

HUP SENG INDUSTRIES BERHAD 199101015786 (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Comprehensive Income****For the period ended 31 March 2021****The figures have not been audited**

| | Note | 2021 CURRENT QUARTER ENDED 31 March RM'000 | 2020 CURRENT QUARTER ENDED 31 March RM'000 | 2021 3 MONTHS CUMULATIVE TO DATE RM'000 | 2020 3 MONTHS CUMULATIVE TO DATE RM'000 |
|--|-------|--|--|---|---|
| Revenue | | 82,745 | 80,876 | 82,745 | 80,876 |
| Cost of sales | | (57,445) | (55,041) | (57,445) | (55,041) |
| Gross profit | | 25,300 | 25,835 | 25,300 | 25,835 |
| Other income | | 637 | 885 | 637 | 885 |
| Administrative expenses | | (4,907) | (5,097) | (4,907) | (5,097) |
| Selling and marketing expenses | | (7,720) | (8,505) | (7,720) | (8,505) |
| Operating profit | | 13,310 | 13,118 | 13,310 | 13,118 |
| Finance cost | | (3) | (3) | (3) | (3) |
| Profit before tax | 10 | 13,307 | 13,115 | 13,307 | 13,115 |
| Income tax expense | 23 | (3,439) | (3,407) | (3,439) | (3,407) |
| Profit for the period | | 9,868 | 9,708 | 9,868 | 9,708 |
| Total comprehensive income for the period, net of tax | | 9,868 | 9,708 | 9,868 | 9,708 |
| Profit attributable to : Owners of the Parent | | 9,868 | 9,708 | 9,868 | 9,708 |
| Total Comprehensive Income for the period, net of tax attributable to : Owners of the Parent | | 9,868 | 9,708 | 9,868 | 9,708 |
| Earnings per share attributable to Owners of the Parent (sen) : | | | | | |
| -Basic | 32(a) | 1.23 | 1.21 | 1.23 | 1.21 |
| -Diluted | 32(b) | 1.23 | 1.21 | 1.23 | 1.21 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements)

HUP SENG INDUSTRIES BERHAD 199101015786 (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Financial Position****As at 31 March 2021****The figures have not been audited**

| | Note | As at 31/03/2021 RM'000 | As at 31/12/2020 RM'000 |
|---------------------------------------|------|-------------------------------|-------------------------------|
| <u>ASSETS:</u> | | | |
| Non-current assets: | | | |
| Property, plant and equipment | | 75,231 | 76,529 |
| Investment properties | | 1,384 | 1,400 |
| Right-of-use assets | | 5,503 | 5,568 |
| Deferred tax assets | | 458 | 399 |
| <i>Sub total</i> | | 82,576 | 83,896 |
| Current assets: | | | |
| Inventories | | 29,720 | 29,742 |
| Trade and other receivables | 11 | 31,348 | 32,037 |
| Prepayments | | 839 | 552 |
| Cash and bank balances | 12 | 67,633 | 82,553 |
| <i>Sub total</i> | | 129,540 | 144,884 |
| TOTAL ASSETS | | 212,116 | 228,780 |
| <u>EQUITY AND LIABILITIES:</u> | | | |
| Equity attributable to | | | |
| Owners of the Company : | | | |
| Share capital | | 80,000 | 80,000 |
| Retained earnings | | 53,648 | 59,780 |
| TOTAL EQUITY | | 133,648 | 139,780 |
| Non-current liabilities : | | | |
| Deferred tax liabilities | | 6,773 | 6,755 |
| Lease liabilities | | 152 | 139 |
| Other payable | | 1,130 | 1,438 |
| <i>Sub total</i> | | 8,055 | 8,332 |
| Current liabilities: | | | |
| Trade and other payables | | 46,423 | 56,119 |
| Lease liabilities | | 192 | 215 |
| Refund liabilities | | 2,371 | 3,413 |
| Income tax payable | | 5,427 | 4,921 |
| Dividends payable | | 16,000 | 16,000 |
| <i>Sub total</i> | | 70,413 | 80,668 |
| TOTAL LIABILITIES | | 78,468 | 89,000 |
| TOTAL EQUITY AND LIABILITIES | | 212,116 | 228,780 |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD 199101015786 (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Changes in Equity****The figures have not been audited****For the period ended 31 March 2021**

