



UNITRADE

UNITRADE INDUSTRIES BERHAD

Registration No.: 202101013724 (1414023-X)

**Interim Financial Report
For the First Quarter Ended
30 June 2022**

UNITRADE INDUSTRIES BERHAD

202101013724 (1414023-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2022
UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2022

	Individual quarter		Cumulative quarter	
	Current quarter 30.6.2022 RM '000	Corresponding quarter ⁽²⁾ 30.6.2021 RM '000	Current year to date 30.6.2022 RM '000	Corresponding year to date ⁽²⁾ 30.6.2021 RM '000
Revenue	342,465	N/A	342,465	N/A
Cost of sales	(316,622)	N/A	(316,622)	N/A
Gross profit ("GP")	25,843	N/A	25,843	N/A
Other income	3,161	N/A	3,161	N/A
Administrative and general expense	(10,767)	N/A	(10,767)	N/A
Net loss on impairment of financial instrument	(1,288)	N/A	(1,288)	N/A
Results from operating activities	16,949	N/A	16,949	N/A
Finance income	311	N/A	311	N/A
Finance costs	(3,851)	N/A	(3,851)	N/A
Profit before tax ("PBT")	13,409	N/A	13,409	N/A
Tax expense	(3,351)	N/A	(3,351)	N/A
Profit and total comprehensive income for the year ("PAT")	10,058	N/A	10,058	N/A
Total comprehensive income attributed to:				
- Owner of the Group	10,058	N/A	10,058	N/A
- Non-controlling interest	-	N/A	-	N/A
	10,058	N/A	10,058	N/A
Earning per share (sen)				
Basic ⁽³⁾	0.8	N/A	0.8	N/A

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UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2022 (CONTINUED)

Notes:

- (1) The Unaudited Consolidated Statements of Profit or Loss and Other Comprehensive income should be read in conjunction with the Annual Report for the year ended 31 March 2022 and accompanying explanatory notes attached in this interim financial report.
- (2) This is the first interim financial report post listing on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the corresponding year's quarter and corresponding year's cumulative quarters as there was no interim financial report prepared for the comparative period concerned.
- (3) Computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares of 1,304,945,000 after the Initial Public Offering ("**IPO**") of the Company.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2022
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Unaudited	Audited
	30.06.2022	31.03.2022
	RM '000	RM '000
Non-current assets		
Property, plant and equipment	177,327	175,122
Right-of-use assets	501	559
Investment properties	19,767	19,835
Intangible assets	697	687
Other investments	41	41
Deferred tax assets	2,914	2,781
Total non-current assets	201,247	199,025
Current assets		
Inventories	194,299	155,149
Trade and other receivables	453,550	428,739
Current tax assets	913	783
Cash and cash equivalents	152,741	95,663
Total current assets	801,503	680,334
Total assets	1,002,750	879,359
Equity		
Share capital	291,335	194,500
Invested equity	-	-
Retained earnings	220,247	210,189
Merger reserve	(174,337)	(174,337)
Total equity attributed to owners of the Group	337,245	230,352
Non-controlling interest	-	-
Total equity	337,245	230,352
Non-current liabilities		
Loan and borrowings	117,080	115,672
Lease liabilities	294	342
Deferred tax liabilities	2,542	2,105
Total non-current liabilities	119,916	118,119

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UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONTINUED)

	Unaudited	Audited
	30.06.2022	31.03.2022
	RM '000	RM '000
Current liabilities		
Loan and borrowings	425,358	413,131
Lease liabilities	220	229
Trade and other payables	115,353	112,645
Current tax liabilities	4,658	4,883
Total current liabilities	545,589	530,888
Total liabilities	665,505	649,007
Total equity and liabilities	1,002,750	879,359
Number of issued shares ('000)	1,562,500⁽²⁾	1,250,000⁽³⁾
Net assets per ordinary share attributable to owners of the Company (sen)	22	18

Notes:

- (1) The Unaudited Consolidated Statements of Financial Position should be read in conjunction with the Annual Report for the year ended 31 March 2022 and accompanying explanatory notes attached in this interim financial report.
- (2) Number of ordinary shares in the Company in issue upon listing of the Company on Bursa Securities on 14 June 2022, as further detailed in Note A6.
- (3) Number of ordinary shares in the Company in issue as at 31 March 2022.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2022

