

HUP SENG INDUSTRIES BERHAD 199101015786 (226098-P)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS**Condensed Consolidated Statement of Comprehensive Income****For the period ended 30 June 2021****The figures have not been audited**

	Note	<u>2021</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2020</u> CURRENT QUARTER ENDED 30 June RM'000	<u>2021</u> 6 MONTHS CUMULATIVE TO DATE RM'000	<u>2020</u> 6 MONTHS CUMULATIVE TO DATE RM'000
Revenue		66,497	71,443	149,242	152,319
Cost of sales		(49,961)	(48,278)	(107,406)	(103,319)
Gross profit		16,536	23,165	41,836	49,000
Other income		585	639	1,222	1,524
Administrative expenses		(4,867)	(4,807)	(9,774)	(9,904)
Selling and marketing expenses		(7,195)	(7,168)	(14,915)	(15,673)
Operating profit		5,059	11,829	18,369	24,947
Finance cost		(5)	(4)	(8)	(7)
Profit before tax	10	5,054	11,825	18,361	24,940
Income tax expense	23	(1,475)	(3,065)	(4,914)	(6,472)
Profit for the period		3,579	8,760	13,447	18,468
Total comprehensive income for the period, net of tax		3,579	8,760	13,447	18,468
Profit attributable to : Owners of the Parent		3,579	8,760	13,447	18,468
Total Comprehensive Income for the period, net of tax attributable to : Owners of the Parent		3,579	8,760	13,447	18,468
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	32(a)	0.45	1.10	1.68	2.31
-Diluted	32(b)	0.45	1.10	1.68	2.31

(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 30 June 2021

The figures have not been audited

	Note	As at 30/06/2021 RM'000	As at 31/12/2020 RM'000
<u>ASSETS:</u>			
Non-current assets:			
Property, plant and equipment		74,487	76,529
Investment properties		1,368	1,400
Right-of-use assets		5,398	5,568
Deferred tax assets		507	399
<i>Sub total</i>		81,760	83,896
Current assets:			
Inventories		28,844	29,742
Trade and other receivables	11	24,668	32,037
Prepayments		651	552
Cash and bank balances	12	57,625	82,553
<i>Sub total</i>		111,788	144,884
TOTAL ASSETS		193,548	228,780
<u>EQUITY AND LIABILITIES:</u>			
Equity attributable to			
Owners of the Company :			
Share capital		80,000	80,000
Retained earnings		57,227	59,780
TOTAL EQUITY		137,227	139,780
Non-current liabilities :			
Deferred tax liabilities		6,773	6,755
Lease liabilities		139	139
Other payable		822	1,438
<i>Sub total</i>		7,734	8,332
Current liabilities:			
Trade and other payables		42,129	56,119
Lease liabilities		157	215
Refund liabilities		1,811	3,413
Income tax payable		4,490	4,921
Dividends payable		-	16,000
<i>Sub total</i>		48,587	80,668
TOTAL LIABILITIES		56,321	89,000
TOTAL EQUITY AND LIABILITIES		193,548	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 30 June 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	-	13,447	13,447
Transaction with the owners			
Dividends on ordinary shares	-	(16,000)	(16,000)
Total transaction with the owners	-	(16,000)	(16,000)
Closing balance at 30 June 2021	80,000	57,227	137,227

For the corresponding period ended 30 June 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 (as restated)	80,000	67,399	147,399
Total comprehensive income for the period	-	18,468	18,468
Transaction with the owners			
Dividends on ordinary shares	-	(16,000)	(16,000)
Total transaction with the owners	-	(16,000)	(16,000)
Closing balance at 30 June 2020	80,000	69,867	149,867

(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 30 June 2021

The figures have not been audited

	Note	2021 6 months ended 30/06/2021 RM'000	2020 6 months ended 30/06/2020 RM'000
Cash flows from operating activities:			
Profit before tax		18,361	24,940
Adjustments for:			
(Reversal of)/allowance for doubtful debts		(21)	367
Bad debts written off		1	1
Depreciation of property, plant and equipment		3,107	3,168
Depreciation of investment properties		32	12
Depreciation of right-of-use assets		244	250
Interest expense on lease liabilities		8	7
Interest income		(525)	(963)
Inventories written off		117	33
Gain on disposal of property, plant and equipment		(3)	-
Property, plant and equipment written off		159	270
Reversal of impairment loss on property, plant and equipment		-	(142)
Total adjustments		3,119	3,003
Operating cash flows before changes in working capital		21,480	27,943
Changes in working capital			
Decrease/(increase) in inventories		781	(515)
Decrease in trade and other receivables		7,389	5,450
Increase in prepayments		(99)	(126)
Decrease in trade and other payables		(16,208)	(8,073)
Total changes in working capital		(8,137)	(3,264)
Cash flows generated from operations		13,343	24,679
Interest expense on lease liabilities paid		(8)	(7)
Income taxes paid		(5,435)	(4,946)
Net cash flows generated from operating activities		7,900	19,726
Cash flows from investing activities			
Withdrawal of deposits with more than 3 months with licensed bank		-	4,000
Interest income received		525	963
Proceeds from disposal of property, plant and equipment		5	-
Purchase of property, plant and equipment		(1,227)	(2,190)
Net cash flows (used in)/generated from investing activities		(697)	2,773
Cash flows from financing activities			
Repayment for lease liabilities		(131)	(138)
Dividends paid on ordinary shares		(32,000)	(32,000)
Net cash used in financing activities		(32,131)	(32,138)
Net decrease in cash and cash equivalents		(24,928)	(9,639)
Cash and cash equivalents at beginning of financial year		77,514	76,522
Cash and cash equivalents at end of financial period	12	52,586	66,883

(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 30 June 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 30 June 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 Lease: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9	17 August 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 30 June 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 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 30 June 2021.

