



SOUTHERN CABLE GROUP BERHAD

(Registration No. 201901011439 (1320767-M))
(Incorporated in Malaysia under the Companies Act 2016)

Interim Financial Report

For The Second Quarter Ended

30 June 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾

	Note	QUARTER ENDED		YEAR TO-DATE ENDED	
		Unaudited	Unaudited	Unaudited	Unaudited
		30.06.2021	30.06.2020 ⁽²⁾	30.06.2021	30.06.2020 ⁽²⁾
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	156,429	N/A	328,717	N/A
Cost of sales		(146,385)	N/A	(308,970)	N/A
Gross profit		10,044	N/A	19,747	N/A
Other income		569	N/A	1,583	N/A
Distribution expenses		(2,415)	N/A	(5,041)	N/A
Administrative expenses		(2,803)	N/A	(4,856)	N/A
Other expenses		(1)	N/A	(1)	N/A
Operating profit	B12	5,394	N/A	11,432	N/A
Finance costs		(1,223)	N/A	(2,448)	N/A
Profit before tax		4,171	N/A	8,984	N/A
Income tax expense	B5	(1,107)	N/A	(2,309)	N/A
Profit/Total comprehensive income for the financial period		3,064	N/A	6,675	N/A
Profit/Total comprehensive income for the financial period after taxation attributable to:					
Owners of the Company		3,064	N/A	6,675	N/A
		3,064	N/A	6,675	N/A
Earnings per Share					
Basic/Diluted (sen) ⁽³⁾⁽⁴⁾	B11	0.38	N/A	0.83	N/A



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
 - (2) The interim financial report announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company was only listed on the ACE Market of Bursa Securities on 16 October 2020 and no interim financial report was prepared for the comparative financial period concerned.
 - (3) The diluted earnings per share of the Group for the quarter and financial year-to-date are equivalent to the basic earnings per share as the Group does not have any convertible securities as at the end of the reporting period.
 - (4) Computation on basic earnings per share is based on the Group's weighted average number of ordinary shares during the financial period-to-date.
- N/A Not applicable.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited as at 30.06.2021 RM'000	Audited as at 31.12.2020 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	31,542	24,551
Right-of-use assets	45,151	46,572
Investment properties	526	530
	77,219	71,653
Current Assets		
Inventories	91,418	88,955
Current tax assets	1,363	82
Trade receivables and other receivables ⁽²⁾	160,751	158,142
Derivative financial assets	21	-
Cash and short-term deposits	89,804	129,420
	343,357	376,599
TOTAL ASSETS	420,576	448,252
EQUITY AND LIABILITIES		
Equity		
Share capital	217,656	217,656
Retained earnings	174,027	170,552
Reserves	(120,947)	(120,947)
Total equity	270,736	267,261
Non-current Liabilities		
Loans and borrowings	6,391	8,013
Lease liabilities	48	5
Deferred tax liabilities	3,030	3,027
	9,469	11,045
Current Liabilities		
Loans and borrowing	86,099	116,921
Lease liabilities	75	51
Provisions	282	177
Current tax liabilities	130	445
Trade and other payables ⁽²⁾	53,785	52,203
Derivative financial liabilities	-	149
	140,371	169,946
TOTAL LIABILITIES	149,840	180,991
TOTAL EQUITY AND LIABILITIES	420,576	448,252
Number of issued shares ('000)	800,000	800,000
Net assets per share attributable to owners of the company (RM)	0.34	0.33



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) Included in other payables is an amount of RM1.12 million payable to Royal Malaysian Customs Department for underpaid import duties and goods and services tax due to an error made in customs declaration for one of its imported raw materials. The supplier has accepted the responsibility for this error and agreed to reimburse the full amount to the Company of which a corresponding receivable has been recognised.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾

	Attributable to owners of the Group			Total equity
	Non-Distributable		Distributable	
	Share capital	Reorganisation reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021 (Audited)	217,656	(120,947)	170,552	267,261
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)	-	-	6,675	6,675
Transaction with owners: Dividend payable	-	-	(3,200)	(3,200)
Balance as at 30 June 2021 (Unaudited)	217,656	(120,947)	174,027	270,736

