<u>743,121</u>	<u>(37,261)</u>

Of the total 988,352,102 issued ordinary shares as at 30 June 2022, 43,046,300 ordinary shares were held as treasury shares by the Company. Accordingly, the number of outstanding ordinary shares in issue as at 30 June 2022 was therefore 945,305,802.

Other than as disclosed above, there was no issuance and repayment of debt and equity securities, share cancellations, shares held as treasury shares and resale of treasury shares in these financial statements.

**A7. Segment information**

<b>6-Month Period Ended 30 June 2022</b>	<b>Renewable Energy RM'000</b>	<b>Resources RM'000</b>	<b>Packaging RM'000</b>	<b>Investment Holding &amp; Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External revenue	276,884	95,236	195,521	36,608	-	604,249
Inter-segment revenue	-	-	-	900	(900)	-
Consolidated revenue	276,884	95,236	195,521	37,508	(900)	604,249
<b>Results</b>						
Profit from operations	198,003	9,425	20,771	3,273	(1,637)	229,835
Finance costs						(12,577)
Share of profit in equity accounted investments						9,450
Profit before tax						226,708
Income tax expense						(8,500)
Profit after tax						218,208

<b>6-Month Period Ended 30 June 2021</b>	<b>Renewable Energy RM'000</b>	<b>Resources RM'000</b>	<b>Packaging RM'000</b>	<b>Investment Holding &amp; Others RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>						
External revenue	252,388	80,042	60,694	8,433	-	401,557
Inter-segment revenue	-	-	-	159,329	(159,329)	-
Consolidated revenue	252,388	80,042	60,694	167,762	(159,329)	401,557
<b>Results</b>						
Profit from operations	184,941	10,705	5,185	158,879	(159,189)	200,521
Finance costs						(9,959)
Profit before tax						190,562
Income tax expense						(2,444)
Profit after tax						188,118

**A8. Dividend paid**

The details of dividend paid during the current quarter and 6-month period ended 30 June 2022 are disclosed in B9 to these financial statements.

**A9. Valuation of property, plant and equipment**

There was no revaluation of property, plant and equipment during the period reported up to 11 August 2022, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

**A10. Significant events during the reporting period**

There was no significant event during the reporting period.

**A11. Significant event subsequent to the end of the reporting period**

There was no significant event subsequent to the end of the period reported up to 11 August 2022, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

**A12. Changes in composition of the Group**

The change in the composition of the Group for current quarter and 6-month period ended 30 June 2022 is disclosed as follows:

1. On 26 January 2022, the Company incorporated a wholly-owned subsidiary, namely Mega Ventures Limited with an issued and paid-up capital of USD1,000. The principal activity of Mega Ventures Limited is that of investment holding.
2. On 7 February 2022, the Company incorporated a wholly-owned subsidiary, namely TT Kinta Sdn Bhd with an issued and paid-up capital of RM5,000. The principal activity of TT Kinta Sdn Bhd is that of investment holding.
3. On 14 February 2022, the Company incorporated a 100%-owned subsidiary, namely Integrated Smart Technologies Sdn Bhd ("IST") with an issued and paid-up capital of RM3. The principal activity of IST is that of investment holding. The Group's shareholding in IST was subsequently reduced to 28.83% following allotment of new IST shares on 25 February 2022 and 1 April 2022.
4. On 29 March 2022, the Company incorporated a 50.05%-owned subsidiary, namely United Excellence Sdn Bhd with issued and paid-up capital of RM1,001. The principal activity of United Excellence Sdn Bhd is that of investment holding.

**A13. Changes in contingent liabilities and assets**

(a) Contingent liability

On 5 October 2016, Idaman Harmoni Sdn. Bhd. ("IHSB"), an indirect 65%-owned subsidiary of the Company, was served with the following notices of assessment showing additional taxes and penalties totaling RM22,795,912:

- (i) Notice of Additional Assessment dated 20 September 2016 for Year of Assessment ("YA") 2010 whereby additional tax (inclusive of penalty of 50%) of RM37,763.50 has been imposed by the Inland Revenue Board of Malaysia ("IRBM") ("Form JA").
- (ii) Notice of Reduced Assessment dated 23 September 2016 for YA 2009 whereby tax of RM35,429.00 has been reduced by IRBM ("Form JR").
- (iii) Notice of Assessment dated 23 September 2016 for YA 2009 whereby tax (inclusive of penalty of 100%) of RM22,793,577.50 has been imposed by IRBM ("Form J").

There will be additional late payment penalty imposition of up to 15.5% on the above unpaid taxes and penalties.

