

GUH HOLDINGS BERHAD (Company No. 4104-W)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2021 RM '000	PRECEDING YEAR QUARTER 31/12/2020 RM '000	CURRENT YEAR TO DATE 31/12/2021 RM '000	PRECEDING YEAR TO DATE 31/12/2020 RM '000
Revenue	88,384	60,247	278,796	239,872
Interest income	286	359	1,210	1,445
Impairment gains/(losses) on financial assets	-	-	-	-
Operating expenses	(82,914)	(72,402)	(271,437)	(283,903)
Other income	7,068	(7,023)	10,786	5,540
Finance costs	(346)	(500)	(1,429)	(2,455)
Share of associates' profit/(loss)	234	6,785	172	(757)
Share of joint venture's loss	(40)	-	(40)	-
Profit/(Loss) before tax (Note 18)	12,672	(12,534)	18,058	(40,258)
Tax expense	(2,562)	(1,839)	(3,489)	(4,714)
Profit/(Loss) for the period/financial year	10,110	(14,373)	14,569	(44,972)
Profit/(Loss) for the period/financial year attributable to:				
Owners of the Company	10,110	(14,374)	14,573	(44,968)
Non-controlling interests	-	1	(4)	(4)
	10,110	(14,373)	14,569	(44,972)
Earnings/(Loss) per share (sen):				
(a) Basic	3.64	(5.17)	5.25	(16.19)
(b) Diluted	3.59	N/A	5.18	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 YEAR ENDED 31 DECEMBER 2021

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING	CURRENT	PRECEDING
	YEAR	YEAR	YEAR	YEAR
	QUARTER	QUARTER	TO DATE	TO DATE
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM '000	RM '000	RM '000	RM '000
Profit/(Loss) for the period/financial year	10,110	(14,373)	14,569	(44,972)
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss:				
- Currency translation differences for foreign operations	624	(673)	4,964	4,860
- Reclassification adjustments on dissolution of foreign operations	-	1,055	-	1,055
- Reclassification adjustment on disposal of foreign operations	199	-	199	-
Total other comprehensive income for the period/financial year	823	382	5,163	5,915
Comprehensive income for the period/financial year	10,933	(13,991)	19,732	(39,057)
Cc Comprehensive income for the period/financial year attributable to:				
Owners of the Company	10,933	(13,992)	19,736	(39,053)
Non-controlling interests	-	1	(4)	(4)
	10,933	(13,991)	19,732	(39,057)

(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 31 DECEMBER 2021**

	AS AT 31/12/2021 RM '000	AS AT 31/12/2020 RM '000
Non-Current Assets		
Property, Plant and Equipment	104,412	106,917
Investment Properties	39,415	38,352
Right-of-use Assets	26,462	26,545
Investments in Associates	6,137	5,794
Investment in Joint Venture	16,560	-
Other Investments	-	3
Inventories	160,877	174,537
Prepayments	750	750
Deferred Tax Assets	2,352	675
	<u>356,965</u>	<u>353,573</u>
Current Assets		
Inventories	111,084	108,710
Biological Assets	225	152
Contract Costs	-	48
Contract Assets	4,752	4,338
Receivables	54,267	52,461
Prepayments	1,189	1,719
Current Tax Assets	150	126
Cash and Cash Equivalents	83,962	76,327
	<u>255,629</u>	<u>243,881</u>
Current Liabilities		
Contract Liabilities	6,233	3,624
Payables	61,241	60,759
Loans and Borrowings	10,270	18,716
Lease Liabilities	281	311
Financial Guarantee Contract	183	1,008
Current Tax Liabilities	3,250	1,961
	<u>81,458</u>	<u>86,379</u>
Net Current Assets	174,171	157,502
Non-Current Liabilities		
Deferred Tax Liabilities	7,796	10,243
Loans and Borrowings	25,785	25,381
Lease Liabilities	292	257
Retirement Benefits	8,048	7,287
	<u>41,921</u>	<u>43,168</u>
Net Assets	489,215	467,907
Equity		
Share Capital	277,992	277,992
Treasury Shares	(148)	(148)
Reserves	211,390	190,078
Equity Attributable to Owners of the Company	489,234	467,922
Non-controlling Interests	(19)	(15)
Total Equity	489,215	467,907
Net Assets per Share Attributable to Owners of the Company (RM)	1.76	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 YEAR ENDED 31 DECEMBER 2021