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) The interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company was only listed on the ACE Market of Bursa Securities on 16 October 2020 and no interim financial report was prepared for the comparative financial period concerned.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	CURRENT YEAR TO-DATE 30.06.2021 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.06.2020 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	8,984	N/A
Adjustments for:		
Amortisation/depreciation of investment properties	3	N/A
Amortisation/depreciation of property, plant and equipment	2,093	N/A
Depreciation of right-of-use assets	1,423	N/A
Fair value gain on derivative financial instruments	(169)	N/A
Interest expenses	2,448	N/A
Interest income	(675)	N/A
Provision for employee benefit (net)	105	N/A
Right-of-use assets written off	8	N/A
Net unrealised foreign exchange gain	(492)	N/A
Operating profit before changes in working capital	13,728	N/A
Changes in working capital:		
Inventories	(2,463)	N/A
Trade and other receivables	(2,160)	N/A
Trade and other payables	(1,575)	N/A
Net cash generated from operations	7,530	N/A
Income tax paid	(3,903)	N/A
Interest received	675	N/A
Interest paid	(168)	N/A
Net cash from operating activities	4,134	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾ (CONT'D)

	CURRENT YEAR TO-DATE 30.06.2021 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.06.2020 Unaudited RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(8,672)	N/A
Purchase of right-of-use assets	(301)	N/A
Change in pledged deposits	(571)	N/A
Change in pledged bank balances	(4,301)	N/A
Net cash used in investing activities	(13,845)	N/A
Cash flows from financing activities		
Interest paid	(2,280)	N/A
Repayment of term loans	(7,547)	N/A
Repayment of finance lease liabilities	(1,499)	N/A
Repayment of lease liabilities	(53)	N/A
Drawdown of bankers' acceptance	267,227	N/A
Repayment of bankers' acceptance	(290,625)	N/A
Net cash used in financing activities	(34,777)	N/A
Net decrease in cash and cash equivalents	(44,488)	N/A
Cash and cash equivalents at the beginning of the financial period	82,689	N/A
Cash and cash equivalents at the end of the financial period	38,201	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

N/A Not applicable.

A. NOTES TO THE INTERIM FINANCIAL REPORT**A1. Basis of Preparation**

The interim financial report of Southern Cable Group Berhad (“**Southern Cable**” or “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRSs**”) 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities.

The interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company was only listed on the ACE Market of Bursa Securities on 16 October 2020 and no interim financial report was prepared for the comparative financial period concerned.

This interim financial report should be read in conjunction with the Company’s audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying 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 audited consolidated financial statements for the financial year ended 31 December 2020, except for the following amendments/improvements to MFRSs which are relevant and mandatory for the current financial period:

Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendments to MFRS 16 *Leases* issued by the Malaysian Accounting Standards Board on 5 June 2020

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

A3. Auditors’ Report on Preceding Annual Financial Statements

There was no qualification on the audited consolidated financial statements of the Group for the financial year ended 31 December 2020.

A4. Seasonal or Cyclical Factors

The Group’s performance has not been materially affected by any seasonal or cyclical factors during the current quarter and financial year-to-date.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**A5. Items or Incidence of an Unusual Nature**

There were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and financial year-to-date.

A6. Material Changes in Estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

A7. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares during the current quarter and financial year-to-date.

A8. Dividend Paid

On 23 February 2021, the Company declared a final dividend of 0.40 sen per ordinary share amounting to RM3.20 million in respect of the financial year end 31 December 2020. The final dividend has been paid by the Company on 16 July 2021 to shareholders whose names appeared in the Record of Depositors at the close of business on 28 June 2021.



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental Reporting

The Group is principally a manufacturer of cables and wires that are used for power distribution and transmission, communications as well as control and instrumentation applications. The Group's segmental revenue for the current quarter and financial year-to-date is as follows:

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter 30 June 2021						
Revenue:						
Revenue from external customers	137,305	3,320	3,029	12,775	-	156,429
Inter-segment revenue	-	-	-	5,498	(5,498)	-
	<u>137,305</u>	<u>3,320</u>	<u>3,029</u>	<u>18,273</u>	<u>(5,498)</u>	<u>156,429</u>
Segment profit	8,751	338	264	630	61	10,044
Other income						569
Unallocated expenses						(5,219)
Finance costs						(1,223)
Income tax expenses						(1,107)
Profit for the financial period						<u>3,064</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						7,191
Depreciation and amortisation						1,767