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30 JUNE 2022 ⁽¹⁾

	<i>Non-distributable</i>		<i>Distributable</i>	Total equity
	Share capital	Merger reserve	Retained earnings	
	RM '000	RM '000	RM '000	RM '000
As 1 April 2022	194,500	(174,337)	210,189	230,352
Issuance of ordinary shares	100,000	-	-	100,000
Profit and total comprehensive income for the period	-	-	10,058	10,058
Share issuance expenses	(3,165)	-	-	(3,165)
As at 30 June 2022	291,335	(174,337)	220,247	337,245

Note:

- (1) The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Report for the year ended 31 March 2022 and accompanying explanatory notes attached in this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2022
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2022 ⁽¹⁾

	Current year to date 30.06.2022 RM '000	Corresponding year to date 30.06.2021⁽²⁾ RM '000
Cash flows from financing activities		
Profit before tax	13,409	N/A
Adjustments for:		
Impairment loss on trade receivables	1,288	N/A
Impairment loss on inventories	4,445	N/A
Depreciation of property, plant and equipment	2,291	N/A
Depreciation of right-of-use assets	58	N/A
Depreciation of investment properties	68	N/A
Property, plant and equipment written off	82	N/A
Amortisation of intangible assets	21	N/A
Gain on disposal of property, plant and equipment	(159)	N/A
Finance income	(311)	N/A
Rental income	(989)	N/A
Realised profit from interest rate swap contract	(730)	N/A
Unrealised gain on foreign exchange	(49)	N/A
Finance costs	3,851	N/A
Operating profit before changes in working capital	23,275	N/A
Change in inventories	(43,595)	N/A
Change in trade and other receivables	(25,882)	N/A
Change in trade and other payables	2,745	N/A
Cash used in operations	(43,457)	N/A
Interest paid	(92)	N/A
Income tax paid	(3,402)	N/A
Net cash used in operating activities	(46,951)	N/A

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2022 (CONTINUED)⁽¹⁾

	Current year to date 30.06.2022 RM '000	Corresponding year to date 30.06.2021 ⁽²⁾ RM '000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,760)	N/A
Acquisition of intangible assets	(21)	N/A
Acquisition of investment property	-	N/A
Proceeds from disposal of property, plant and equipment	331	N/A
Change in pledged deposits	(30)	N/A
Rental received	989	N/A
Proceeds from unwinding interest rate swap contract	730	N/A
Interest received	311	N/A
Net cash used in investing activities	(2,450)	N/A
Cash flows from financing activities		
Proceed from issuance of new shares	100,000	N/A
Payments for shares issuance expenses	(3,165)	N/A
Drawdown of loans and borrowings	14,038	N/A
Repayment of lease liabilities	(57)	N/A
Repayment of hire purchase liabilities	(403)	N/A
Interest paid	(3,964)	N/A
Net cash generated from financing activities	106,449	N/A
Net increase in cash and cash equivalents	57,048	N/A
Cash and cash equivalents at beginning of the year	86,470	N/A
Cash and cash equivalents at end of the year ⁽³⁾	143,518	N/A

Notes:

- (1) The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Annual Report for the year ended 31 March 2022 and accompanying explanatory notes attached in this interim financial report.
- (2) This is the first interim financial report post listing on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). There are no comparative figures for the corresponding year-to-date as there was no interim financial report prepared for the comparative period concerned.

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 JUNE 2022 ⁽¹⁾

(3) Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Current year to date 30.06.2022 RM '000	Corresponding year to date 30.06.2021⁽²⁾ RM '000
Cash and bank balances	143,518	N/A
Deposits placed with licensed banks	9,223	N/A
	<u>152,741</u>	<u>N/A</u>
Less: Deposit pledged	(9,223)	N/A
	<u>143,518</u>	<u>N/A</u>

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2022

PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING

A 1. Basis of preparation

The interim financial report of Unitrade Industries Berhad and its subsidiaries (“Group”) is unaudited and has been prepared in accordance with the applicable disclosure provisions of Paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of **Bursa Securities** and in compliance with Malaysian Financial Reporting Standard “MFRS 134, *Interim Financial Reporting*”.

As this is the first interim financial report post listing on the ACE Market of Bursa Securities, there are no comparative figures for the corresponding and also preceding quarters, and year-to-date, as no interim financial reports were prepared for the comparative financial periods concerned.

This interim financial report does not include all the information required for the full annual audited financial statements and should be read in conjunction with the Annual Report for the year ended 31 March 2022 and all the financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia. The following are accounting standards and amendments of the MFRS that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group.

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*

The adoption of the above amendments to MFRSs and annual improvement to MFRSs do not have signification impact to the Group.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2022

PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)

A 2. Auditors’ Report on preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 March 2022.