				<u>Non-Distributable</u>		<u>Distributable</u>		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	Share grant reserve RM '000	Statutory 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	-	-	-	-	4,964	-	4,964	-	4,964	
ec	-	-	-	-	199	-	199	-	199	
Total other comprehensive income for the financial year	-	-	-	-	5,163	-	5,163	-	5,163	
Profit/(Loss) for the financial year	-	-	-	-	-	14,573	14,573	(4)	14,569	
Comprehensive income for the financial year	-	-	-	-	5,163	14,573	19,736	(4)	19,732	
Share grant plan expense	-	-	1,576	-	-	-	1,576	-	1,576	
At 31/12/2021	277,992	(148)	1,576	13,960	41,518	154,336	489,234	(19)	489,215	
At 01/01/2020	277,992	(148)	-	13,991	30,440	184,700	506,975	(11)	506,964	
Currency translation differences for foreign operations	-	-	-	-	4,860	-	4,860	-	4,860	
Reclassification adjustments on dissolution of foreign operations	-	-	-	-	1,055	-	1,055	-	1,055	
Total other comprehensive income for the financial year	-	-	-	-	5,915	-	5,915	-	5,915	
Loss for the financial year	-	-	-	-	-	(44,968)	(44,968)	(4)	(44,972)	
Comprehensive income for the financial year	-	-	-	-	5,915	(44,968)	(39,053)	(4)	(39,057)	
Transfer from statutory reserve	-	-	-	(31)	-	31	-	-	-	
At 31/12/2020	277,992	(148)	-	13,960	36,355	139,763	467,922	(15)	467,907	

* 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 YEAR ENDED 31 DECEMBER 2021**

	CURRENT YEAR TO DATE 31/12/2021 RM '000	PRECEDING YEAR TO DATE 31/12/2020 RM '000
Cash flows from operating activities		
Profit/(Loss) before tax	18,058	(40,258)
Adjustments for:		
Amortisation of financial guarantee contract	(275)	(92)
Depreciation	15,048	16,340
Fair value changes in biological assets	(73)	(34)
Fair value gains on financial instruments	(452)	(2)
Fair value of financial guarantee contract	-	1,100
Gain on derecognition of contingent consideration	-	(2,962)
Gain on derecognition of financial guarantee contract	(550)	-
Gain on derecognition of right-of-use assets	-	(2)
Gain on disposal of associate	(4,603)	-
Gain on disposal of investment property	(796)	-
Gain on disposal of property, plant and equipment	(95)	(28)
Gain on disposal of subsidiary	(360)	-
Impairment loss on investment in associate	-	2,100
Impairment loss on property, plant and equipment	-	2,315
Interest expense	1,429	2,455
Interest income	(1,210)	(1,445)
Inventories written down	149	4,739
Inventories written off	-	84
Loss on dissolution of associate	-	376
Loss on dissolution of subsidiary	-	614
Property, plant and equipment written off	-	10
Provision for retirement benefits	761	743
Reversal of impairment loss on property, plant and equipment	(1,453)	-
Reversal of inventories written down	(489)	(604)
Share of associates' (profit)/loss	(172)	757
Share of joint venture's loss	40	-
Share-based payments	1,576	-
Variable lease payments	(16)	-
Unrealised gain on foreign exchange	(452)	(80)
Operating profit/(loss) before working capital changes	26,065	(13,874)
Changes in:		
Inventories	11,626	2,733
Contract costs	48	68
Contract assets	(414)	3,582
Receivables	(242)	10,000
Prepayments	530	1,322
Contract liabilities	2,609	1,231
Payables	(15,999)	(5,957)
Cash generated from/(absorbed by) operations	24,223	(895)
Tax paid	(6,325)	(6,112)
Tax refunded	10	249
	(6,315)	(5,863)
Net cash from/(used in) operating activities	17,908	(6,758)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,898)	(4,466)
Acquisition of right-of-use assets	-	(2)
Additions of investment properties	(1,889)	(1,296)
Additions of other investments	(8,891)	-
Capital repayment from associate	-	149
Dividend received	225	-
Disposal of subsidiary, net of cash disposed of	(5,577)	-
Interest received	1,210	1,445
Proceeds from disposal of associate	8,864	-
Proceeds from disposal of investment property	1,480	-
Proceeds from disposal of other investments	9,346	-
Proceeds from disposal of property, plant and equipment	116	101
Net cash used in investing activities	(3,014)	(4,069)
Cash flows from financing activities		
Changes in term deposits pledged as security	420	(33)
Drawdown of long-term loans	4,005	1,360
Increase/(Decrease) in short-term loans and borrowings (net)	2,571	(2,146)
Interest paid	(1,353)	(2,436)
Payment of lease liabilities	(393)	(501)
Repayment of long-term loans	(13,814)	(14,697)
Net cash used in financing activities	(8,564)	(18,453)
Currency translation differences	2,617	2,981
Net increase/(decrease) in cash and cash equivalents	8,947	(26,299)
Cash and cash equivalents brought forward	74,995	101,294
Cash and cash equivalents carried forward	83,942	74,995
Note:		
Cash and cash equivalents	83,962	76,327
Bank overdraft	-	(892)
Term deposits pledged as security	(20)	(440)
	83,942	74,995