| | Attributable to owners of the parent | | |
|---|--------------------------------------|-----------------------------|----------|
| | Non-distributable | Distributable | Total |
| | Share capital RM'000 | Retained earnings RM'000 | |
| Opening balance at 1 January 2021 | 80,000 | 59,780 | 139,780 |
| Total comprehensive income for the period | - | 9,868 | 9,868 |
| Transaction with the owners | | | |
| Dividends on ordinary shares | - | (16,000) | (16,000) |
| Total transaction with the owners | - | (16,000) | (16,000) |
| Closing balance at 31 March 2021 | 80,000 | 53,648 | 133,648 |

For the corresponding period ended 31 March 2020

| | Attributable to owners of the parent | | |
|---|--------------------------------------|-----------------------------|----------|
| | Non-distributable | Distributable | Total |
| | Share capital RM'000 | Retained earnings RM'000 | |
| Opening balance at 1 January 2020 | 80,000 | 67,399 | 147,399 |
| Total comprehensive income for the period | - | 9,708 | 9,708 |
| Transaction with the owners | | | |
| Dividends on ordinary shares | - | (16,000) | (16,000) |
| Total transaction with the owners | - | (16,000) | (16,000) |
| Closing balance at 31 March 2020 | 80,000 | 61,107 | 141,107 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

HUP SENG INDUSTRIES BERHAD 199101015786 (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Statement of Cash Flows

For the period ended 31 March 2021

The figures have not been audited

| | Note | 2021 3 months ended 31/03/2021 RM'000 | 2020 3 months ended 31/03/2020 RM'000 |
|---|------|--|--|
| Cash flows from operating activities: | | | |
| Profit before tax | | 13,307 | 13,115 |
| Adjustments for: | | | |
| (Reversal of)/allowance for doubtful debts | | (15) | 200 |
| Bad debts written off | | - | 1 |
| Depreciation of property, plant and equipment | | 1,551 | 1,599 |
| Depreciation of investment properties | | 16 | 6 |
| Depreciation of right-of-use assets | | 122 | 126 |
| Interest expense on lease liabilities | | 3 | 3 |
| Interest income | | (283) | (564) |
| Inventories written off | | 111 | 22 |
| Property, plant and equipment written off | | 104 | 55 |
| Total adjustments | | 1,609 | 1,448 |
| | | | |
| Operating cash flows before changes in working capital | | 14,916 | 14,563 |
| Changes in working capital | | | |
| (Increase)/decrease in inventories | | (89) | 810 |
| Decrease in trade and other receivables | | 704 | 965 |
| Increase in prepayments | | (287) | (306) |
| Decrease in trade and other payables | | (11,046) | (10,805) |
| Total changes in working capital | | (10,718) | (9,336) |
| | | | |
| Cash flows generated from operations | | 4,198 | 5,227 |
| Interest expense on lease liabilities paid | | (3) | (3) |
| Income taxes paid | | (2,975) | (2,587) |
| Net cash flows generated from operating activities | | 1,220 | 2,637 |
| | | | |
| Cash flows from investing activities | | | |
| Withdrawal of deposits with more than 3 months with licensed bank | | - | 4,000 |
| Interest income received | | 283 | 564 |
| Purchase of property, plant and equipment | | (357) | (649) |
| Net cash flows (used in)/generated from investing activities | | (74) | 3,915 |
| | | | |
| Cash flows from financing activities | | | |
| Repayment for lease liabilities | | (66) | (70) |
| Dividends paid on ordinary shares | | (16,000) | (32,000) |
| Net cash used in financing activities | | (16,066) | (32,070) |
| | | | |
| Net decrease in cash and cash equivalents | | (14,920) | (25,518) |
| Cash and cash equivalents at beginning of financial year | | 77,514 | 76,522 |
| Cash and cash equivalents at end of financial period | 12 | 62,594 | 51,004 |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements)