The abovementioned taxes and penalties imposed by IRBM are in relation to a joint venture entered into by IHSB as the landowner with a property developer for the construction of an office and residential property known as PJ8 pursuant to an agreement dated 23 April 2004.

The IRBM has taken the view that there is a deemed disposal of the PJ8 property by IHSB which is subject to income tax. This transaction was treated by IHSB as a capital transaction which was liable to Real Property Gains Tax in Year 2004. IHSB is a property investment company and has not disposed of any of its PJ8 properties since completion.

Based on advice from both its tax consultants and solicitors, IHSB is of the view that the assessment raised by IRBM are statute barred and erroneous in law. IHSB filed its appeals against the assessments to the Special Commissioners of Income Tax ("SCIT") on 28 October 2016. On 1 September 2021, SCIT dismissed IHSB's appeals.

IHSB registered the appeal with the High Court on 15 September 2021. On 18 April 2022, the High Court Judge allowed IHSB's appeal.

On 20 April 2022, IRBM filed an appeal with the Court of Appeal against the decision of the High Court. The Court of Appeal has fixed next case management on 27 September 2022.

**A13. Changes in contingent liabilities and assets (Cont'd)**

(a) Contingent liability (Cont'd)

By virtue of the consent judgement with the Government dated 5 October 2018, IHSB does not have to pay the taxes imposed by IRBM under the Assessments until all legal avenues have been exhausted.

Other than as disclosed above, there was no material contingent liability as at 11 August 2022, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

(b) Contingent asset

The Group has no contingent asset as at 11 August 2022, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

**A14. Capital commitments**

As at 30 June 2022, the Group has the following capital commitments:

	<b>RM'000</b>
<b>Property, plant and equipment</b>	
Authorised but not provided for:	
- Contracted	278,366
- Non-contracted	219,205
	<hr/>
	497,571
	<hr/> <hr/>

**A15. Significant related party transactions**

There was no significant related party transaction during the current quarter and 6-month period ended 30 June 2022 other than the following commitment made by the Company:

	<b>As at 30.6.2022 RM'000</b>
Corporate guarantees given to lenders and a supplier of joint ventures and associates	425,505
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**A16. Derivative financial instruments**

	<b>30.6.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b><u>Derivative liability</u></b>		
Put option liability over shares of a subsidiary held by non-controlling interest	91,019	89,657

The Company entered into a Put Option Agreement with the minority shareholders of a subsidiary whereby the minority shareholders have the right to require the Company to buy their equity interest in the subsidiary in accordance to the terms of the Put Option Agreement.

The obligation by the Company to purchase subsidiary's equity interest held by the minority interest is initially recognised as put option liability with a corresponding charge direct to equity (classified as "Other Reserve"). Subsequent to the initial recognition, the put option will be remeasured at fair value and any changes in fair value is recognised in profit or loss. During the 6-month period ended 30 June 2022, a fair value loss of RM1,362,000 is recognised in profit or loss.

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Performance review - Current quarter ended 30 June 2022 ("2Q2022") versus ("vs") the corresponding quarter ended 30 June 2021 ("2Q2021")**

	<b>2Q2022</b>	<b>2Q2021</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	331,865	207,839	124,026	59.7%
Other (expense)/income, net	(1,192)	1,504	(2,696)	-179.3%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	153,863	132,728	21,135	15.9%
Operating profit	127,458	108,770	18,688	17.2%
Profit before tax	126,250	103,694	22,556	21.8%
Profit after tax	121,725	102,532	19,193	18.7%
Profit after tax attributable to owners of the Company	100,840	87,318	13,522	15.5%
<b>Revenue</b>				
Renewable Energy	151,526	138,153	13,373	9.7%
Resources	49,916	35,478	14,438	40.7%
Packaging	100,731	30,014	70,717	235.6%
Sub-total	302,173	203,645	98,528	48.4%
Investment holding & others	29,692	4,194	25,498	608.0%
<b>Total revenue</b>	<b>331,865</b>	<b>207,839</b>	<b>124,026</b>	<b>59.7%</b>
<b>Profit before tax</b>				
Renewable Energy	108,089	98,653	9,436	9.6%
Resources	3,800	4,371	(571)	-13.1%
Packaging	9,313	1,401	7,912	564.7%
Sub-total	121,202	104,425	16,777	16.1%
Investment holding & others	5,048	(731)	5,779	790.6%
<b>Total profit before tax</b>	<b>126,250</b>	<b>103,694</b>	<b>22,556</b>	<b>21.8%</b>
<b>Additional Information:</b>				
Share of profit in joint ventures and associates	5,309	-	5,309	na