(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 YEAR ENDED 31 DECEMBER 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:

	<u>Effective for annual periods beginning on or after</u>
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 year ended 31 December 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.

Notwithstanding the above, the Group's revenue and earnings for the year ended 31 December 2021 were not adversely affected 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 year ended 31 December 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 year ended 31 December 2021.

7. Dividend Paid

No dividend was paid during the current year quarter and year ended 31 December 2021.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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	210,910	46,759	1,708	17,419	14,852	291,648
Intersegment revenue	-	-	-	(604)	(12,248)	(12,852)
External revenue	210,910	46,759	1,708	16,815	2,604	278,796
Results						
Segment results	7,244	10,225	(21)	(1,326)	2,023	18,145
Interest income	917	37	-	15	241	1,210
Interest expense	(89)	(361)	-	(60)	(919)	(1,429)
Share of associates' profit	-	-	-	-	172	172
Share of joint venture's loss	-	-	-	-	(40)	(40)
Profit/(Loss) before tax	8,072	9,901	(21)	(1,371)	1,477	18,058
Tax expense	(572)	(2,529)	-	-	(388)	(3,489)
Profit/(Loss) for the period	7,500	7,372	(21)	(1,371)	1,089	14,569
Assets						
Segment assets	232,807	260,962	22,375	17,295	53,956	587,395
Investments in associates	-	-	-	-	6,137	6,137
Investment in joint venture	-	-	-	-	16,560	16,560
Income tax assets	1	2,354	109	29	9	2,502
Total assets	232,808	263,316	22,484	17,324	76,662	612,594
Liabilities						
Segment liabilities	35,514	18,564	48	10,402	11,177	75,705
Loans and borrowings	6,575	5,611	-	-	23,869	36,055
Lease liabilities	-	347	-	83	143	573
Income tax liabilities	8,446	1,597	-	-	1,003	11,046
Total liabilities	50,535	26,119	48	10,485	36,192	123,379

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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.

10. Changes in the Composition of the Group

There were no changes in the composition of the Group during the year ended 31 December 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 year ended 31 December 2021 are as follows:

	31/12/2021 RM '000
Purchase of goods from other related parties (a)	16,038
Acquisition of property, plant and equipment from other related party (a)	40
Receiving of services from other related party (a)	156
Rental charged by other related party (a)	100
Rental charged to other related party (a)	173
Rental charged to associate	2,359
Sale of goods to other related party (a)	5,190
Disposal of subsidiary to other related party (a)	9,706

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

13. Review of the Performance

Operating Segment	Current Year Quarter 31/12/2021 RM '000	Preceding Year Quarter 31/12/2020 RM '000	Changes RM '000	Current Year To Date 31/12/2021 RM '000	Preceding Year To Date 31/12/2020 RM '000	Changes RM '000
Revenue						
Electronic						
- Manufacture of printed circuit boards	52,676	51,804	872	210,910	213,338	(2,428)
Properties						
- Property development	28,986	6,993	21,993	46,759	13,984	32,775
- Sale of building materials	-	-	-	-	874	(874)
- Cultivation of oil palm	277	168	109	1,708	916	792
Utilities						
- Water and wastewater treatment	5,219	677	4,542	16,815	8,734	8,081
Unallocated non-operating segments	1,226	605	621	2,604	2,026	578
Total	88,384	60,247	28,137	278,796	239,872	38,924
Profit/(Loss) before tax						
Electronic						
- Manufacture of printed circuit boards	2,309	(8,147)	10,456	8,072	(29,302)	37,374
Properties						
- Property development	6,548	1,806	4,742	9,901	(15)	9,916
- Sale of building materials	-	(282)	282	-	(878)	878
- Cultivation of oil palm	(102)	(166)	64	(21)	(676)	655
Utilities						
- Water and wastewater treatment	(916)	(1,093)	177	(1,371)	(3,917)	2,546
- Unallocated non-operating segments	4,833	(4,652)	9,485	1,477	(5,470)	6,947
Total	12,672	(12,534)	25,206	18,058	(40,258)	58,316

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 12.7 million for the current year quarter ended 31 December 2021 compared to a loss before tax of RM 12.5 million for the preceding year quarter mainly due to improved contribution from Electronic and Properties Divisions, gain on disposal of associate, gain on derecognition of financial guarantee contract coupled with the absence of impairment loss on investment in associate.

