

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 JUNE 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2021 RM '000	PRECEDING YEAR QUARTER 30/06/2020 RM '000	CURRENT YEAR TO DATE 30/06/2021 RM '000	PRECEDING YEAR TO DATE 30/06/2020 RM '000
Revenue	64,483	47,935	127,937	109,795
Interest income	328	434	613	722
Impairment gains/(losses) on financial assets	-	-	-	-
Operating expenses	(62,121)	(51,813)	(125,868)	(118,564)
Other income	(58)	10,839	2,984	13,411
Finance costs	(377)	(617)	(736)	(1,302)
Share of associates' loss	(62)	(7,399)	(281)	(7,556)
Profit/(Loss) before tax (Note 18)	2,193	(621)	4,649	(3,494)
Tax (expense)/income	(1,412)	(2,315)	149	(2,427)
Profit/(Loss) for the period	781	(2,936)	4,798	(5,921)
Profit/(Loss) for the period attributable to:				
Owners of the Company	783	(2,935)	4,801	(5,919)
Non-controlling interests	(2)	(1)	(3)	(2)
	781	(2,936)	4,798	(5,921)
Earnings/(Loss) per share (sen):				
(a) Basic	0.28	(1.06)	1.73	(2.13)
(b) Diluted	N/A	N/A	N/A	N/A

(The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2021

	INDIVIDUAL QUARTER CURRENT YEAR QUARTER 30/06/2021 RM '000	PRECEDING YEAR QUARTER 30/06/2020 RM '000	CUMULATIVE QUARTER CURRENT YEAR TO DATE 30/06/2021 RM '000	PRECEDING YEAR TO DATE 30/06/2020 RM '000
Profit/(Loss) for the period	781	(2,936)	4,798	(5,921)
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences for foreign operations	1,005	(330)	3,374	3,720
Total other comprehensive income for the period	1,005	(330)	3,374	3,720
Comprehensive income for the period	1,786	(3,266)	8,172	(2,201)
Comprehensive income for the period attributable to:				
Owners of the Company	1,788	(3,265)	8,175	(2,199)
Non-controlling interests	(2)	(1)	(3)	(2)
	1,786	(3,266)	8,172	(2,201)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

GUH HOLDINGS BERHAD (Company No. 4104-W)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	AS AT 30/06/2021 RM '000	AS AT 31/12/2020 RM '000
Non-Current Assets		
Property, Plant and Equipment	103,351	106,917
Investment Properties	39,425	38,352
Right-of-use Assets	26,910	26,545
Investments in Associates	6,026	5,794
Other Investments	1	3
Inventories	175,653	174,537
Prepayments	750	750
Deferred Tax Assets	662	675
	<u>352,778</u>	<u>353,573</u>
Current Assets		
Asset Held For Sales	5,428	-
Inventories	108,500	108,710
Biological Assets	129	152
Contract Costs	64	48
Contract Assets	5,562	4,338
Receivables	55,737	52,461
Prepayments	1,734	1,719
Current Tax Assets	418	126
Cash and Cash Equivalents	72,455	76,327
	<u>250,027</u>	<u>243,881</u>
Current Liabilities		
Contract Liabilities	4,528	3,624
Payables	63,566	60,759
Loans and Borrowings	12,316	18,716
Lease Liabilities	210	311
Financial Guarantee Contract	733	1,008
Current Tax Liabilities	3,250	1,961
	<u>84,603</u>	<u>86,379</u>
Net Current Assets	165,424	157,502
Non-Current Liabilities		
Deferred Tax Liabilities	7,690	10,243
Loans and Borrowings	25,764	25,381
Lease Liabilities	544	257
Retirement Benefits	7,667	7,287
	<u>41,665</u>	<u>43,168</u>
Net Assets	476,537	467,907
Equity		
Share Capital	277,992	277,992
Treasury Shares	(148)	(148)
Reserves	198,711	190,078
Equity Attributable to Owners of the Company	476,555	467,922
Non-controlling Interests	(18)	(15)
Total Equity	476,537	467,907
Net Assets per Share Attributable to Owners of the Company (RM)	1.72	1.68