A 3. Seasonal or cyclical factors

The businesses of the Group have not been materially affected by any seasonal or cyclical factors.

A 4. Exceptional items

There were no material exceptional items of an unusual nature, size or incidence materially affecting the assets, liabilities, equity, net income or cash flows of the Group during the interim financial reporting period under review.

A 5. Material changes in estimates

There were no changes in the estimates of the amounts reported in previous financial periods that have a material effect on the results of the interim financial reporting period under review.

A 6. Debt and equity securities

The Company undertook and completed the issuance of 312,500,000 new ordinary shares and upon successful listing of the shares of the Company on Bursa Securities on 14 June 2022, the details of the issued share capital of the Company as at 30 June 2022 are as follows:

	Amount RM '000	Number of shares
Issued and fully paid shares		
At 31 March 2022	194,500	1,250,000,000
Issuance of ordinary shares	100,000	312,500,000
Share issuance expenses	(3,165)	-
At 30 June 2022	291,335	1,562,500,000

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PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)

A 7. Proposed Dividend

The Directors recommended the payment of first and final single tier dividend of 0.82 sen per share amounting to RM 12,812,500 in respect of the financial year ended 31 March 2022, subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting of the Group to be held on 1 September 2022.

A 8. Segment Reporting

The Group's primary format for reporting segment information is business segments.

The Group is organised into three main business segments:

- Wholesale and distribution of building materials;
- Manufacturing and sale of pre-insulated pipes;
- Rental of temporary structural support equipment.

Other non-reportable segments comprise operations related to investment holding and leasing of properties. None of these segments met the quantitative thresholds for reporting segments for the period.

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PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)
A 8. Segment Reporting (continued)

The Group’s operating segments information for the financial period ended 30 June 2022 is as follows

	Wholesale and distribution of building materials RM '000	Manufacturing and sale of pre- insulated pipes RM '000	Rental of temporary structural support equipment RM '000	Other non-reportable segments RM '000	Elimination RM '000	Total RM '000
Segment profit	14,868	1,846	3,036	(363)	-	19,387
<i>Included in the measure of segment profit are:</i>						
Revenue from external customers	332,079	6,834	3,551	-	-	342,464
Inter-segment revenue	8,584	875	55	-	(9,514)	-
Impairment loss on inventories	(4,445)	-	-	-	-	(4,445)
<i>Not included in the measure of segment profit are:</i>						
Depreciation of:						
- property, plant and equipment	(894)	(26)	(1,371)	-	-	(2,291)
- right-of-use assets	(4)	(2)	(52)	-	-	(58)
- investment properties	(68)	-	-	-	-	(68)
Amortisation of intangible assets	(20)	-	(1)	-	-	(21)
Finance costs	(3,693)	(67)	(91)	-	-	(3,851)
Finance income	229	1	-	81	-	311

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PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)
A 8. Segment Reporting (continued)

Reconciliations of reportable segments revenues, profit or loss and other material items.

Current quarter/year-to-date ended 30.06.2022	Total RM '000
Profit or loss	
Total profit for reportable segments	19,750
Other non-reportable segments	(363)
Depreciation and amortisation	(2,438)
Finance income	311
Finance costs	(3,851)
Profit before tax	<u>13,409</u>

A 9. Contingent liabilities

There were no material contingent liabilities that arose since the last audited consolidated financial statements for the financial year ended 31 March 2022.

A 10. Capital commitments

	30.06.2022 RM '000	30.06.2021 RM '000
Contracted but not provided for:		
Plant and equipment	<u>1,494</u>	<u>N/A</u>

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PART A: SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) NO 134 – INTERIM FINANCIAL REPORTING (CONTINUED)
A 11. Significant related party transactions

The significant related party transactions of the Group are shown below.

	Individual quarter		Cumulative quarter	
	Current quarter 30.6.2022 RM '000	Corresponding quarter 30.6.2021 RM '000	Current quarter 30.6.2022 RM '000	Corresponding quarter 30.6.2021 RM '000
A. Companies in which certain Directors have significant influence				
Sales	357	N/A	357	N/A
Purchase of equipment and services	(1,098)	N/A	(1,098)	N/A

A 12. FAIR VALUE OF FINANCIAL LIABILITIES

There was no gain and loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2022

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD

B 1. Review of performance

For the current quarter ended 30 June 2022

The Group recorded revenue of RM342.5 million and a PAT of RM10.1 million for the current quarter ended 30 June 2022. All of the Group's revenue for the current quarter was derived from wholesale and distribution of building materials, manufacturing and sale of pre-insulated pipes and rental of temporary structural support equipment.

