

GUH HOLDINGS BERHAD (Company No. 4104-W)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2021 RM '000	PRECEDING YEAR QUARTER 30/09/2020 RM '000	CURRENT YEAR TO DATE 30/09/2021 RM '000	PRECEDING YEAR TO DATE 30/09/2020 RM '000
Revenue	62,475	69,830	190,412	179,625
Interest income	311	364	924	1,086
Impairment gains/(losses) on financial assets	-	-	-	-
Operating expenses	(62,655)	(92,937)	(188,523)	(211,501)
Other income	734	(848)	3,718	12,563
Finance costs	(347)	(653)	(1,083)	(1,955)
Share of associates' profit/(loss)	219	14	(62)	(7,542)
Profit/(Loss) before tax (Note 18)	737	(24,230)	5,386	(27,724)
Tax expense	(1,076)	(448)	(927)	(2,875)
(Loss)/Profit for the period	(339)	(24,678)	4,459	(30,599)
(Loss)/Profit for the period attributable to:				
Owners of the Company	(338)	(24,675)	4,463	(30,594)
Non-controlling interests	(1)	(3)	(4)	(5)
	(339)	(24,678)	4,459	(30,599)
(Loss)/Earnings per share (sen):				
(a) Basic	(0.12)	(8.88)	1.61	(11.01)
(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 SEPTEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	QUARTER	TO DATE	TO DATE
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM '000	RM '000	RM '000	RM '000
(Loss)/Profit for the period	(339)	(24,678)	4,459	(30,599)
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss:				
Currency translation differences for foreign operations	966	1,813	4,340	5,533
Total other comprehensive income for the period	966	1,813	4,340	5,533
Comprehensive income for the period	627	(22,865)	8,799	(25,066)
Comprehensive income for the period attributable to:				
Owners of the Company	628	(22,862)	8,803	(25,061)
Non-controlling interests	(1)	(3)	(4)	(5)
	627	(22,865)	8,799	(25,066)

(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 SEPTEMBER 2021**

	AS AT 30/09/2021 RM '000	AS AT 31/12/2020 RM '000
Non-Current Assets		
Property, Plant and Equipment	102,195	106,917
Investment Properties	39,231	38,352
Right-of-use Assets	26,657	26,545
Investments in Associates	6,609	5,794
Other Investments	1	3
Inventories	176,649	174,537
Prepayments	750	750
Deferred Tax Assets	668	675
	<u>352,760</u>	<u>353,573</u>
Current Assets		
Asset Held For Sales	5,428	-
Inventories	110,090	108,710
Biological Assets	182	152
Contract Costs	73	48
Contract Assets	11,703	4,338
Receivables	48,808	52,461
Prepayments	1,857	1,719
Current Tax Assets	132	126
Cash and Cash Equivalents	72,039	76,327
	<u>250,312</u>	<u>243,881</u>
Current Liabilities		
Contract Liabilities	5,221	3,624
Payables	60,966	60,759
Loans and Borrowings	13,256	18,716
Lease Liabilities	111	311
Financial Guarantee Contract	596	1,008
Current Tax Liabilities	3,568	1,961
	<u>83,718</u>	<u>86,379</u>
Net Current Assets	166,594	157,502
Non-Current Liabilities		
Deferred Tax Liabilities	7,797	10,243
Loans and Borrowings	25,764	25,381
Lease Liabilities	544	257
Retirement Benefits	7,857	7,287
	<u>41,962</u>	<u>43,168</u>
Net Assets	477,392	467,907
Equity		
Share Capital	277,992	277,992
Treasury Shares	(148)	(148)
Reserves	199,567	190,078
Equity Attributable to Owners of the Company	477,411	467,922
Non-controlling Interests	(19)	(15)
Total Equity	477,392	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 SEPTEMBER 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)	-	-	-	-	-	-	4,340	-	4,340	-	4,340
Profit/(Loss) for the period	-	-	-	-	-	-	-	4,463	4,463	(4)	4,459
Comprehensive income for the period	-	-	-	-	-	-	4,340	4,463	8,803	(4)	8,799
Share-based payment transactions (representing total transactions with owners)	-	-	686	-	-	-	-	-	686	-	686
At 30/09/2021	277,992	(148)	686	13,960	-	-	40,695	144,226	477,411	(19)	477,392
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)	-	-	-	-	-	-	5,533	-	5,533	-	5,533
Loss for the period	-	-	-	-	-	-	-	(30,594)	(30,594)	(5)	(30,599)
Comprehensive income for the period	-	-	-	-	-	-	5,533	(30,594)	(25,061)	(5)	(25,066)
Transfer to statutory reserve	-	-	-	(31)	-	-	-	31	-	-	-
At 30/09/2020	277,992	(148)	-	13,960	-	-	35,973	154,137	481,914	(16)	481,898