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2021

	Non-Distributable						Distributable		Equity attributable to owners of the Company RM '000	Non-controlling interests RM '000	Total equity RM '000
	Share capital RM '000	Treasury shares RM '000	Employees' share grant scheme reserve RM '000	Statutory reserve * RM '000	Revaluation surplus RM '000	Fair value reserve RM '000	Currency translation reserve RM '000	Retained profits RM '000			
At 01/01/2021	277,992	(148)	-	13,960	-	-	36,355	139,763	467,922	(15)	467,907
Currency translation differences for foreign operations (representing other comprehensive income for the period)	-	-	-	-	-	-	3,374	-	3,374	-	3,374
Profit/(Loss) for the period	-	-	-	-	-	-	-	4,801	4,801	(3)	4,798
Comprehensive income for the period	-	-	-	-	-	-	3,374	4,801	8,175	(3)	8,172
Share-based payment transactions (representing total transactions with owners)	-	-	458	-	-	-	-	-	458	-	458
At 30/06/2021	277,992	(148)	458	13,960	-	-	39,729	144,564	476,555	(18)	476,537
At 01/01/2020	277,992	(148)	-	13,991	-	-	30,440	184,700	506,975	(11)	506,964
Currency translation differences for foreign operations (representing other comprehensive income for the period)	-	-	-	-	-	-	3,720	-	3,720	-	3,720
Loss for the period	-	-	-	-	-	-	-	(5,919)	(5,919)	(2)	(5,921)
Comprehensive income for the period	-	-	-	-	-	-	3,720	(5,919)	(2,199)	(2)	(2,201)
Transfer to statutory reserve	-	-	-	(30)	-	-	-	30	-	-	-
At 30/06/2020	277,992	(148)	-	13,961	-	-	34,160	178,811	504,776	(13)	504,763

* This represents the cumulative amount transferred from the retained profits of a subsidiary under the statutory requirements of the People's Republic of China.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2021**

	CURRENT YEAR TO DATE 30/06/2021 RM '000	CURRENT YEAR TO DATE 30/06/2020 RM '000
Cash flows from operating activities		
Profit/(Loss) before tax	4,649	(3,494)
Adjustments for:		
Amortisation of financial guarantee contract	(275)	-
Depreciation	7,521	8,327
Fair value changes in biological assets	23	18
Fair value losses/(gains) on financial instruments	2	(2,965)
Interest expense	736	1,302
Interest income	(613)	(722)
Inventories written down	56	128
Gain on disposal of property, plant and equipment	(48)	(27)
Gain on disposal of subsidiary	(984)	-
Provision for retirement benefits	380	372
Reversal of inventories written down	(441)	(147)
Share of associates' loss	281	7,556
Employees' share grant scheme expenses	458	-
Unrealised gain on foreign exchange	(1,054)	(1,430)
Waiver of debt	-	(7,499)
	<hr/>	<hr/>
Operating profit before working capital changes	10,691	1,419
Changes in:		
Contract costs	(16)	42
Contract assets	(1,224)	1,474
Inventories	(521)	580
Receivables	(1,704)	17,089
Prepayments	(15)	(723)
Contract liabilities	904	607
Payables	2,396	(21,180)
Cash generated from/(absorbed by) operations	<hr/> 10,511	<hr/> (692)
Tax paid	(1,429)	(3,996)
Tax refunded	10	8
	<hr/> (1,419)	<hr/> (3,988)
	<hr/>	<hr/>
Net cash from/(used in) operating activities	9,092	(4,680)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,380)	(2,584)
Additions of investment properties	(794)	(61)
Disposal of subsidiary, net of cash disposed of	(5,446)	722
Interest received	613	-
Proceeds from disposal of property, plant and equipment	58	33
	<hr/> (7,949)	<hr/> (1,890)
Cash flows from financing activities		
Drawdown of term loans	604	377
Increase in short-term loans and borrowings (net)	2,289	7,348
Interest paid	(733)	(1,291)
Payment of lease liabilities	(228)	(257)
Repayment of term loans	(9,102)	(7,334)
	<hr/> (7,170)	<hr/> (1,157)
Net cash used in financing activities	(7,170)	(1,157)
Currency translation differences	1,966	3,749
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(4,061)	(3,978)
Cash and cash equivalents brought forward	74,995	101,294
	<hr/>	<hr/>
Cash and cash equivalents carried forward	70,934	97,316
	<hr/>	<hr/>
Note:		
Cash and cash equivalents	72,455	98,194
Bank overdraft	(1,081)	(471)
Term deposits pledged as security	(440)	(407)
	<hr/>	<hr/>
	70,934	97,316
	<hr/>	<hr/>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

1. **Basis of Preparation**

The interim financial report has been prepared in accordance with requirements of MFRS 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2020.