**B1. Performance review - 2Q2022 vs 2Q2021 (Cont'd)**

Group revenue in the current quarter surged 59.7% to RM331.9 million (2Q2021: RM207.8 million) underpinned by higher sales contribution across all three core divisions. Notably, the Renewable Energy Division registered a 9.7% top-line growth to RM151.5 million, while that of the Packaging Division and the Resources Division came in 236% higher at RM100.7 million and 40.7% higher at RM49.9 million, respectively. Turnover of Investment Holding & Other Division jumped 608% to RM29.7 million mainly due to the recommencement of Serudong Power's operations in May 2022. During the quarter, Serudong Power contributed RM24.4 million to Group revenue (2Q2021: nil). Management decided to restart the plant to facilitate future disposal of the subsidiary.

Pre-tax profit rose 21.8% to RM126.3 million (2Q2021: RM103.7 million), spurred by a 9.6% increase in profit contribution from the Renewable Energy Division to RM108.1 million, a 565% jump in profit of the Packaging Division to RM9.3 million and share of profits in joint ventures and associates of RM5.3 million (2Q2021: nil). PBT of the Resources Division fell 13.1% to RM3.8 million. Serudong Power reported marginal RM0.1 million profit in the current quarter.

Edenor, the Group's 50%-owned oleochemical joint venture company, delivered a second sequential quarter of profits since returning to the black at the beginning of this year. In the current quarter, the Group recorded a RM4.3 million share of profit from Edenor, a 9.1% improvement from the preceding quarter. The newly acquired 28.83%-associate, Integrated Smart Technologies ("IST"), contributed its maiden share of profit of RM1.0 million in the current quarter.

**Renewable Energy Division**

Revenue at 9.7% higher was bolstered by a 3% increase in Laos energy sales volume, a 1% tariff adjustment from 1 Oct 2021, a stronger US Dollar exchange rate against Ringgit Malaysia and higher sale of solar energy of RM1.5 million (2Q2021: RM1.1 million) on higher installed C&I solar capacity.

Don Sahong's Equivalent Availability Factor (EAF) reached 98.0% in the current quarter, 2.8% higher than 95.2% recorded in the same period last year on higher average water levels.

During the quarter, Ringgit Malaysia weakened on average 5.4% against the US Dollar from 4.1284 to 4.3524.

Pre-tax profit advanced 9.6% to RM108.1 million (2Q2021: RM98.7 million), primarily on higher hydropower energy income in Laos.



**B1. Performance review - 2Q2022 vs 2Q2021 (Cont'd)**

**Resources Division**

The Resources Division registered sales growth of 40.7% year-on-year from RM35.5 million to RM49.9 million, underpinned by increases in both sales volume (+25.7%) and the average selling price ("ASP") (+16.3%) of lime products. Revenue contribution from non-lime products (including calcium carbonate powder, quarry by-products and cement bricks) declined slightly by 1.7% to RM4.0 million.

Demand for lime products benefitted from a recovery of both the domestic and regional economic activities as we transitioned from COVID pandemic to endemic phase. The increase in ASP was the result of progressive price adjustments to defray escalating input and energy costs. Petcoke cost in the current quarter was 75% higher than a year ago.

Pre-tax profit however fell 13.1% to RM3.8 million (2Q2021: RM4.4 million). The decline in pre-tax profit was attributable mainly to higher losses sustained by non-lime business and higher repair and maintenance expenses. Despite progressive price adjustments, margin of lime products continued to come under pressure from rising production and transport costs.

**Packaging Division**

The Packaging Division posted record quarterly revenue of RM100.7 million, representing a 236% year-on-year growth (2Q2021: RM30.0 million). The sterling performance was in part attributable to a RM53 million revenue contribution from Stenta (2Q2021: nil). The Group's converting business (Hexachase) registered a 59.1% increase in sales revenue from RM30.0 million to RM47.7 million, largely driven by stronger demand for paper bags and flexible packaging products from new and existing customers.

Pre-tax profit jumped 565% to RM9.3 million (2Q2021: RM1.4 million) on Stenta's RM5.6 million profit contribution and a 161% profit improvement in Hexachase on higher revenue and production efficiency improvements.