* 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 SEPTEMBER 2021**

	CURRENT YEAR TO DATE 30/09/2021 RM '000	PRECEDING YEAR TO DATE 30/09/2020 RM '000
Cash flows from operating activities		
Profit/(Loss) before tax	5,386	(27,724)
Adjustments for:		
Amortisation of financial guarantee contract	(412)	-
Depreciation	11,270	12,367
Fair value changes in biological assets	(30)	(2)
Fair value losses/(gains) on financial instruments	2	(2,964)
Interest expense	1,083	1,955
Interest income	(924)	(1,086)
Inventories written down	59	335
Gain on disposal of property, plant and equipment	(48)	(50)
Gain on dissolution of associate	-	(7,061)
(Gain)/Loss on dissolution of subsidiary	(984)	614
Provision for retirement benefits	570	557
Reversal of inventories written down	(461)	(312)
Share of associates' loss	62	7,542
Employees' share grant scheme expenses	686	-
Unrealised gain on foreign exchange	(1,196)	(691)
	<hr/>	<hr/>
Operating profit/(loss) before working capital changes	15,063	(16,520)
Changes in:		
Contract costs	(25)	41
Contract assets	(7,365)	2,791
Inventories	(3,090)	6,857
Receivables	4,987	4,871
Prepayments	(138)	1,017
Contract liabilities	1,597	1,114
Payables	(16)	7,753
Cash generated from operations	<hr/> 11,013	<hr/> 7,924
Tax paid	(1,744)	(4,375)
Tax refunded	10	249
	<hr/> (1,734)	<hr/> (4,126)
	<hr/>	<hr/>
Net cash from operating activities	9,279	3,798
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,197)	(3,678)
Additions of investment properties	(817)	(482)
Capital repayment from associate	-	149
Disposal of subsidiary, net of cash disposed of	(5,446)	-
Interest received	924	1,086
Proceeds from disposal of property, plant and equipment	59	82
Net cash used in investing activities	<hr/> (9,477)	<hr/> (2,843)
Cash flows from financing activities		
Changes in term deposits pledged as security	420	-
Drawdown of term loans	604	6,377
Increase in short-term loans and borrowings (net)	5,791	6,110
Interest paid	(1,080)	(1,939)
Payment of lease liabilities	(327)	(381)
Repayment of term loans	(12,282)	(11,014)
Net cash used in financing activities	<hr/> (6,874)	<hr/> (847)
Currency translation differences	2,397	3,736
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(4,675)	3,844
Cash and cash equivalents brought forward	<hr/> 74,995	<hr/> 101,294
	<hr/>	<hr/>
Cash and cash equivalents carried forward	70,320	105,138
	<hr/>	<hr/>
Note:		
Cash and cash equivalents	72,039	106,090
Bank overdraft	(1,699)	(545)
Term deposits pledged as security	(20)	(407)
	<hr/> 70,320	<hr/> 105,138
	<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 SEPTEMBER 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 September 2021 other than the temporary cessation of manufacturing operations for approximately three weeks in August 2021 of a wholly-owned subsidiary, namely GUH Circuit Industry (PG) Sdn Bhd ("GUH PG") due to COVID-19 positive cases among the production workers.

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. In addition, GUH PG has managed to increase production output with extended shifts upon re-commencement of manufacturing activities while the costs incurred for the COVID-19 tests and sanitisations are immaterial.

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 September 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 September 2021.