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year-to-date 30 June 2021						
Revenue:						
Revenue from external customers	292,347	8,973	6,371	21,026	-	328,717
Inter-segment revenue	-	-	-	12,796	(12,796)	-
	<u>292,347</u>	<u>8,973</u>	<u>6,371</u>	<u>33,822</u>	<u>(12,796)</u>	<u>328,717</u>
Segment profit	17,221	849	514	1,143	20	19,747
Other income						1,583
Unallocated expenses						(9,898)
Finance costs						(2,448)
Income tax expenses						(2,309)
Profit for the financial year						<u>6,675</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						13,814
Depreciation and amortisation						3,519

The interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period and year-to-date as the Company was only listed on the ACE Market of Bursa Securities on 16 October 2020 and no interim financial report was prepared for the comparative financial period concerned.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)
A10. Material Events Subsequent to the End of the Current Quarter

Save as disclosed in Note B6 "Status of Corporate Proposals", there are no other material events subsequent to the end of the current quarter and financial year-to-date that have not been reflected in this interim financial report.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

A12. Contingent Assets and Contingent Liabilities

Save as disclosed below, there were no other contingent assets or contingent liabilities as at the date of this interim financial report.

	Unaudited as at 30.06.2021 RM'000	Audited as at 31.12.2020 RM'000
Bank guarantee		
- Trade facilities	18,865	20,433
- Contract financing for performance bonds and guarantee	20,384	20,384
	<u>39,249</u>	<u>40,817</u>

A13. Capital Commitments

Save as disclosed below, there were no other material capital commitments incurred or known to be incurred.

	Unaudited as at 30.06.2021 RM'000	Audited as at 31.12.2020 RM'000
Capital expenditures contracted but not provided for:		
- Purchase of plant and machineries	5,474	7,150
Capital expenditures not contracted and not provided for:		
- Construction of building and Enterprise Resource Planning information technology system	11,500	21,051
	<u>16,974</u>	<u>28,201</u>

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)
A14. Related Party Transactions

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited	Unaudited	Unaudited	Unaudited
	30.06.2021	30.06.2020⁽¹⁾	30.06.2021	30.06.2020⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Rental expenses charged by a person connected to a director	14	N/A	27	N/A

Notes:

(1) The interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company was only listed on the ACE Market of Bursa Securities on 16 October 2020 and no interim financial report was prepared for the comparative financial period concerned.

N/A Not Applicable.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
B1. Review of Group Performance

In the current quarter ended 30 June 2021 and financial year-to-date, the Group recorded revenue of RM156.43 million and RM328.72 million, gross profit of RM10.04 million and RM19.75 million and profit before tax of RM4.17 million and RM8.98 million respectively.

The Group's revenue for the current quarter and financial year-to-date is mainly attributed to its power cables and wires segment which accounted for RM137.31 million and RM292.35 million or 87.77% and 88.94% of the total revenue respectively. The revenue attributed to the power cables and wires was mainly contributed by low and medium voltage power cables and wires from utility companies.

The Group's gross profit for the current quarter and financial year-to-date is mainly attributed to the power cables and wires segment which contributed RM8.75 million and RM17.22 million or 87.13% and 87.21% of the gross profit respectively.

The Group recognised profit before tax of RM4.17 million for current quarter and RM8.98 million for financial year-to-date after deducting expenses which are mainly attributed to distribution expenses and administrative expenses amounting to RM5.22 million for the current quarter and RM9.90 million for financial year-to-date. The distribution expenses and administrative expenses mainly consists of outward transport charges, depreciation, bonuses, salaries and directors' remunerations.

There are no comparative figures for the preceding corresponding period and financial year-to-date as the Company was only listed on the ACE Market of Bursa Securities on 16 October 2020 and no interim financial report was prepared for the comparative financial period concerned announced by the Group in compliance with the Listing Requirements of Bursa Securities.

B2. Comparison with the Immediate Preceding Quarter Result

	INDIVIDUAL QUARTER		Variance RM'000	%
	Current Quarter 30.06.2021 RM'000	Preceding Quarter 31.03.2021 RM'000		
Revenue	156,429	172,288	(15,859)	(9.20)
Profit before tax	4,171	4,813	(642)	(13.34)

The Group's revenue for the current quarter decreased by 9.20% to RM156.43 million from RM172.29 million recorded in the preceding quarter. The decrease in revenue was mainly contributed by a decrease in sales of low and medium voltage power cables and wires.