**B2. Performance review - Year-to-date 30 June 2022 (“1H2022”) versus (“vs”) corresponding Year-to-date 30 June 2021 (“1H2021”)**

	1H2022 RM'000	1H2021 RM'000	Changes	
			RM'000	%
Revenue	604,249	401,557	202,692	50.5%
Other (expense)/income, net	(3,941)	4,601	(8,542)	185.7%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	282,714	247,677	35,037	14.1%
Operating profit	229,835	200,521	29,314	14.6%
Profit before tax	226,708	190,562	36,146	19.0%
Profit after tax	218,208	188,118	30,090	16.0%
Profit after tax attributable to owners of the Company	182,178	160,661	21,517	13.4%
<b>Revenue</b>				
Renewable Energy	276,884	252,388	24,496	9.7%
Resources	95,236	80,042	15,194	19.0%
Packaging	195,521	60,694	134,827	222.1%
Sub-total	567,641 <sup>✓</sup>	393,124	174,517	44.4%
Investment holding & others	36,608	8,433	28,175	334.1%
<b>Total revenue</b>	<b>604,249</b>	<b>401,557</b>	<b>202,692</b>	<b>50.5%</b>
<b>Profit before tax</b>				
Renewable Energy	191,080	176,831	14,249	8.1%
Resources	9,099	10,361	(1,262)	-12.2%
Packaging	18,159	3,998	14,161	354.2%
Sub-total	218,338 <sup>✓</sup>	191,190	27,148	14.2%
Investment holding & others	8,370	(628)	8,998 <sup>✓</sup>	1432.8%
<b>Total profit before tax</b>	<b>226,708</b>	<b>190,562</b>	<b>36,146</b>	<b>19.0%</b>
<b>Additional Information:</b>				
Share of profit in joint ventures and associates	9,450	-	9,450	na

**B2. Performance review – 1H2022 vs 1H2021 (Cont'd)**

Group revenue grew by half to RM604.2 million (1H2021: RM401.6 million) in the first six months of 2022. All three core divisions registered higher turnover. Revenue of the Renewable Energy Division came in 9.7% higher at RM276.9 million. The Packaging division reported a 222% surge in revenue to RM195.5 million, while the Resources Division expanded sales by 19.0% to RM95.2 million. Turnover of Investment Holding & Others Division recorded a 334% increase to RM36.6 million primarily attributable to the recommencement of Serudong Power's operations in May 2022.

Group pre-tax profit rose 19.0% from RM190.6 million to RM226.7 million in 1H2022, bolstered by an 8.1% profit improvement from the Renewable Energy Division to RM191.1 million, a 354% jump in profit from the Packaging Division to RM18.2 million and a RM9.4 million (1H2021: nil) share of profit in joint ventures and associates. The Resources Division registered a 12.2% decline in PBT to RM9.1 million. Serudong Power recorded RM0.2 million profit to the Group in the current period.

The RM9.4 million share of profit in joint ventures and associates was mainly derived from RM8.2 million share of profit in the Group's 50%-owned oleochemical joint venture company, Edenor.

**Renewable Energy Division**

Don Sahong hydro energy sales volume rose 3.6% in the 6-month period ended 30 June 2022 on higher average water levels during this year's dry season. Plant efficiency, measured in term of Equivalent Availability Factor (EAF), improved from 88.3% a year ago to 91.4% in the period under review.

During the period, Ringgit Malaysia on average weakened 4.3% against the US Dollar from 4.096 to 4.2727. Together with a 1% tariff adjustment and 131% increase in solar revenue to RM2.9 million, revenue of the Renewable Energy Division rose 9.7% to RM276.9 million.

Pre-tax profit for the division grew 8.1% year-on-year to RM191.1 million (1H2021: RM176.8 million) mainly on higher hydro-energy sales revenue.

**B2. Performance review – 1H2022 vs 1H2021 (Cont'd)**

**Resources Division**

Revenue of the Resources Division posted a growth rate of 19.0% from RM80.0 million in 1H2021 to RM95.2 million in 1H2022, led by increases in both the ASP (+11.9%) and sales volume (+8.7%) of lime products. Stronger demand for lime products was bolstered by improved economic activities in Malaysia and the export markets as the region transitioned from COVID pandemic to endemic phase.

Revenue contribution from non-lime products fell marginally by 2.1% to RM8.6 million in 1H2022.

Despite the higher revenue, pre-tax profit declined 12.2% to RM9.1 million in 1H2022 (1H2021: RM10.4 million) primarily due to higher losses suffered by non-lime products and higher repair and maintenance expenses. Margin of lime products continued to be under pressure due to escalating production and transport costs.