7. **Dividend Paid**

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 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	158,234	17,773	1,431	12,152	5,764	195,354
Intersegment revenue	-	-	-	(556)	(4,386)	(4,942)
External revenue	158,234	17,773	1,431	11,596	1,378	190,412
Results						
Segment results	5,112	3,627	81	(446)	(2,767)	5,607
Interest income	713	30	-	14	167	924
Interest expense	(62)	(304)	-	(23)	(694)	(1,083)
Share of associates' loss	-	-	-	-	(62)	(62)
Profit/(Loss) before tax	5,763	3,353	81	(455)	(3,356)	5,386
Tax income/(expense)	27	(759)	(27)	-	(168)	(927)
Profit/(Loss) for the period	5,790	2,594	54	(455)	(3,524)	4,459
Assets						
Segment assets	226,894	273,289	22,500	16,640	56,340	595,663
Investments in associates	-	-	-	-	6,609	6,609
Income tax assets	3	691	72	29	5	800
Total assets	226,897	273,980	22,572	16,669	62,954	603,072
Liabilities						
Segment liabilities	34,550	18,281	55	10,325	11,429	74,640
Loans and borrowings	3,827	7,888	-	3,260	24,045	39,020
Lease liabilities	-	388	-	91	176	655
Income tax liabilities	10,121	233	7	-	1,004	11,365
Total liabilities	48,498	26,790	62	13,676	36,654	125,680

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 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:

On 13 October 2021, the Company announced that further to the announcement made on 2 July 2021, GUH Capital Sdn. Bhd. ("GUH Capital"), a wholly-owned subsidiary of the Company has completed the Share Purchase Agreement with Tenby Educare Sdn. Bhd. for the disposal of 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.

GUH Capital will be entitled to 25% of the total consideration of RM41,998,072 as a result of its shareholding proportion in SIEG.

As a result of the completion of the disposal, SIEG shall cease to be the indirect associate of the Company.

10. **Changes in the Composition of the Group**

There were no changes in the composition of the Group during the period ended 30 September 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 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 disposal did not 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.

12. **Significant Related Party Transactions**

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

	30/09/2021 RM '000
Purchase of goods from other related parties (a)	11,804
Acquisition of property, plant and equipment from other related party (a)	33
Receiving of services from other related party (a)	110
Rental charged by other related party (a)	71
Rental charged to other related party (a)	129
Rental charged to associate	1,196
Sale of goods to other related party (a)	4,411
Disposal of subsidiary to other related party (a)	<u>9,838</u>

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

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

13. **Review of the Performance**

Operating Segment	Current Year Quarter 30/09/2021 RM '000	Preceding Year Quarter 30/09/2020 RM '000	Changes RM '000	Current Year To Date 30/09/2021 RM '000	Preceding Year To Date 30/09/2020 RM '000	Changes RM '000
Revenue						
Electronic						
- Manufacture of printed circuit boards	51,614	61,954	(10,340)	158,234	161,534	(3,300)
Properties						
- Property development	6,405	2,620	3,785	17,773	6,991	10,782
- Sale of building materials	-	128	(128)	-	874	(874)
- Cultivation of oil palm	323	187	136	1,431	748	683
Utilities						
- Water and wastewater treatment	3,661	4,364	(703)	11,596	8,057	3,539
Unallocated non-operating segments	472	577	(105)	1,378	1,421	(43)
Total	62,475	69,830	(7,355)	190,412	179,625	10,787
Profit/(Loss) before tax						
Electronic						
- Manufacture of printed circuit boards	1,087	(20,616)	21,703	5,763	(21,155)	26,918
Properties						
- Property development	1,521	(677)	2,198	3,353	(1,821)	5,174
- Sale of building materials	-	(291)	291	-	(596)	596
- Cultivation of oil palm	(76)	(206)	130	81	(510)	591
Utilities						
- Water and wastewater treatment	(943)	(1,085)	142	(455)	(2,824)	2,369
- Unallocated non-operating segments	(852)	(1,355)	503	(3,356)	(818)	(2,538)
Total	737	(24,230)	24,967	5,386	(27,724)	33,110

a) Current Year Quarter vs Preceding Year Quarter

The Group recorded a profit before tax of RM 0.7 million for the current year quarter ended 30 September 2021 compared to a loss before tax of RM 24.2 million for the preceding year quarter mainly due to positive contribution from Electronic and Properties Divisions.