The same accounting policies and methods of computation are followed in the interim financial report as compared with the annual financial statements for the year ended 31 December 2020 except for the adoption of the following MFRS:

	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021

The adoption of the above MFRS did not have any significant impacts on the financial statements of the Group.

2. **Audit Report**

The preceding annual financial statements of the Group were reported on without any qualification.

3. **Seasonal or Cyclical Factors**

The business operations of the Group were not materially affected by any seasonal or cyclical factors.

4. **Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current year quarter and period ended 30 June 2021.

5. **Changes in Estimates**

There were no changes in the estimates that have a material effect in the current year quarter and period ended 30 June 2021.

6. **Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities in the current year quarter and period ended 30 June 2021.

7. **Dividend Paid**

No dividend was paid during the current year quarter and period ended 30 June 2021.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021

8. Segmental Reporting

Analysis by activity	Electronic	Properties		Utilities	Unallocated Non-Operating Segments RM '000	Group RM '000
	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000		
Revenue						
Total revenue	106,620	11,368	1,108	8,491	3,830	131,417
Intersegment revenue	-	-	-	(556)	(2,924)	(3,480)
External revenue	106,620	11,368	1,108	7,935	906	127,937
Results						
Segment results	4,252	2,028	157	473	(1,857)	5,053
Interest income	476	23	-	15	99	613
Interest expense	(52)	(219)	-	-	(465)	(736)
Share of associates' loss	-	-	-	-	(281)	(281)
Profit/(Loss) before tax	4,676	1,832	157	488	(2,504)	4,649
Tax income/(expense)	614	(303)	(43)	-	(119)	149
Profit/(Loss) for the period	5,290	1,529	114	488	(2,623)	4,798
Assets						
Segment assets	229,938	270,447	22,624	16,322	56,368	595,699
Investments in associates	-	-	-	-	6,026	6,026
Income tax assets	-	1,002	45	29	4	1,080
Total assets	229,938	271,449	22,669	16,351	62,398	602,805
Liabilities						
Segment liabilities	39,420	17,329	99	9,006	10,640	76,494
Loans and borrowings	1,875	8,328	-	3,585	24,292	38,080
Lease liabilities	-	446	-	99	209	754
Income tax liabilities	9,840	115	-	-	985	10,940
Total liabilities	51,135	26,218	99	12,690	36,126	126,268

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

9. Subsequent Material Events

There were no material events subsequent to the end of the reporting period that have not been reflected in the financial statements other than the following:

i) On 2 July 2021, the Company announced that GUH Capital Sdn. Bhd. ("GUH Capital"), a wholly-owned subsidiary of the Company had on 1 July 2021 entered into a Share Purchase Agreement with Tenby Educare Sdn. Bhd., a private company limited by shares incorporated under the laws of Malaysia, to dispose its entire investment of 1,166,667 ordinary shares in Straits International Education Group Sdn. Bhd. ("SIEG"), representing approximately 25% of the issued and paid-up share capital of SIEG. The total disposal price is RM52,500,000.00 and on a cash-free and debt-free basis. The estimated proceeds from the disposal of GUH Capital's stake in SIEG will amount to approximately RM10,000,000.00 after netting off the necessary adjustments from GUH Capital's portion of RM13,125,000.00 upon completion of the disposal, whereby SIEG will cease to be the indirect associate of the Company.

The above disposal will not have material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the Company for the financial year ending 31 December 2021.

ii) On 17 August 2021, the Company announced that Covid-19 positive cases were detected on 12 August 2021 among the production workers of a wholly-owned subsidiary, namely GUH Circuit Industry (PG) Sdn Bhd ("GUH PG"). The Kementerian Kesihatan Malaysia, Penang Barat Daya office, was immediately notified on the number of infected COVID-19 cases. Following Majlis Keselamatan Negara's standard operating procedures ("SOPs"), GUH PG stopped its operations to perform deep sanitisation of the factory as well as hostels.