**Packaging Division**

Revenue of the Packaging Division surged 222.1% to RM195.5 million (1H2021: RM60.7 million), bolstered by the consolidation of Stenta's revenue of RM108.2 million (1H2021: Nil) and a 43.8% increase in revenue of Hexachase to RM87.3 million (1H2021: RM60.7 million).

Hexachase's sales improvement was mainly driven by higher demand for its flexible plastic packaging products and paper bags from both new and existing customers.

Pre-tax profit surged 354% year-on-year from RM4.0 million in 1H2021 to RM18.2 million in the first 6 months of 2022 due to the consolidation of Stenta's profit and a 48.8% increase in earnings contribution from Hexachase to RM6.0 million (1H2021: RM4.0 million). The improvement in PBT margin of Hexachase was attributable to higher revenue and production efficiency gains.

**B2. Performance review – 1H2022 vs 1H2021 (Cont'd)**

(a) Assets and Liabilities as at 30 June 2022

Changes in key assets and liabilities since 31 December 2021 are explained below:

<b>Asset/Liability Items</b>	<b>As At 30.6.2022 RM'000</b>	<b>As At 31.12.2021 RM'000</b>	<b>Changes RM'000</b>	<b>Explanation</b>
Service concession asset	1,991,611	1,922,289	69,322	The increase was due to RM110.8 million translation gain, partially offset by amortisation charge of RM41.5 million.
Property, plant and equipment ("PPE")	478,160	410,393	67,767	The increase was mainly due to RM82.6 million CAPEX, partially offset by RM14.9 million depreciation charge.  CAPEX for the period comprised mainly the following:  (a) RM50.7 million by RE Division mainly for 5 <sup>th</sup> turbine expansion and C&I solar projects; (b) RM24.6 million by Packaging Division for capacity expansion; and (c) RM6.1 million for plantation development.
Investment properties	165,203	165,203	-	No movement in the current period.
Right-Of-Use ("ROU") assets	150,810	129,325	21,485	The increase was mainly due RM25.1 million land acquisitions by the Packaging and Resources divisions for expansion, partially offset by RM3.9 million depreciation charge.

**B2. Performance review – 1H2022 vs 1H2021 (Cont'd)**

(a) Assets and Liabilities as at 30 June 2022 (Cont'd)

Changes in key assets and liabilities since 31 December 2021 are explained below: (Cont'd)

<b>Asset/Liability Items</b>	<b>As At 30.6.2022 RM'000</b>	<b>As At 31.12.2021 RM'000</b>	<b>Changes RM'000</b>	<b>Explanation</b>
Investment in quoted shares	138,497	200,067	(61,570)	The decrease was due to fair value loss of quoted securities.
Investment in joint ventures and associates	166,871	145,952	20,919	The increase was due to RM11.5 million additional equity investment and share of profit for the period.
Inventories (non-current)	43,443	43,443	-	No movement in the current period.
Inventories (current)	155,230	128,858	26,372	The increase was in line with higher revenue base of the Group's manufacturing activities.
Receivables	378,703	408,666	(29,963)	The decrease was mainly due to lower trade receivable from Électricité du Laos ("EDL"), partially offset by higher receivable in the Packaging Division (on higher revenue) and increased receivable of Serudong Power (following the recommencement of power operations in May 2022). Trade receivable turnover for EDL remains within the normal range of 4-5 months.
Deferred tax liabilities	124,549	119,508	5,041	The increase was mainly due to translation loss arising from the strengthening of the US Dollar against Ringgit Malaysia.
Payables (current)	156,064	118,515	37,549	The increase was mainly due to higher purchases by the Packaging and Resources divisions in line with higher production volume, and increased payable of Serudong Power upon recommencement of commercial operations.

**B2. Performance review – 1H2022 vs 1H2021 (Cont'd)**

(b) Group borrowings and debt securities

The Table below sets out the salient information on the Group's bank borrowings:

	Long-term		Short-term		Total
	USD RM'000	RM RM'000	USD RM'000	RM RM'000	As at 30.6.2022 RM'000
<b>Secured</b>					
Trade financing and loans	-	-	-	59,835	59,835
Term loans	-	97,394	-	24,877	122,271
Revolving credit	-	-	-	95,000	95,000
	-	97,394	-	179,712	277,106
<b>Unsecured Loan</b>					
Term loan	383,496	-	119,016	-	502,512
<b>Total Borrowings</b>	<b>383,496</b>	<b>97,394</b>	<b>119,016</b>	<b>179,712</b>	<b>779,618</b>

At 30 June 2022, total borrowings (exclude lease liabilities) amounted to RM779.6 million, a marginal RM1.7 million increase from RM777.9 million at the beginning of the year. The increase was mainly due RM27.6 million translation loss of USD-denominated loan, offset by RM25.9 million net loan repayment (exclude lease payments, include overdraft).