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

i) Manufacture of printed circuit boards

The profit before tax of RM 1.1 million was in contrast to a loss before tax of RM 20.6 million mainly due to the absence of termination benefits for China operation, higher contribution from Malaysia operation on the surge in demand for PCBs and favourable foreign exchange.

ii) Property development

The profit before tax of RM 1.5 million was in contrast to a loss before tax of RM 0.7 million mainly due to higher commercial 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 coupled with favourable fair value changes in biological assets.

v) Water and wastewater treatment

Loss before tax decreased to RM 0.9 million from RM 1.1 million mainly due to lower administrative expenses and finance costs.

vi) Unallocated non-operating segments

Loss before tax decreased to RM 0.9 million from RM 1.4 million mainly due to higher contribution from associates.

b) Current Year To Date vs Preceding Year To Date

For the period ended 30 September 2021, the Group recorded a profit before tax of RM 5.4 million compared to a loss before tax of RM 27.7 million for the preceding year to date mainly due to positive contribution from Electronic and Properties Divisions.

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

i) Manufacture of printed circuit boards

The profit before tax of RM 5.8 million was in contrast to a loss before tax of RM 21.2 million mainly due to the absence of termination benefits for China operation, higher contribution from Malaysia operation on the surge in demand for PCBs and favourable foreign exchange.

ii) Property development

The profit before tax of RM 3.4 million was in contrast to a loss before tax of RM 1.8 million mainly due to higher commercial 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 0.1 million was in contrast to a loss before tax of RM 0.5 million mainly due to higher FFB output and CPO prices coupled with favourable fair value changes in biological assets.

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

13. Review of the Performance (cont'd)

b) Current Year To Date vs Preceding Year To Date (cont'd)

v) Water and wastewater treatment

Loss before tax decreased to RM 0.5 million from RM 2.8 million mainly due to higher percentage of completion for water and road construction projects coupled with lower administrative expenses.

vi) Unallocated non-operating segments

Loss before tax increased to RM 3.4 million from RM 0.8 million mainly due to the absence of gain on dissolution of associate and gain on derecognition of contingent consideration which was partly offset by lower share of associates' loss.

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

	Current Year Quarter 30/09/2021 RM'000	Immediate Preceding Quarter 30/06/2021 RM'000	Changes RM'000
Revenue	62,475	64,483	(2,008)
Profit Before Tax	737	2,193	(1,456)

As compared to the immediate preceding quarter, the Group's profit before tax decreased to RM 0.7 million from RM 2.2 million mainly due to lower contribution from Electronic Division which was affected by the temporary cessation of manufacturing operations in Malaysia for approximately three weeks in August 2021 due to COVID-19 positive cases among the production workers.

15. Prospects for 2021

With the robust vaccination programme, economic reopening activities, interstate and overseas travels allowed for the fully vaccinated effective 11 October 2021, the Group expects better results in the last quarter of 2021.

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:

Segment	Current Year Quarter 30/09/2021					Group RM '000
	Electronic Manufacture of Printed Circuit Boards RM '000	Properties Property Development RM '000	Cultivation of Oil Palm RM '000	Utilities Water and Wastewater Treatment RM '000	Others Rental Income RM '000	
Major products / Services						
<u>Timing of revenue recognition</u>						
Services transferred over time	-	5,833	-	3,661	-	9,494
Products transferred at a point in time	51,614	572	323	-	-	52,509
Income not within the scope of MFRS 15	-	-	-	-	472	472
	51,614	6,405	323	3,661	472	62,475

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

17. **Revenue (cont'd)**

Current Year To Date 30/09/2021						
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	
Timing of revenue recognition						
Services transferred over time	-	12,545	-	11,596	-	24,141
Products transferred at a point in time	158,234	5,228	1,431	-	-	164,893
Income not within the scope of MFRS 15	-	-	-	-	1,378	1,378
	158,234	17,773	1,431	11,596	1,378	190,412