GUH PG received an official visit from Kementerian Kesihatan Malaysia ("KKM") on 13 August 2021 with instructions to suspend its operation from 13 August 2021 to 21 August 2021. The Group has adopted all possible and necessary standard operating procedures ("SOPs") at its plant premises as well as hostels which include social distancing measures, temperature checks, proper hygiene, Personal Protection Equipment usage, regular sanitisation, restricting visits by outsiders, and increased adoption of virtual meetings etc. while operating in the "new normal" environment.

Subject to further directives from KKM, GUH PG's factory is expected to resume operations in stages starting from 22 August 2021.

Impact on operations

The temporary cessation of manufacturing operations is expected to result in delay of deliveries for several orders to GUH PG's customers. The management is currently in discussion with the affected customers for the rescheduling of the delivery dates for those orders and expect that there will not be any adverse impact to the Group.

The Group expects to increase production with extended shifts upon re-commencement of manufacturing activities. Although there will be a temporary reduction in GUH PG's employee numbers during the quarantine and recovery of the relevant staff, the Group does not foresee any material impact on its production levels as a result of the extended shifts.

Impact on financial performance

The Group does not expect any material impact to the sufficiency of its working capital, capital expenses, operating expenses or financial performance as the costs incurred for the COVID-19 tests and sanitisation are immaterial.

Barring any prolonged interruptions or closure of operation of the factory, the Company does not expect any material adverse impact on the revenue or the earnings of the Group for the financial year ending 31 December 2021 as GUH PG has sufficient finished goods in reserve as part of the Group's business continuity plan for production output to fulfil customer orders.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the period ended 30 June 2021 other than the following:

On 2 March 2021, the Company announced that its wholly-owned subsidiary, GUH Utilities Holdings Sdn. Bhd, has entered into agreements on 2 March 2021 with HNG Capital Sdn Bhd for the Proposed Disposal of 9,180,000 ordinary shares, representing 60% equity interest in its wholly-owned subsidiary, GUH Renewable Energy Sdn. Bhd. for a cash consideration of RM9,147,319.00.

The Proposed Disposal is not expected to have a material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholding of the Company.

11. Contingent Liabilities or Contingent Assets

The Group has no contingent liabilities and contingent assets as at the end of the current year quarter or last annual reporting date.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

12. Significant Related Party Transactions

Significant transactions with related parties during the period ended 30 June 2021 are as follows:

	30/06/2021 RM '000
Purchase of goods from other related parties (a)	8,568
Acquisition of property, plant and equipment from other related party (a)	16
Receiving of services from other related party (a)	79
Rental charged by other related party (a)	57
Rental charged to other related party (a)	86
Rental charged to associate	784
Sale of goods to other related party (a)	3,129
Disposal of subsidiary to other related party (a)	9,838
	9,838

(a) Being companies in which certain directors have substantial financial interests

13. Review of the Performance

Operating Segment	Current Year Quarter 30/06/2021 RM '000	Preceding Year Quarter 30/06/2020 RM '000	Changes RM '000	Current Year To Date 30/06/2021 RM '000	Preceding Year To Date 30/06/2020 RM '000	Changes RM '000
Revenue						
Electronic						
- Manufacture of printed circuit boards	54,426	45,415	9,011	106,620	99,580	7,040
Properties						
- Property development	5,790	269	5,521	11,368	4,371	6,997
- Sale of building materials	-	76	(76)	-	746	(746)
- Cultivation of oil palm	514	245	269	1,108	561	547
Utilities						
- Water and wastewater treatment	3,318	1,495	1,823	7,935	3,693	4,242
Unallocated non-operating segments	435	435	-	906	844	62
Total	64,483	47,935	16,548	127,937	109,795	18,142
(Loss)/Profit before tax						
Electronic						
- Manufacture of printed circuit boards	2,536	(862)	3,398	4,676	(539)	5,215
Properties						
- Property development	619	(1,103)	1,722	1,832	(1,144)	2,976
- Sale of building materials	-	(157)	157	-	(305)	305
- Cultivation of oil palm	(133)	(215)	82	157	(304)	461
Utilities						
- Water and wastewater treatment	346	(606)	952	488	(1,739)	2,227
Unallocated non-operating segments	(1,175)	2,322	(3,497)	(2,504)	537	(3,041)
Total	2,193	(621)	2,814	4,649	(3,494)	8,143