Interest rates on the Group's bank borrowings are floating in nature.

The Group has no debt securities as at 30 June 2022.

(c) Cash flow analysis for the 6-month period ended 30 June 2022

The Group generated RM330.2 million, 20.3% higher than RM274.4 million posted in 1H2021: after-tax cash from its operating activities during the 6-month period ended 30 June 2022.

During the period, the Group spent RM119.2 million on investing activities, comprising mainly:

1. RM107.7 million CAPEX in PPE and ROU assets, as explained above;
2. RM11.5 million for additional equity subscription in joint venture and associates.

RM33.1 million dividends were paid to shareholders of the Company in the 1H2022 (1H2021: RM30.8 million).

After taking account translation loss on US Dollar denominated loan of RM27.6 million, the Group net debt declined 29.6% or RM154.1 million from RM520.2 million at the beginning of the year to RM366.1 million at the end of the reporting period.

**B3. Variation of Current Quarter ("2Q2022") versus ("vs") Preceding Quarter ("1Q2022")**

	<b>2Q2022</b>	<b>1Q2022</b>	<b>Changes</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	331,865	272,384	59,481	21.8%
Other (expense)/income, net	(1,192)	(2,749)	1,557	-56.6%
Earning before interest, tax, depreciation and amortisation ("EBITDA")	153,863	128,851	25,012	19.4%
Operating profit	127,458	102,377	25,081	24.5%
Profit before tax	126,250	100,458	25,792	25.7%
Profit after tax	121,725	96,483	25,242	26.2%
Profit after tax attributable to owners of the Company	100,840	81,338	19,502	24.0%
<b>Revenue</b>				
Renewable Energy	151,526	125,358	26,168	20.9%
Resources	49,916	45,320	4,596	10.1%
Packaging	100,731	94,790	5,941	6.3%
Sub-total	302,173	265,468	36,705	13.8%
Investment holding & others	29,692	6,916	22,776	329.3%
<b>Total revenue</b>	<b>331,865</b>	<b>272,384</b>	<b>59,481</b>	<b>21.8%</b>
<b>Profit before tax</b>				
Renewable Energy	108,089	82,991	25,098	30.2%
Resources	3,800	5,299	(1,499)	-28.3%
Packaging	9,313	8,846	467	5.3%
Sub-total	121,202	97,136	24,066	24.8%
Investment holding & others	5,048	3,322	1,726	52.0%
<b>Total profit before tax</b>	<b>126,250</b>	<b>100,458</b>	<b>25,792</b>	<b>25.7%</b>
<b>Additional Information:</b>				
Share of profit in joint ventures and associates	5,309	4,141	1,168	28.2%

Group turnover expanded 21.8% quarter-to-quarter from RM272.4 million to RM331.9 million, attributable mainly to a 20.9% increase in renewable energy income to RM151.5 million, a 6.3% rise in revenue of the Packaging Division to RM100.7 million and a 10.1% growth in the Resources Division. Included in Investment Holding & Others Division was RM24.4 million revenue of Serudong Power (1Q2022: RM2.1 million). Serudong Power recommenced commercial operations in May 2022.

Group pre-tax profit rose 25.7% sequentially to RM126.3 million (1Q2022: RM100.5 million) mainly due to a 30.2% surge in profit contribution from the Renewable Energy Division to RM108.1 million, a 5.3% increase in profit of the Packaging Division to RM9.3 million and a 28.2% increase in share of profit in joint ventures and associates, partially offset by a 28.3% decline in PBT of the Resources Division to RM3.8 million. Serudong Power recorded RM0.1 million profit in both periods.



**B3. Variation of 2Q2022 vs 1Q2022 (Cont'd)**

**Renewable Energy Division**

The transition from dry season in the first quarter to wet season in the second quarter drove quarter-on-quarter increase in EAF from 84.7% to 98.0%. As a result, hydro energy sales volume rose 17.0%. Together with 3.8% currency gain, revenue increased 20.9% to RM151.5 million (1Q2022: RM125.4 million). C&I solar revenue grew slightly by 2.7% to RM1.5 million.

Pre-tax profit expanded by 30.2% to RM108.1 million (1Q2022: RM83.0 million) in the current quarter on higher revenue and relatively stable fixed operating costs.