18. **Profit/(Loss) Before Tax**

	Current Year Quarter 30/09/2021 RM'000	Current Year To Date 30/09/2021 RM'000
Profit/(Loss) before tax is arrived at after charging:		
- Interest expense	347	1,083
- Depreciation	3,749	11,270
- Impairment losses on financial assets	-	-
- Inventories written down	3	59
- 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	-	-
- Fair value losses on financial instruments	-	2
- Fair value changes in biological assets	-	-
- Exceptional items	-	-
and crediting:		
- Amortisation of financial guarantee contract	137	412
- Interest income	311	924
- Dividend income	-	-
- Gain on disposal of property, plant and equipment	-	48
- Gain on disposal of subsidiary	-	984
- Gain on foreign exchange - realised	239	269
- Gain on foreign exchange - unrealised	142	1,196
- Fair value gains on financial instruments	-	-
- Fair value changes in biological assets	53	30
- Impairment gains on financial assets	-	-
- Reversal of inventories written down	20	461

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

19. **Taxation**

Taxation comprises:

	Current Year Quarter 30/09/2021 RM '000	Current Year To Date 30/09/2021 RM '000
Income tax	(974)	(3,366)
Deferred tax	(102)	2,439
Real property gains tax	-	-
	<u>(1,076)</u>	<u>(927)</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.

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 September 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	-	-	-	1,699	-	1,699
Term Loans	-	25,764	-	4,470	-	30,234
Revolving Credit	-	-	-	3,000	-	3,000
	-	25,764	-	9,169	-	34,933
Unsecured						
Bankers Acceptance	-	-	-	260	-	260
Foreign Currency Trust Receipts						
- USD627,069 @ 4.154	-	-	2,605	-	2,605	-
- USD293,736 @ 4.162	-	-	1,222	-	1,222	-
	-	-	3,827	260	3,827	260
Total	-	25,764	3,827	9,429	3,827	35,193

	As at 30 September 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	-	-	-	545	-	545
Term Loans	-	36,318	-	1,872	-	38,190
	-	36,318	-	2,417	-	38,735
Unsecured						
Term Loans	-	5,621	-	1,872	-	7,493
Revolving Credits	-	-	-	13,000	-	13,000
Bankers Acceptance	-	-	-	1,475	-	1,475
	-	5,621	-	16,347	-	21,968
Total	-	41,939	-	18,764	-	60,703

	As at 30 September 2021			As at 30 September 2020		
	Effective Interest Rate As at 30 September 2021 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 30 September 2020 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
	Bank Overdraft	4.10%	1,699	-	4.10%	545
Term Loans	3.67% ~ 4.26%	30,234	-	3.44% ~ 4.32%	45,683	-
Revolving Credits	3.02%	-	3,000	2.94% ~ 3.36%	-	13,000
Bankers Acceptance	3.97%	-	260	3.74% ~ 4.24%	-	1,475
Foreign Currency Trust Receipts	1.26% ~ 1.38%	-	3,827	-	-	-
Total		31,933	7,087		46,228	14,475
%		81.84%	18.16%		76.15%	23.85%

Compared to the period ended 30 September 2020, the Group's borrowings decreased to RM 39.0 million from RM 60.7 million mainly due to repayment of term loans and revolving credits.

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

22. Financial Instruments

a) Derivatives

There were no outstanding derivatives as at 30 September 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 September 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

	30/09/2021 RM '000
Shares quoted in Malaysia - at fair value	1
Unquoted shares - at cost less impairment losses	-
	<u>1</u>

* 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 September 2021.

23. Material Litigation

There was no material litigation against the Group as at 30 September 2021.

24. Proposed Dividend

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

25. Earnings Per Share

	Current Year Quarter 30/09/2021	Current Year To Date 30/09/2021
Profit attributable to owners of the Company (RM '000)	<u>(338)</u>	<u>4,463</u>
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)	<u>277,789</u>	<u>277,789</u>
Basic earnings per share (sen)	<u>(0.12)</u>	<u>1.61</u>

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

26. Authorisation for Issue

The Board of Directors authorised the issue of this unaudited interim financial report on 29 November 2021.