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

13. **Review of the Performance (cont'd)**

a) Current Year Quarter vs Preceding Year Quarter

The Group recorded a profit before tax of RM 2.2 million for the current year quarter ended 30 June 2021 compared to a loss before tax of RM 0.6 million for the preceding year quarter mainly due to improved contribution from Electronic, Properties and Utilities Divisions which were partly offset by reduction in gain on derecognition of contingent consideration of RM 3.0 million.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 30 June 2021 compared to the preceding year quarter is as

i) Manufacture of printed circuit boards

The profit before tax of RM 2.5 million was in contrast to a loss before tax of RM 0.9 million mainly due to higher contribution from Malaysia operation on the surge in demand for PCBs and favourable sales mix.

ii) Property development

The profit before tax of RM 0.6 million was in contrast to a loss before tax of RM 1.1 million in line with higher property units sold.

iii) Sale of building materials

This business segment has been reclassified to unallocated non-operating segments in 2021 following the cessation of business operation.

iv) Cultivation of oil palm

Loss before tax decreased to RM 0.1 million from RM 0.2 million mainly due to higher FFB output and CPO prices which were partly offset by unfavourable fair value changes in biological assets.

v) Water and wastewater treatment

The profit before tax of RM 0.3 million was in contrast to a loss before tax of RM 0.6 million mainly due to higher percentage of completion for water and road construction projects coupled with lower administrative expenses.

vi) Unallocated non-operating segments

The loss before tax of RM 1.2 million was in contrast to a profit before tax of RM 2.3 million mainly due to reduction in gain on derecognition of contingent consideration of RM 3.0 million.

b) Current Year To Date vs Preceding Year To Date

For the period ended 30 June 2021, the Group recorded a profit before tax of RM 4.6 million compared to a loss before tax of RM 3.5 million for the preceding year to date mainly due to improved contribution from Electronic, Properties and Utilities Divisions which were partly offset by reduction in gain on derecognition of contingent consideration of RM 3.0 million.

Detailed analysis of the performance of the Group's operating segments for the period ended 30 June 2021 compared to the preceding year to date is as follows:

i) Manufacture of printed circuit boards

The profit before tax of RM 4.7 million was in contrast to a loss before tax of RM 0.5 million mainly due to higher contribution from Malaysia operation on the surge in demand for PCBs and favourable sales mix.

ii) Property development

The profit before tax of RM 1.8 million was in contrast to a loss before tax of RM 1.1 million in line with higher property units sold.

iii) Sale of building materials

This business segment has been reclassified to unallocated non-operating segments in 2021 following the cessation of business operation.

iv) Cultivation of oil palm

The profit before tax of RM 0.2 million was in contrast to a loss before tax of RM 0.3 million mainly due to higher FFB output and CPO prices.

v) Water and wastewater treatment

The profit before tax of RM 0.5 million was in contrast to a loss before tax of RM 1.7 million mainly due to higher percentage of completion for water and road construction projects coupled with lower administrative expenses.

vi) Unallocated non-operating segments

The loss before tax of RM 2.5 million was in contrast to a profit before tax of RM 0.5 million mainly due to reduction in gain on derecognition of contingent consideration of RM 3.0 million.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

14. Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

	Current Year Quarter 30/06/2021 RM'000	Immediate Preceding Quarter 31/03/2021 RM'000	Changes RM'000
Revenue	64,483	63,454	1,029
Profit Before Tax	2,193	2,456	(263)

As compared to the immediate preceding quarter, the Group's profit before tax decreased to RM 2.2 million from RM 2.5 million mainly due to lower contribution from Properties Division.

15. Prospects for 2021

Despite the rapid Covid-19 vaccination drive and relaxation of restrictions, the Group foresees the tough and challenging operating environment to persist in the second half of 2021 in view of the surge in COVID-19 cases driven by the Delta variant.