The Group recorded a 13.34% decrease in profit before tax from RM4.81 million in the preceding quarter to RM4.17 million in the current quarter. The decrease in the profit before tax was mainly due to decrease in revenue and payment of bonus in the current quarter.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B3. Commentary on Prospects**

As disclosed in Section 5.8 of the Company's prospectus dated 29 September 2020 in relation to the initial public offering ("**IPO**") ("**Prospectus**"), the Group has the following future plans:

- (a) to expand the Group's production facilities;
- (b) to expand the Group's product range; and
- (c) to purchase and upgrade machinery and equipment to support the Group's expansion plans.

The Group believes that its business prospects are favourable in view of the following factors:

- (i) the Group's current on-going projects and order book; and
- (ii) competitive strengths of the Group.

On 28 May 2021, the Government announced the imposition of a three-phase nationwide lockdown (Full MCO 3.0). The three-phase nationwide lockdown started with a full lockdown from 1 June 2021 to 14 June 2021, and further extended to 28 June 2021, where all sectors were not allowed to operate during this period except for those in the essential economic and service sectors. The Government further announced National Recovery Plan ("**NRP**") on 15 June 2021 as a strategy to transition out of the COVID-19 crisis over four phases. On 1 July 2021, the Government further announced that several areas in Selangor Darul Ehsan and Kuala Lumpur will be placed under the enhanced movement control order ("**EMCO**") for 14 days from 3 July 2021 to 16 July 2021. As at date of this interim financial report, the Group's locations of operation, i.e. Kedah Darul Aman, Selangor Darul Ehsan and Johor Darul Takzim are under the first phrase, i.e. Phase 1 of NRP. For further details on the initial interruptions to business and operations pursuant to the COVID-19 pandemic and the movement control order conditions, please refer to Section 5.5.13 of the Prospectus.

As a manufacturer of cables to its customers, who are operating in the essential sector, the Group's subsidiary, Southern Cable Sdn Bhd is allowed to operate with a 60% workforce capacity during the Full MCO 3.0, Phase 1 of NRP and EMCO periods according to the guidelines with adherence to standard operating procedures imposed by the relevant authorities. The Group continues to receive call-up orders pursuant to the existing contracts with its major customers. It is the Group's practice to ensure that it has sufficient level of raw materials, mainly copper and aluminium based materials, to meet its production schedule by purchasing the raw materials ahead based on its production planning schedule, especially for those imported raw materials. Premised on the above, there is no material impact on its manufacturing and business operations.

In relation to the proposed transfer of the listing of and quotation for the entire issued share capital of Southern Cable from the ACE Market to the Main Market of Bursa Securities ("**Proposed Transfer**") announced on 28 April 2021, the Group believes that the Proposed Transfer will mark another major milestone for the Group subsequent to its listing on the ACE Market of Bursa Securities on 16 October 2020.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

The Board of Directors believes that the Proposed Transfer will enhance the Group's prestige, credibility and reputation. Further, the nature of the Group's business typically requires, among others, demonstrating its financial strength, reputation and credibility in order to secure more projects. Accordingly, completion of the Proposed Transfer is expected to enhance the Group's competitive edge when bidding for contracts.

Premised on the above and barring unforeseen circumstances, the Board of Directors expects the Group's financial performance for the current financial year to be satisfactory.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current quarter and financial year-to-date.

B5. Tax Expense

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2021 RM'000	Unaudited ⁽¹⁾ 30.06.2020 RM'000	Unaudited 30.06.2021 RM'000	Unaudited ⁽¹⁾ 30.06.2020 RM'000
In respect of current period:				
Income tax	1,107	N/A	2,309	N/A
Effective tax rate (%)	26.54	N/A	25.70	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

The effective tax rate of the Group for the current quarter and financial year-to-date was higher than the statutory tax rate mainly due to non-deductible expenses.

Notes:

(1) The interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company was only listed on the ACE Market of Bursa Securities on 16 October 2020 and no interim financial report was prepared for the comparative financial quarter concerned.

N/A Not applicable.

B6. Status of Corporate Proposals

On 28 April 2021, MIDF Amanah Investment Bank Berhad had, on behalf of the Board of Directors of Southern Cable, announced that the Company proposes to undertake the Proposed Transfer. The application in relation to the Proposed Transfer has been submitted to the Securities Commission Malaysia on 31 May 2021.