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 31 March 2021

1. Corporate information

Hup Seng Industries Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

2. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2021, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2020. The explanatory notes attached to these condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

3. Significant accounting policies

The significant accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual financial statements for the year ended 31 December 2020, except for the adoption of the following which are applicable to the financial statements and are relevant to the operations:

(I) Adoption of standards and amendments

| Description | Effective for annual periods beginning <u>on or after</u> |
|---|---|
| Amendments to MFRS 16: Covid-19-Related Rent Concessions | 1 June 2020 |
| Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform-Phase 2 | 1 January 2021 |

The adoption of the above amendments do not have significant financial impact to the Group's consolidated financial statements for the current quarter.

(II) Standards and amendments issued but not yet effective

At the date of authorisation of these interim financial statements, the followings standards and amendments were issued but not yet effective and have not been applied by the Group:

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 31 March 2021

| Description | Effective for annual periods beginning <u>on or after</u> |
|---|---|
| Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 | 1 April 2021 |
| Annual Improvements to MFRS Standards 2018–2020 Cycles | 1 January 2022 |
| Amendments to MFRS 116: Property, Plant and Equipment-Proceeds before Intended Use | 1 January 2022 |
| Amendments to References to the Conceptual Framework in MFRS 3 Business Combinations | 1 January 2022 |
| Amendments to MFRS 137: Onerous Contracts-Cost of Fulfilling a Contract | 1 January 2022 |
| Amendments to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2023 |
| Amendments to MFRS 101: Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108: Definition of accounting Estimates | 1 January 2023 |
| MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

The adoption of the standard and amendments above will have no material impact on the financial statements in the year of initial adoption.

4. Comments about seasonal or cyclical factors

The Group's business operations are normally affected by seasonal factors occurring in certain periods of the financial year, such as Hari Raya Puasa, Chinese New Year, etc.

5. Unusual Items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the cumulative financial period ended 31 March 2021.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Capital management, debt and equity securities

The Group's objectives of managing capital are to safeguard the Group's ability to continue in operations as a going concern in order to provide fair returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain the optimal capital structure, the Group may, from time to time, adjust the dividend payout to shareholders, return capital to shareholders and issue new shares, where necessary. For capital management purposes, the Group considers

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 31 March 2021

shareholders' equity and total liabilities to be the key components in the Group's capital structure. The Group monitors capital on the basis of the gearing ratio. The ratio is calculated as the total liabilities to total equity. Total equity is the sum of total equity attributable to shareholders. The gearing ratio as at 31 March 2021 and 31 December 2020, which are within the Group's objectives for capital management, are as follows:

| | As at 31.03.2021 | As at 31.12.2020 |
|-------------------|---------------------|---------------------|
| | <u>RM'000</u> | <u>RM'000</u> |
| Total liabilities | 78,468 | 89,000 |
| Total equity | 133,648 | 139,780 |
| Total capital | 80,000 | 80,000 |
| Gearing ratio | 59% | 64% |

The decrease in the gearing ratio is mainly due to the decrease in trade and other payables.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period to date.

8. Dividends

| | Date of <u>payment</u> | Cumulative to date 31.03.2021 <u>RM'000</u> |
|--|---------------------------|--|
| Dividend paid on per ordinary share: | | |
| - Interim dividend of 2 sen per share (single-tier) for 2020 declared on 26 February 2021 | 05.04.2021 | <u>16,000</u> |

9. Operating Segments

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

- I. The biscuit manufacturing segment is in the business of manufacture and sales of biscuits.
- II. The beverage manufacturing segment is in the business of manufacture and wholesale of coffee mix and all kinds of foodstuff.
- III. The trading division segment is in the business of sales and distribution of biscuits, confectionery and other foodstuff.