Detailed analysis of the performance of the Group's operating segments for the current year quarter ended 31 December 2021 compared to the preceding year quarter is as follows:

i) **Manufacture of printed circuit boards**

The profit before tax of RM 2.3 million was in contrast to a loss before tax of RM 8.1 million mainly due to lower loss incurred by China operation which is currently operating in a limited capacity after the workers' strike in September 2020.

ii) **Property development**

Profit before tax increased to RM 6.5 million from RM 1.8 million mainly due to mainly due to 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 CPO prices.

v) **Water and wastewater treatment**

Loss before tax decreased to RM 0.9 million from RM 1.1 million in line with higher percentage of completion for water and road construction projects.

vi) **Unallocated non-operating segments**

The profit before tax of RM 4.8 million was in contrast to a loss before tax of RM 4.7 million mainly due to gain on disposal of associate, gain on derecognition of financial guarantee contract coupled with the absence of impairment loss on investment in associate.

b) Current Year To Date vs Preceding Year To Date

For the year ended 31 December 2021, the Group recorded a profit before tax of RM 18.1 million compared to a loss before tax of RM 40.3 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 year ended 31 December 2021 compared to the preceding year to date is as follows:

i) **Manufacture of printed circuit boards**

The profit before tax of RM 8.1 million was in contrast to a loss before tax of RM 29.3 million mainly due to lower loss incurred by China operation which is currently operating in a limited capacity after the workers' strike in September 2020 and higher contribution from Malaysia operation on the surge in demand for PCBs.

ii) **Property development**

The profit before tax of RM 9.9 million was in contrast to a loss before tax of RM 0.02 million mainly due to higher property units sold and gain on disposal of land.

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 0.02 million from RM 0.7 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 1.4 million from RM 3.9 million mainly due to higher percentage of completion for water and road construction projects coupled with lower administrative expenses and finance costs.

vi) **Unallocated non-operating segments**

The profit before tax of RM 1.5 million was in contrast to a loss before tax of RM 5.5 million mainly due to gain on disposal of associate, gain on derecognition of financial guarantee contract coupled with the absence of impairment loss on investment in associate.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

	Current Year Quarter 31/12/2021 RM'000	Immediate Preceding Quarter 30/09/2021 RM'000	Changes RM'000
Revenue	88,384	62,475	25,909
Profit Before Tax	12,672	737	11,935

As compared to the immediate preceding quarter, the Group's profit before tax increased to RM 12.7 million from RM 0.7 million mainly due to higher contribution from Properties Division, gain on disposal of associate and reversal of impairment loss on property, plant and equipment.

15. Prospects for 2021

Despite the reopening of economic and social sectors, the Group cautioned that 2022 will remain challenging in view of the supply-chain disruptions caused by the unpredictable pandemic situation.

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 31/12/2021						
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	-	3,401	-	5,219	-	8,620
Products transferred at a point in time	52,676	25,585	277	-	-	78,538
Income not within the scope of MFRS 15	-	-	-	-	1,226	1,226
	52,676	28,986	277	5,219	1,226	88,384

Current Year To Date 31/12/2021						
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	-	15,946	-	16,815	-	32,761
Products transferred at a point in time	210,910	30,813	1,708	-	-	243,431
Income not within the scope of MFRS 15	-	-	-	-	2,604	2,604
	210,910	46,759	1,708	16,815	2,604	278,796