The Group recorded a gross profit of RM25.8 million after accounting for, among others, impairment loss on inventory, the depreciation of temporary structural support equipment, and labour costs. The Group recorded other income of RM3.2 million for the current quarter from the rental received of RM1.0 million. The remainder mainly contributed by the realised gain in foreign exchange, realised profit from interest rate swap contract and late payment charges amounting to RM0.4 million, RM0.7 million, and RM0.6 million, respectively. Administrative and general expenses were RM10.8 million, comprising mainly staff costs, depreciation and IPO expenses. In addition, the Group uses an allowance matrix to measure the expected credit loss of trade receivable and recorded RM1.3 million net impairment of trade receivable.

There are no comparative figures for the corresponding year's quarter and corresponding year's cumulative quarters available as this is the first interim financial report post listing on the ACE Market of Bursa Securities.

B 2. Comparison with immediate preceding quarter results

	Current Quarter	Preceding Quarter	Changes	
	30.06.2022 RM '000	31.03.2022 RM '000	RM '000	%
Revenue	342,465	423,032	(80,567)	(19)
Gross profit	25,843	27,278	(1,435)	(5)
Profit before tax	13,409	13,731	(322)	(2)
Profit after tax	10,058	10,192	(134)	(1)

The Group recorded a decrease of 19% in revenue from RM423 million in last quarter as compared to RM342 million for current quarter. This is mainly due to lower revenue recorded from wholesale and distribution and manufacturing segments in line with retreating steel prices. The Group's gross profit decreased by RM1.4 million for the current quarter as compared to the preceding quarter in line with the decrease in the revenue for the current quarter.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2022

PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 2. Comparison with immediate preceding quarter results (continued)

The Group managed to achieve profit before tax of RM13.4 million and profit after tax of RM10.1 million for the current quarter which shows a minimal decrease of RM0.3 million and RM0.1 million respectively compared to the preceding quarter (4QFY2022). The lower profit is mainly due to impairment loss on inventories of RM4.4 million as decreasing steel prices resulted in the lower net realisable values of certain inventory.

B 3. Prospects

Based on Bank Negara Malaysia's Second Quarter 2022 Bulletin Report, construction activity in Malaysia grew by 2.4%, rebounding from 6.2% drop in Q1 2022 and Malaysia's economy improved from 5.0% growth in Q1 to 8.9% growth in Q2.

Building materials are used throughout the lifecycle of any structure such as buildings and infrastructure, and as such building materials are essential for the construction of buildings and infrastructure.

The Group is cautiously optimistic that the prospects in the construction sector will continue to improve. Unitrade believes the outlook for building materials is still promising as it is essential for the construction of buildings and infrastructure. Barring any unforeseen circumstances, with the IPO proceeds, we are ready to capitalise on the new working capital for our growth as our infrastructure is ready with our recent successful relocation to our new industrial complex.

B 4. Variance of actual profits vs profit forecast

The Group has not provided any profit forecast or profit guarantee in any public document in respect of the interim financial reporting period under review.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 5. Income tax expense

The breakdown of income tax expenses are as follows:

	Individual quarter		Cumulative quarter	
	Current quarter 30.6.2022 RM '000	Corresponding quarter ⁽³⁾ 30.6.2021 RM '000	Current year to date 30.6.2022 RM '000	Corresponding year to date ⁽³⁾ 30.6.2021 RM '000
Current tax expenses	3,047	N/A	3,047	N/A
Deferred tax expenses	304	N/A	304	N/A
Effective tax rate ⁽²⁾ (%)	26.5	N/A	26.5	N/A

Notes:

- (1) Income tax expenses is recognised based on management's best estimate.
- (2) The Group's effective tax rate for the quarter and year to date ended 30 June 2022 is higher than the statutory tax rate of 24% mainly due to non-deductible expenses being mainly our IPO expenses.
- (3) There are no comparative figures for the corresponding year's quarter and corresponding year's cumulative quarters available as this is the first interim financial report post listing on the ACE Market of Bursa Securities.

B 6. Investment in quoted securities

There was no purchase or disposal of any quoted securities during the interim financial reporting period under review.