| Quarter ended 31.03.2021 | Biscuit manufacturing division RM'000 | Beverage manufacturing division RM'000 | Trading division RM'000 | Total RM'000 |
|--------------------------------|--|---|-------------------------------|-----------------|
| Revenue * | 59,531 | 1,777 | 65,537 | 126,845 |
| Profit for reportable segments | 5,836 | 191 | 8,090 | 14,117 |

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 31 March 2021

Reconciliation of profit or loss

| Profit or loss for the financial period ended 31.03.2021 | Cumulative to date RM'000 |
|--|------------------------------|
| Total profit for reportable segments | 14,117 |
| Profit from inter-segment sales | 27 |
| Other income | 98 |
| Unallocated expenses | (935) |
| Profit before tax | 13,307 |

* Revenue reported above represents revenue generated from the reportable segments. Inter-segment sales for the current quarter is RM44,100,000.

Trading division mainly comprises domestic sales. Biscuit remain the dominant range which represents about 94% of the total sales, while beverages and other agents' products make up the balance. The comments on Note 19 apply to the above three reportable operating segments.

10. Profit before tax

Included in the profit before tax are the following items:

| | Quarter ended | |
|---|----------------------|----------------------|
| | 31.03.2021 RM'000 | 31.03.2020 RM'000 |
| Interest income | (283) | (564) |
| Rental income | (78) | (78) |
| Reversal of impairment losses on trade receivable (Note 11) | (2) | (2) |
| Bad debts written off | - | 1 |
| (Reversal of)/allowance for doubtful debts (Note 11) | (15) | 200 |
| Depreciation of property, plant and equipment | 1,551 | 1,599 |
| Depreciation of investment properties | 16 | 6 |
| Depreciation of right-of-use assets | 122 | 126 |
| Interest expense on lease liabilities | 3 | 3 |
| Inventories written off | 111 | 22 |
| Property, plant and equipment written off | 104 | 55 |
| Realised exchange losses | 58 | 243 |

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 31 March 2021

11. Trade and other receivables

| | As at | |
|------------------------------------|---------------|---------------|
| | 31.03.2021 | 31.12.2020 |
| | RM'000 | RM'000 |
| Trade receivables | | |
| Third parties | 31,540 | 32,393 |
| Less: Allowance for doubtful debts | (544) | (652) |
| Trade receivables, net | 30,996 | 31,741 |
| Other receivables | 352 | 296 |
| Total trade and other receivables | <u>31,348</u> | <u>32,037</u> |

Trade receivables

The ageing analysis of the Group's trade receivables is as follows:

| | As at | |
|--|---------------|---------------|
| | 31.03.2021 | 31.12.2020 |
| | RM'000 | RM'000 |
| Neither past due nor impaired | 23,312 | 23,422 |
| 1 to 30 days past due not impaired | 7,126 | 7,681 |
| 31 to 60 days past due not impaired | 530 | 511 |
| 61 to 90 days past due not impaired | 14 | 76 |
| 91 to 120 days past due not impaired | 1 | 16 |
| More than 121 days past due not impaired | 13 | 35 |
| | 7,684 | 8,319 |
| Impaired | 544 | 652 |
| | <u>31,540</u> | <u>32,393</u> |

Receivables that are impaired

Movement in allowance accounts :

| | | |
|---|------------|------------|
| At 1 January | 652 | 293 |
| (Reversal)/charge for the period/year (Note 10) | (15) | 394 |
| Written off | (91) | (29) |
| Reversal of impairment losses (Note 10) | (2) | (6) |
| | <u>544</u> | <u>652</u> |

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 31 March 2021

12. Cash and bank balances

Cash and bank balances comprised the following amounts:

| | As at | |
|--|---------------|---------------|
| | 31.03.2021 | 31.12.2020 |
| | <u>RM'000</u> | <u>RM'000</u> |
| Cash and bank balances | 21,144 | 4,314 |
| Short-term deposits with licensed banks | 41,450 | 73,200 |
| Cash and cash equivalents | 62,594 | 77,514 |
| Long-term deposits of more than 3 months with licensed banks | 5,039 | 5,039 |
| | <u>67,633</u> | <u>82,553</u> |