16. Variance from Profit Forecast and Profit Guarantee

The Group has not provided any profit forecast or profit guarantee in a public document.

17. Revenue

The revenue is disaggregated by major products or services as follows:

Current Year Quarter 30/06/2021						
Segment	Electronic	Properties		Utilities	Others	Group RM '000
Major products / Services	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000	Rental Income RM '000	
<u>Timing of revenue recognition</u>						
Services transferred over time	-	2,754	-	3,318	-	6,072
Products transferred at a point in time	54,426	3,036	514	-	-	57,976
Income not within the scope of MFRS 15	-	-	-	-	435	435
	54,426	5,790	514	3,318	435	64,483

Current Year To Date 30/06/2021						
Segment	Electronic	Properties		Utilities	Others	Group RM '000
Major products / Services	Manufacture of Printed Circuit Boards RM '000	Property Development RM '000	Cultivation of Oil Palm RM '000	Water and Wastewater Treatment RM '000	Rental Income RM '000	
<u>Timing of revenue recognition</u>						
Services transferred over time	-	6,712	-	7,935	-	14,647
Products transferred at a point in time	106,620	4,656	1,108	-	-	112,384
Income not within the scope of MFRS 15	-	-	-	-	906	906
	106,620	11,368	1,108	7,935	906	127,937

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

18. Profit/(Loss) Before Tax

	Current Year Quarter 30/06/2021 RM'000	Current Year To Date 30/06/2021 RM'000
Profit/(Loss) before tax is arrived at after charging:		
- Interest expense	377	736
- Depreciation	3,765	7,521
- Impairment losses on financial assets	-	-
- Inventories written down	15	56
- Inventories written off	-	-
- Loss on disposal of property, plant and equipment	-	-
- Property, plant and equipment written off	-	-
- Loss on foreign exchange - realised	-	-
- Loss on foreign exchange - unrealised	276	-
- Fair value losses on financial instruments	-	2
- Fair value changes in biological assets	185	23
- Exceptional items	-	-
and crediting:		
- Amortisation of financial guarantee contract	138	275
- Interest income	328	613
- Dividend income	-	-
- Gain on disposal of property, plant and equipment	1	48
- Gain on disposal of subsidiary	-	984
- Gain on foreign exchange - realised	167	30
- Gain on foreign exchange - unrealised	-	1,054
- Fair value gains on financial instruments	-	-
- Fair value changes in biological assets	-	-
- Impairment gains on financial assets	-	-
- Reversal of inventories written down	140	441

19. Taxation

Taxation comprises:

	Current Year Quarter 30/06/2021 RM '000	Current Year To Date 30/06/2021 RM '000
Income tax	(1,394)	(2,392)
Deferred tax	(18)	2,541
	<u>(1,412)</u>	<u>149</u>

The Group's effective tax rates differ from the statutory tax rate mainly because:

- (i) certain income and expenses which are not taxable and allowable
- (ii) utilisation of reinvestment allowances by certain subsidiary; and
- (iii) differential tax rate for certain subsidiary.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

20. Status of Corporate Proposals

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

21. Group Borrowings and Debt Securities

The details of the Group borrowings and debt securities are as follows:

	As at 30 June 2021					
	Long Term		Short Term		Total Borrowings	
	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000
Secured						
Bank Overdraft	-	-	-	1,081	-	1,081
Term Loans	-	25,764	-	5,775	-	31,539
Revolving Credit	-	-	-	3,000	-	3,000
	-	25,764	-	9,856	-	35,620
Unsecured						
Term Loan	-	-	-	1,875	-	1,875
Bankers Acceptance	-	-	-	585	-	585
	-	-	-	2,460	-	2,460
Total	-	25,764	-	12,316	-	38,080

	As at 30 June 2020					
	Long Term		Short Term		Total Borrowings	
	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000	USD Denomination RM'000	RM Denomination RM'000
Secured						
Bank Overdraft	-	-	-	471	-	471
Term Loans	-	30,318	-	3,676	-	33,994
	-	30,318	-	4,147	-	34,465
Unsecured						
Term Loans	-	5,621	-	3,743	-	9,364
Revolving Credits	-	-	-	12,500	-	12,500
Foreign Currency Trust Receipts						
- USD251,543 @ 4.310	-	-	1,084	-	1,084	-
- USD489,447 @ 4.349	-	-	2,129	-	2,129	-
	-	5,621	3,213	16,243	3,213	21,864
Total	-	35,939	3,213	20,390	3,213	56,329