**Resources Division**

Revenue registered a 10.1% sequential growth in the current quarter to RM49.9 million (1Q2022: RM45.3 million), mainly underpinned by a 13.1% increase in ASP resulting from progressive price adjustments to defray increases in fuel and energy costs. Sales volume of lime products was flat quarter-on-quarter. Revenue of non-lime products fell 12.1% to RM4.0 million.

Despite a higher ASP, margins were adversely affected by higher fuel and transport costs. Consequently, pre-tax profit fell 28.3% quarter-on-quarter to RM3.8 million.

**Packaging Division**

The Packaging Division's quarterly revenue surpassed one hundred million Ringgit for the first time when it posted a 6.3% sequential growth to RM100.7 million (1Q2022: RM94.8 million). The top line growth was underpinned by a 20.9% improvement in Hexachase.

Pre-tax profit improved 5.3% quarter-to-quarter to RM9.3 million on higher revenue and improved plant efficiency in Hexachase.

#### **B4. Prospects**

The Group delivered a 50.5% and 19.0% growth in revenue and pre-tax profit in 1H2022, respectively. We expect 2H2022 earnings to register healthy year-on-year growth, underpinned mainly by expected earnings improvement in the Renewable Energy Division and contributions from share of profit in joint ventures and associates.

While the Packaging Division and the Resources Division are expected to face headwinds, we expect contributions from these two businesses to be satisfactory in 2H2022.

#### **Renewable Energy Division**

##### Hydropower - Don Sahong

Don Sahong achieved an average EAF of 91.4% in 1H2022, 3.1% higher than 88.3% registered in the same period last year due to higher water levels during the dry season that ended in May.

Upon request by EDL, the annual turbine maintenance that typically occurs in the month of August/September will be pushed back this year by several months to February next year. The deferment will not compromise the plant's future effectiveness and efficiency. As a result, we now expect the EAF to be about 98% in 2H2022 or about 4.2% higher than 93.8% recorded in 2H2021.

Given Don Sahong's earnings are denominated in US Dollar, the continued weakness in Ringgit Malaysia means higher reported earnings in Ringgit Malaysia term. At today's exchange rate of RM4.46:USD1, the US Dollar is 6.4% stronger than the average rate of 4.1906 in 2H2021.

In accordance to the Power Purchase Agreement, the energy tariff is scheduled to increase by another 1% on 1 October 2022 to 6.27 US Cents.

The Group still has US\$108 million outstanding debt relating to Don Sahong as at 1 August 2022. We estimate the Group will incur an additional US\$1.2 million or approximately RM5.4 million in interest expense in 2H2022 as a result of the Federal Reserve's successive interest rate hikes.

Overall, we expect Don Sahong's earnings in 2H2022 to improve year-on-year as higher energy sales volume, currency gain and tariff adjustment alluded to above to more than offset the projected higher interest expense.

Construction of the 5th turbine is progressing according to schedule with completion targeted sometime in 3Q2024.

We do not expect Lao's weak fiscal position, relatively high public debt and low foreign exchange reserves to significantly affect Don Sahong's trade receivable collection from EDL.

**B4. Prospects (Cont'd)**

**Renewable Energy Division (Cont'd)**

Solar - Commercial & Industrial ("C&I") Projects

The Group currently operates 14.5 MW C&I solar projects in Malaysia and Cambodia (since May 2021). We expect an additional 6.3 MW capacity (currently under construction) to come on stream by September 2022. In the meantime, the Group has further secured 20.7 MW capacity, including 11.4 MW with a Maldivian state utility company, which are expected to be progressively completed and energised in the next 24 months.

With the expanding solar portfolio, we expect solar earnings to progressively improve in 2H2022 and thereafter.

**Resources Division**

The challenges faced by the Resources Division in 1H2022 is expected to continue in the remaining months of this year. Management will continue to progressively review its pricing and customer portfolio strategies to defray further production cost increases while defending sales volume.

Overall, management expects 2H2022 performance to be largely in line with 1H2022.

**Packaging Division**

The US-led aggressive monetary tightening to tame supply-led inflation is expected to dampen consumption in 2H2022. While on year-on-year comparison basis revenue of Hexachase in 2H2022 will continue to record robust growth rates, we now expect lower sequential growth during the second half against 1H2022 for the Packaging Division, exacerbated by continued tight labour situation in Malaysia.

Raw material prices have either stabilized or moderated in some instances. However, competition is intensifying on slowing demand outlook. This, together with a projected higher production cost base resulting from recent capacity expansion at Hexachase, is expected to exert some pressure on overall margin for the division in 2H2022.