13. Foreign exchange exposure

The Group's exposures to foreign currency are as follows:

| | As at | |
|-----------------------------|---------------|---------------|
| | 31.03.2021 | 31.12.2020 |
| | <u>RM'000</u> | <u>RM'000</u> |
| Trade and other receivables | | |
| United States Dollars | 303 | 840 |
| Singapore Dollars | 1,971 | 2,012 |
| Renminbi | 14 | - |
| | <u>14</u> | <u>-</u> |

14. Events after the reporting period

There were no material events subsequent to the end of the current quarter.

15. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to date.

16. Changes in contingent liabilities and contingent assets

The Group has no contingent liabilities or contingent assets since the last annual date of the statement of financial position as at 31 December 2020.

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 31 March 2021

17. Capital commitments

Approved capital commitments not recognised in the interim financial statements as at 31 March 2021 are as follows:

| | |
|----------------------------------|------------|
| | RM'000 |
| Contracted but not provided for: | |
| Purchase of plant and equipment | <u>334</u> |

18. Related party transactions

| | |
|--|---|
| | Current quarter ended 31.03.2021 <u>RM</u> |
| Rental of premises payable to: | |
| -Hup Seng Brothers Holdings Sdn. Bhd. # | <u>22,350</u> |
| Sales of beverages to: | |
| - Henan Ever Crown International Trg Co, Ltd @ | <u>27,043</u> |

Note:

Certain directors of the Group are also directors and shareholders of Hup Seng Brothers Holdings Sdn. Bhd.

@ The son-in-law of one of the subsidiaries director, namely Kuo Liong Yok, is a director of Henan Ever Crown International Trg Co, Ltd.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 31 March 2021

19. Performance review

Financial review for current quarter

| | 3 months Quarter ended | | Changes | |
|---|---------------------------|----------------------|------------------|---|
| | 31.03.2021 RM'000 | 31.03.2020 RM'000 | Amount RM'000 | % |
| Revenue | 82,745 | 80,876 | 1,869 | 2 |
| Operating profit | 13,310 | 13,118 | 192 | 1 |
| Profit before interest and tax | 13,310 | 13,118 | 192 | 1 |
| Finance cost | (3) | (3) | - | - |
| Profit before tax | 13,307 | 13,115 | 192 | 1 |
| Profit after tax | 9,868 | 9,708 | 160 | 2 |
| Profit attributable to: Owners of the Parent | 9,868 | 9,708 | 160 | 2 |

The Group's revenue for the current quarter ended 31 March 2021 has increased by 2% to RM82,745,000 from RM80,876,000 in the quarter ended 31 March 2020. Domestic sales grew 8% or RM4.8 million compared to previous corresponding period mainly from wholesale and retail channel. On the other hand, export market saw a decline of about 15% or RM2.9 million mainly due to decrease in export of biscuits to Saudi Arabia and Myanmar.

The Group registered a profit before tax of RM13,307,000 as compared to a profit before tax of RM13,115,000 in the preceding corresponding quarter, a slight increase of about 1%. Despite higher sales recorded and lower operating expenses during the current quarter, the higher input cost notably certain raw material prices have been on the uptrend which depressed the overall margin of the Group.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 31 March 2021

20. Comment of material change in profit before taxation

Financial review for current quarter compared with immediate preceding quarter

| | Current quarter | Immediate preceding quarter | Changes | |
|---|----------------------|-----------------------------|------------------|------|
| | 31.03.2021 RM'000 | 31.12.2020 RM'000 | Amount RM'000 | % |
| Revenue | 82,745 | 87,741 | (4,996) | (6) |
| Operating profit | 13,310 | 13,733 | (423) | (3) |
| Profit before interest and tax | 13,310 | 13,733 | (423) | (3) |
| Finance cost | (3) | (7) | 4 | (57) |
| Profit before tax | 13,307 | 13,726 | (419) | (3) |
| Profit after tax | 9,868 | 9,925 | (57) | (1) |
| Profit attributable to: Owners of the Parent | 9,868 | 9,925 | (57) | (1) |