	As at 30 June 2021			As at 30 June 2020		
	Effective Interest Rate As at 30 June 2021 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 30 June 2020 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
	Bank Overdraft	4.15%	1,081	-	4.35%	471
Term Loans	3.44% ~ 4.26%	33,414	-	3.75% ~ 4.69%	43,358	-
Revolving Credits	3.02%	-	3,000	3.25% ~ 4.22%	-	12,500
Foreign Currency Trust Receipts	-	-	-	1.56% ~ 1.99%	-	3,213
Bankers Acceptance	3.92% ~ 3.97%	-	585	-	-	-
Total		34,495	3,585		43,829	15,713
%		90.59%	9.41%		73.61%	26.39%

Compared to the period ended 30 June 2020, the Group's borrowings decreased to RM 38.1 million from RM 59.5 million mainly due to repayment of term loans, revolving credits and foreign currency trust receipts.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

22. Financial Instruments

a) Derivatives

There were no outstanding derivatives as at 30 June 2021.

b) Gains/(Losses) arising from Fair Value Changes of Financial Liabilities

There were no gains/(losses) arising from fair value changes of financial liabilities for the current year quarter and period ended 30 June 2021.

c) Fair Value

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The inputs to valuation techniques used to measure fair value are categorised into the following levels of fair value hierarchy:

- i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- iii) Level 3 - unobservable inputs for the asset or liability.

The fair value measurement of financial instruments at the end of the reporting period are as follows:

i) Other investments

	30/06/2021 RM '000
Shares quoted in Malaysia - at fair value	1
Unquoted shares - at cost less impairment losses	- *
	1
	1

* Less than RM1,000

The fair values of quoted investments are directly measured using their unadjusted closing prices in active markets (i.e. Level 1).

The fair values of unquoted investments cannot be reliably measured due to the lack of quoted prices in active markets for identical instruments. In addition, the variability in the range of reasonable fair value measurements is expected to be significant and the probabilities of the various estimates within the range cannot be reasonably assessed.

ii) Other financial assets and financial liabilities

The carrying amounts of receivables, cash and cash equivalents, payables and loans and borrowings which are short-term in nature or repayable on demand are reasonable approximations of fair values. The fair values of long-term loans and borrowings are measured using present value technique by discounting the expected future cash flows using observable current market interest rates for similar liabilities (i.e. Level 2).

There were no transfers between Level 1 and Level 2 during the period ended 30 June 2021.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 JUNE 2021**

23. **Material Litigation**

There was no material litigation against the Group as at 30 June 2021 other than the following:

On 28 April 2021, the Company announced that its wholly-owned subsidiary, Teknoserv Engineering Sdn. Bhd. and Nine Hundred Builders Sdn. Bhd., have completed their out of court settlement in relation to the dispute and differences which have arisen from the project known as "The Proposed Extension of Phase 2, Sawah Raja Water Treatment Plant and Other Related Works (10MGD), Negeri Sembilan – Pakej 1 Cadangan Membina dan Menyiapkan Loji Rawatan Air Sawah Raja Fasa 2".

The above out of court settlement did not have any major financial and/or operational impact to the Company.

24. **Proposed Dividend**

No dividend has been proposed or declared for the current year quarter ended 30 June 2021.

25. **Earnings Per Share**

	Current Year Quarter 30/06/2021	Current Year To Date 30/06/2021
Profit attributable to owners of the Company (RM '000)	783	4,801
Number of ordinary shares in issue at the beginning of the period ('000)	277,789	277,789
Effect of shares dividend ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	277,789	277,789
Basic earnings per share (sen)	0.28	1.73

Diluted earnings per share are not presented as there are no dilutive potential ordinary shares in the current year quarter and period ended 30 June 2021.

26. **Authorisation for Issue**

The Board of Directors authorised the issue of this unaudited interim financial report on 23 August 2021.