Construction of a new factory by Hexachase on a 10.4-acre land in Melaka is progressing as planned. However, we now expect completion of the new factory building to be pushed back slightly to 3Q2023, followed by progressive fitting out of machinery capacity starting from 4Q2023.

Construction of a new factory cum office building by Stenta on the adjacent 6.7-acre land in Bangi will proceed as planned with target completion date sometime in June 2023. In phase one of the expansion, two new blown film lines will be installed, followed by another two lines a year later.

**B5. Profit forecast**

The Group did not issue any profit forecast or profit guarantee.

**B6. Income tax expense**

	2nd Quarter Ended		6-Month Period Ended	
	30 June		30 June	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Malaysia	4,525	1,162	8,500	2,444
Overseas	-	-	-	-
	<u>4,525</u>	<u>1,162</u>	<u>8,500</u>	<u>2,444</u>

The Group's effective tax rate for the current quarter and 6-month period ended 30 June 2022 was significantly lower than the Malaysia's statutory tax rate of 24% mainly because the profit derived from energy sales in the Lao People's Democratic Republic ("Lao PDR") is exempted from income tax during the period until the end of the 5<sup>th</sup> anniversary of Don Sahong Plant's commercial operation date ("COD").

**B7. Status of corporate proposal**

There was no corporate proposal announced but not completed at 11 August 2022, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

**B8. Material litigations**

GOM vs IHSB

Details of this tax dispute are disclosed in Note A13(a).

Other than as disclosed above, there was no material litigation as at 11 August 2022, the latest practical date which is not earlier than seven days from the date of issue of these financial statements.

**B9. Dividends**

- (a) A final single-tier dividend of 3.50 sen per ordinary share for the financial year ended 31 December 2021 was declared on 25 February 2022 and paid to entitled shareholders on 18 April 2022; and
- (b) The Board has declared an interim single-tier dividend of 3.60 sen per ordinary share for the financial year ending 31 December 2022, of which the entitlement and payment dates will be announced at a later date. Accordingly, total dividend declared to-date for the current financial year is 3.60 sen (30.6.2021: 3.25 sen) per ordinary share

**B10. Detailed disclosure for consolidated statement of profit or loss and other comprehensive income**

	2nd Quarter Ended 30 June		6-Month Period Ended 30 June	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>After crediting:</b>				
Dividend income	694	379	712	410
Gain on disposal of:				
- property, plant and equipment	4	2	12	19
Gain on foreign exchange:				
- realised	1,307	-	1,228	-
- unrealised	5,887	-	8,234	1,663
Interest income	4,403	2,268	7,636	4,211
<b>After charging:</b>				
Impairment losses on:				
- receivables, net	(7,206)	(18)	(13,496)	(767)
Amortisation of:				
- service concession asset	(21,145)	(20,033)	(41,516)	(39,779)
- other intangible asset	(79)	-	(158)	-
Depreciation of:				
- property, plant and equipment	(7,607)	(4,771)	(14,939)	(8,782)
- right-of-use assets	(1,977)	(1,422)	(3,902)	(2,806)
Finance costs	(6,517)	(5,076)	(12,577)	(9,959)
Loss on foreign exchange:				
- realised	-	(322)	-	(345)
- unrealised	-	(144)	-	-
Write-down in value of inventories	(16)	(14)	(16)	(14)
Plant and equipment written off	(4,500)	-	(4,500)	-
<b>After other comprehensive income/(expenses)</b>				
Foreign currency translation difference for foreign operations	85,581	3,094	102,039	53,490
Fair value changes of equity investments	(22,005)	15,137	(61,595)	69,222

**B11. Earnings per share**

	2nd Quarter Ended		6-Month Period Ended	
	30 June		30 June	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(a) Basic earnings per share				
Profit after tax attributable to owners of the Company	100,840	87,318	182,178	160,661
Weighted average number of ordinary shares ('000):				
Issued ordinary shares outstanding at beginning of the period	988,352	988,352	988,352	988,352
Effect of treasury shares held	(43,046)	(40,995)	(43,004)	(40,995)
	945,306	947,357	945,348	947,357
Basic earnings per share (sen)	10.67	9.22	19.27	16.96

The basic earnings per share is calculated by dividing the Group's profit after tax attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and 6-months period ended 30 June 2022, excluding treasury shares held by the Company.

The diluted earnings per share is equal to the basic earnings per share as there is no outstanding potentially dilutive equity instruments issued by the Company as at 30 June 2022.

**B12. Authorised for issue**

These interim financial statements were authorised for issue by the Board of Directors on 18 August 2022.