Save as disclosed above, there are no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B7. Use of Proceeds Raised from Public Issue

The gross proceeds of approximately RM71.18 million from the Public Issue is intended to be utilised in the following manner:

Detail of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended timeframe for utilisation from the date of listing
Capital expenditure and expansion				Within 36 months
- Purchase and upgrade of new machinery and equipment	18,500	9,503	8,997	
- Construction of factories	7,500	-	7,500	
- Purchase and installation of Enterprise Resource Planning information technology system	4,000	-	4,000	
	30,000	9,503	20,497	
Repayment of bank borrowings	9,188	9,188	-	Within 6 months
Working capital	27,490	27,490	-	Within 6 months
Estimated listing expenses	4,500	4,500	-	Within 3 months
Total	71,178	50,681	20,497	

The use of proceeds as disclosed above should be read together with the Prospectus.

B8. Borrowings

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

	Unaudited 30.06.2021 RM'000	Audited 31.12.2020 RM'000
Non-current		
Term loans	2,355	2,749
Finance lease liabilities	4,036	5,264
	6,391	8,013
Current		
Term loans	867	8,020
Finance lease liabilities	2,304	2,574
Bankers' acceptance	82,928	106,327
Bank overdraft	-	-
	86,099	116,921
Total	92,490	124,934

All the borrowings are secured and denominated in Ringgit Malaysia.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B9. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation.

B10. Proposed Dividends

On 23 February 2021, the Company declared a final dividend of 0.40 sen per ordinary share amounting to RM3.20 million in respect of the financial year end 31 December 2020. The final dividend has been paid by the Company on 16 July 2021 to shareholders whose names appeared in the Record of Depositors at the close of business on 28 June 2021.

No dividends were declared or recommended for payment by the Board of Directors of the Company during the current quarter.

B11. Basic and Diluted Earnings per Share

The basic and diluted earnings per share ("**EPS**") for the current quarter and financial year-to-date are computed as follows:

	<u>QUARTER ENDED</u>		<u>YEAR-TO-DATE ENDED</u>	
	<u>Unaudited 30.06.2021</u>	<u>Unaudited 30.06.2020⁽¹⁾</u>	<u>Unaudited 30.06.2021</u>	<u>Unaudited 30.06.2020⁽¹⁾</u>
Profit attributable to owner of the Company (RM'000)	3,064	N/A	6,675	N/A
Weighted average number of shares after IPO ('000)	800,000	N/A	800,000	N/A
Basic/Diluted EPS (sen) ⁽²⁾⁽³⁾	0.38	N/A	0.83	N/A

Notes:

(1) The interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter and year-to-date as the Company was only listed on the ACE Market of Bursa Securities on 16 October 2020 and no interim financial report was prepared for the comparative financial period concerned.

(2) The diluted earnings per share of the Group for the quarter and financial year-to-date are equivalent to the basic earnings per share as the Group does not have any convertible securities as at the end of the reporting period.

(3) Computation on basic earnings per share is based on the Group's weighted average number of ordinary shares during the quarter and financial period/year-to-date.

N/A Not applicable.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2021 RM'000	Unaudited 30.06.2020 ⁽¹⁾ RM'000	Unaudited 30.06.2021 RM'000	Unaudited 30.06.2020 ⁽¹⁾ RM'000
Interest income	(421)	N/A	(675)	N/A
Interest expenses	1,223	N/A	2,448	N/A
Loss on foreign exchange	245	N/A	173	N/A
Amortisation/depreciation of investment properties	1	N/A	3	N/A
Amortisation/depreciation of property, plant and equipment	1,074	N/A	2,093	N/A
Depreciation of right-of-use assets	692	N/A	1,423	N/A

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

N/A Not Applicable

Save as disclosed above, the other disclosure items as required under Rule 16 of Appendix 9B of the Listing Requirements of Bursa Securities are not applicable.

B13. Derivative Financial Instruments

The Group has entered into forward foreign exchange contracts in current quarter to manage the foreign currency exposures arising from the Group's receivables and payables denominated in United States Dollar (USD). Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity. The notional principal amounts of the Group's outstanding forward foreign exchange contracts as at 30 June 2021 was RM20.17 million. The derivative financial assets of RM0.02 million which measured at fair value has been recognised in the Unaudited Condensed Consolidated Statement of Financial Position as at the date of this interim financial report.