B 7. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 8. Utilisation of proceeds from Public Issue

The Company completed its IPO exercise on 14 June 2022, which raised gross proceeds of RM 100 million. The proceeds raised from IPO are proposed to be utilised as follows:

Utilisation of proceeds	Proposed utilisation	Actual utilisation at 30 June 2022	Reallocation	Balance to be utilised	Intended timeframe for utilisation (from the listing date 14 June 2022)
	RM '000	RM '000	RM '000	RM '000	
Working capital	50,500	(1,090)	(283)	49,127	Within 12 months
Repayment of bank borrowing	39,800	(31,959)	-	7,841	Within 12 months
Capital expenditure for pipe fabrication centre	5,000	-	-	5,000	Within 36 months
Estimated listing expenses	4,700	(4,983)	283	-	Immediate
Total	100,000	(38,032)	-	61,968	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 28 April 2022.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 9. Borrowings and debt securities

The Group's borrowing and debt securities as at 30 June 2022 are as follows:

	Denominated currency	Non- Current RM '000	Current RM '000	Total RM '000
Secured				
Term loans	RM	26,713	1,308	28,021
Revolving credit	RM	86,515	18,380	104,895
Bankers' acceptance	RM	-	185,539	185,539
Foreign currency trade financing	USD	-	11,247	11,247
Hire purchase liabilities	RM	2,131	758	2,889
		<u>115,359</u>	<u>217,232</u>	<u>332,591</u>
Unsecured				
Term loans	RM	1,721	851	2,572
Bankers' acceptance	RM	-	207,275	207,275
		<u>1,721</u>	<u>208,126</u>	<u>209,847</u>
Total		<u>117,080</u>	<u>425,358</u>	<u>542,438</u>

The secured borrowings of the Group borrowings are by way of charges over certain property, plant and equipment and investment properties of the Group. In addition, they are also supported by joint and several guarantees by certain Directors of the Group, whereby such guarantees are in the process of being substituted by Corporate Guarantee of the Company post listing on the ACE Market of Bursa Securities.

B 10. Derivative financial instruments

There were no derivative financial instruments at the date of this interim financial report.

B 11. Material litigations

There is no litigation or arbitration which have a material effect on the financial position of the Group.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 12. Dividends

No interim dividend has been declared in the financial period ended 30 June 2022.

B 13. Earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows:

	Individual quarter		Cumulative quarter	
	Current quarter 30.06.2022	Corresponding quarter ⁽¹⁾ 30.06.2021	Current year to date 30.06.2022	Corresponding year to date ⁽¹⁾ 30.06.2021
Profit attributable to ordinary shareholders (RM '000)	10,058	N/A	10,058	N/A
Weighted average number of ordinary shares ('000)	1,304,945	N/A	1,304,945	N/A
Basic earnings per share (sen)	0.8	N/A	0.8	N/A

Note:

- (1) There are no comparative figures for the corresponding year's quarter and corresponding year's cumulative quarters available as this is the first interim financial report post listing on the ACE Market of Bursa Securities.

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B 14. Notes to the Statements of Comprehensive Income

Profit before taxation is arrived after charging/(crediting):

	Individual quarter		Cumulative quarter	
	Current quarter	Corresponding quarter ⁽¹⁾	Current year to date	Corresponding year to date ⁽¹⁾
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
	RM '000	RM '000	RM '000	RM '000
Impairment loss on trade receivables	1,288	N/A	1,288	N/A
Impairment loss on inventories	4,445	N/A	4,445	N/A
Depreciation of:				
- property, plant and equipment	2,291	N/A	2,291	N/A
- right-of-use assets	58	N/A	58	N/A
- investment properties	68	N/A	68	N/A
Amortisation of intangible assets	21	N/A	21	N/A
Property, plant and equipment written off	82	N/A	82	N/A
Gain on disposal of property, plant and equipment	(159)	N/A	(159)	N/A
Finance cost	3,851	N/A	3,851	N/A
Finance Income	(311)	N/A	(311)	N/A
Rental Income	(989)	N/A	(989)	N/A
Unrealised gain foreign exchange	(49)	N/A	(49)	N/A
Realised gain foreign exchange	(397)	N/A	(397)	N/A
Realised profit from interest rate swap contract	(730)	N/A	(730)	N/A

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENT OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)

B 14. Notes to the Statements of Comprehensive Income (continued)

Note:

- (1) There are no comparative figures for the corresponding year's quarter and corresponding year's cumulative quarters available as this is the first interim financial report post listing on the ACE Market of Bursa Securities.

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

There were no potential dilution effects on ordinary shares of the Group for the current and previous financial years. Accordingly, the diluted earnings per ordinary share for the current and previous years are equal to the basic earnings per ordinary share.

B 15. Authorisation for issue

This Interim Financial Report of Unitrade Industries Berhad for the first quarter ended 30 June 2022 was authorised for issuance by the Board of Directors of the Company in accordance with a resolution dated 30 August 2022.

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