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Current Year Quarter 31/12/2021 RM'000	Current Year To Date 31/12/2021 RM'000
Profit/(Loss) before tax is arrived at after charging:		
- Interest expense	346	1,429
- Depreciation	3,778	15,048
- Impairment losses on financial assets	-	-
- Inventories written down	90	149
- 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	744	-
- Fair value losses on financial instruments	-	-
- Fair value changes in biological assets	-	-
- Reversal of amortisation of financial guarantee contract	137	-
- Reversal of gain on disposal of subsidiary	624	-
- Exceptional items	-	-
and crediting:		
- Amortisation of financial guarantee contract	-	275
- Interest income	286	1,210
- Dividend income	-	-
- Gain on disposal of associate	4,603	4,603
- Gain on derecognition of financial guarantee contract	550	550
- Gain on disposal of investment property	796	796
- Gain on disposal of property, plant and equipment	47	95
- Gain on disposal of subsidiary	-	360
- Gain on foreign exchange - realised	364	633
- Gain on foreign exchange - unrealised	-	452
- Fair value gains on financial instruments	454	452
- Fair value changes in biological assets	43	73
- Impairment gains on financial assets	-	-
- Reversal of inventories written down	28	489
- Reversal of impairment loss on property, plant and equipment	1,453	1,453

19. **Taxation**

Taxation comprises:

	Current Year Quarter 31/12/2021 RM '000	Current Year To Date 31/12/2021 RM '000
Income tax	(4,171)	(7,537)
Deferred tax	1,685	4,124
Real property gains tax	(76)	(76)
	<u>(2,562)</u>	<u>(3,489)</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 subsidiaries.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 31 December 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	-	-	-	-	-	-
Term Loans	-	25,785	-	3,695	-	29,480
	-	25,785	-	3,695	-	29,480
Unsecured						
Revolving Credit	-	-	-	3,000	-	3,000
Foreign Currency Trust Receipts						
- USD314,785 @ 4.189	-	-	1,319	-	1,319	-
- USD544,444 @ 4.144	-	-	2,256	-	2,256	-
	-	-	3,575	3,000	3,575	3,000
Total	-	25,785	3,575	6,695	3,575	32,480

	As at 31 December 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	-	-	-	892	-	892
Term Loans	-	25,381	-	10,906	-	36,287
	-	25,381	-	11,798	-	37,179
Unsecured						
Term Loans	-	-	-	5,622	-	5,622
Bankers Acceptance	-	-	-	1,296	-	1,296
	-	-	-	6,918	-	6,918
Total	-	25,381	-	18,716	-	44,097

	As at 31 December 2021			As at 31 December 2020		
	Effective Interest Rate As at 31 December 2021 % p.a.	Floating Rate RM'000	Fixed Rate RM'000	Effective Interest Rate As at 31 December 2020 % p.a.	Floating Rate RM'000	Fixed Rate RM'000
	Bank Overdraft	-	-	-	4.10%	892
Term Loans	3.51% ~ 4.26%	29,480	-	3.44% ~ 4.30%	41,909	-
Revolving Credit	2.98%	-	3,000	-	-	-
Bankers Acceptance	-	-	-	3.88% ~ 4.04%	-	1,296
Foreign Currency Trust Receipts	1.28% ~ 1.33%	-	3,575	-	-	-
Total		29,480	6,575		42,801	1,296
%		81.76%	18.24%		97.06%	2.94%

Compared to the year ended 31 December 2020, the Group's borrowings decreased to RM 36.1 million from RM 44.1 million mainly due to repayment of term loans and bankers acceptance which were partly offset by the increase in revolving credit and foreign currency trust receipts.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

22. Financial Instruments

a) Derivatives

There were no outstanding derivatives as at 31 December 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 year ended 31 December 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

	31/12/2021 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 year ended 31 December 2021.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Material Litigation

There was no material litigation against the Group as at 31 December 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 ended 31 December 2021.

25. Earnings Per Share ("EPS")

(a) Basic EPS

	Current Year Quarter 31/12/2021	Current Year To Date 31/12/2021
Profit attributable to owners of the Company (RM '000)	10,110	14,573
Number of ordinary shares in issue at the beginning of the period ('000)	277,789	277,789
Effect of share grants ('000)	-	-
Weighted average number of ordinary shares in issue ('000)	277,789	277,789
Basic EPS (sen)	3.64	5.25

(b) Diluted EPS

	Current Year Quarter 31/12/2021	Current Year To Date 31/12/2021
Profit attributable to owners of the Company (RM '000)	10,110	14,573
Number of ordinary shares in issue at the beginning of the period ('000)	277,789	277,789
Effect of dilution of share grants ('000)	3,816	3,570
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	281,605	281,359
Diluted EPS (sen)	3.59	5.18

26. Authorisation for Issue

The Board of Directors authorised the issue of this unaudited interim financial report on 21 February 2022.