The Group's revenue has decreased 6% to RM82,745,000 in the current quarter ended 31 March 2021 as compared to RM87,741,000 in the preceding quarter mainly came from a reduction of 27% or RM6.1 million from export markets due to global shortage of shipping containers and higher freight charges. Domestic sales grew by about 2% or RM1.1 million mainly from retail channel.

Profit before tax has decreased by about 3% to RM13,307,000 as compared to RM13,726,000 in the preceding quarter mainly due to lower sales recorded and higher costs of certain raw materials.

21. Commentary of prospects

Malaysia's economy along with other economics globally are expected to return to positive growth in year 2021, on sustained progress in vaccine rollouts that will boost consumption. However, uncertainties arising from the COVID-19 pandemic could give rise to downside risks to growth after virus cases peaked in January, forcing renewed curbs on travel that weighed on the recovery.

The Group believes that 2021 will be a year full of challenges and uncertainties. Nevertheless, the Group remains optimistic and cautious about the prospects of the biscuits industry and will enhance the competitiveness of the products, increase market share, enhance the strategic position of the industry, and increase the popularity of Hup Seng in the industry.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 31 March 2021

22. Profit forecast or profit guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.

23. Income tax expense

| | 3 months Quarter ended | |
|----------------------|---------------------------|--------------|
| | 31.03.2021 | 31.03.2020 |
| | RM'000 | RM'000 |
| Current income tax: | | |
| -Malaysia income tax | 3,481 | 3,405 |
| -Deferred taxation | (42) | 2 |
| | <u>3,439</u> | <u>3,407</u> |

Major components of tax expenses

| | 3 months cumulative to date 31.03.2021 RM'000 |
|---|---|
| Current tax expense | 3,481 |
| Deferred tax expense | (42) |
| | <u>3,439</u> |
| Profit before taxation | <u>13,307</u> |
| Taxation at the Malaysian statutory tax rate of 24% | 3,194 |
| Adjustments: | |
| -Non-deductible expenses | 250 |
| -Expenses with double deduction | (5) |
| Income tax expense | <u>3,439</u> |
| Effective tax rate | <u>25.8%</u> |

24. Sale of unquoted investments and properties

There were no sale of unquoted investments and properties for the current quarter and financial year to date.

25. Quoted securities

There were no purchase and sale of quoted securities for the current quarter and financial year to date.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 31 March 2021

26. Corporate proposals

There were no corporate proposals announced but not completed not earlier than seven (7) days from 19 May 2021.

27. Borrowings and debt securities

There were no group borrowings and debt securities as at the end of the reporting period.

28. Derivative financial instruments

As at the reporting date of 31 March 2021, the Group has no outstanding derivative financial instruments.

29. Gains/losses arising from fair value changes of financial liabilities

There are no gains/losses arising from fair value changes of any financial liabilities.

30. Changes in material litigation

There were no material litigation not earlier than seven (7) days from 19 May 2021.

31. Dividend payable

The Board of Directors do not recommend the payment of any dividend for the financial quarter under review.

32. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.

| | 3 months cumulative to date | |
|--|--------------------------------|------------|
| | 31.03.2021 | 31.03.2020 |
| (a) Basic | | |
| Profit for the period (RM'000) | 9,868 | 9,708 |
| Weighted average number of ordinary shares for earnings per share ('000) | 800,000 | 800,000 |
| Basic earnings per share (sen) | 1.23 | 1.21 |
| (b) Diluted | | |
| Diluted earnings per share (sen) | 1.23 | 1.21 |

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 31 March 2021

33. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2020 was not qualified.

34. Authorization for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 19 May 2021.