6. Changes in estimates

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

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2021

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 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 30 June 2021 and 31 December 2020, which are within the Group's objectives for capital management, are as follows:

	As at 30.06.2021	As at 31.12.2020
	<u>RM'000</u>	<u>RM'000</u>
Total liabilities	56,321	89,000
Total equity	137,227	139,780
Total capital	80,000	80,000
Gearing ratio	41%	64%

The decrease in the gearing ratio is mainly due to the decrease in dividends payable, trade and other payables and refund liabilities.

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 payment	Cumulative to date 30.06.2021 <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>

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2021

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 30.06.2021	Biscuit manufacturing division RM'000	Beverage manufacturing division RM'000	Trading division RM'000	Total RM'000
Revenue *	48,909	1,510	50,566	100,985
Profit for reportable segments	1,380	28	4,474	5,882
6 months cumulative to date				
Revenue *	108,440	3,287	116,103	227,830
Profit for reportable segments	7,216	219	12,564	19,999

Reconciliation of profit or loss

Profit or loss for the financial period ended 30.06.2021	Quarter ended RM'000	Cumulative to date RM'000
Total profit for reportable segments	5,882	19,999
Profit from inter-segment sales	11	38
Other income	150	248
Unallocated expenses	(989)	(1,924)
Profit before tax	5,054	18,361

* Revenue reported above represents revenue generated from the reportable segments. Inter-segment sales for the current quarter and 6 months cumulative to date are RM34,488,000 and RM78,588,000 respectively.

Trading division mainly comprises domestic sales. Biscuits 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.

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2021

10. Profit before tax

Included in the profit before tax are the following items:

	Quarter ended		Cumulative to date	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(242)	(399)	(525)	(963)
Rental income	(77)	(58)	(155)	(136)
Reversal of impairment loss on property, plant and equipment	-	(142)	-	(142)
Reversal of impairment losses on trade receivable (Note 11)	(1)	(1)	(3)	(3)
Bad debts written off	1	-	1	1
(Reversal of)/allowance for doubtful debts (Note 11)	(6)	167	(21)	367
Depreciation of property, plant and equipment	1,556	1,569	3,107	3,168
Depreciation of investment properties	16	6	32	12
Depreciation of right-of-use assets	122	124	244	250
Gain on disposal of property, plant and equipment	(3)	-	(3)	-
Interest expense on lease liabilities	5	4	8	7
Inventories written off	6	11	117	33
Property, plant and equipment written off	55	215	159	270
Realised exchange losses	29	107	87	350

11. Trade and other receivables

	As at	
	30.06.2021	31.12.2020
	RM'000	RM'000
Trade receivables		
Third parties	24,930	32,393
Less: Allowance for doubtful debts	(536)	(652)
Trade receivables, net	24,394	31,741
Other receivables	274	296
Total trade and other receivables	24,668	32,037

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2021

Trade receivables

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

	As at	
	30.06.2021	31.12.2020
	RM'000	RM'000
Neither past due nor impaired	19,227	23,422
1 to 30 days past due not impaired	4,131	7,681
31 to 60 days past due not impaired	796	511
61 to 90 days past due not impaired	221	76
91 to 120 days past due not impaired	1	16
More than 121 days past due not impaired	18	35
	5,167	8,319
Impaired	536	652
	<u>24,930</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)	(21)	394
Written off	(92)	(29)
Reversal of impairment losses (Note 10)	(3)	(6)
	<u>536</u>	<u>652</u>

12. Cash and bank balances

Cash and bank balances comprised the following amounts:

	As at	
	30.06.2021	31.12.2020
	RM'000	RM'000
Cash and bank balances	4,356	4,314
Short-term deposits with licensed banks	48,230	73,200
Cash and cash equivalents	52,586	77,514
Long-term deposits of more than 3 months with licensed banks	5,039	5,039
	<u>57,625</u>	<u>82,553</u>

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2021

13. Foreign exchange exposure

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

	As at	
	30.06.2021	31.12.2020
	<u>RM'000</u>	<u>RM'000</u>
Trade and other receivables		
United States Dollars	238	840
Singapore Dollars	1,279	2,012

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.

17. Capital commitments

Approved capital commitments not recognised in the interim financial statements as at 30 June 2021 are as follows:

	RM'000
Contracted but not provided for:	
Purchase of plant and equipment	<u>3,654</u>

Part A: Explanatory notes pursuant to MFRS 134
For the period ended 30 June 2021

18. Related party transactions

	Current quarter ended 30.06.2021 <u>RM</u>	6 months cumulative to date 30.06.2021 <u>RM</u>
Rental of premises payable to: - Hup Seng Brothers Holdings Sdn. Bhd. #	22,350	44,700
Sales of beverages to: - Henan Ever Crown International Trg Co, Ltd @	-	27,043

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 30 June 2021

19. Performance review

Financial review for current quarter and financial year to date

	3 months Quarter ended		Changes		6 months cumulative to date		Changes	
	30.06.2021 RM'000	30.06.2020 RM'000	Amount RM'000	%	30.06.2021 RM'000	30.06.2020 RM'000	Amount RM'000	%
Revenue	66,497	71,443	(4,946)	(7)	149,242	152,319	(3,077)	(2)
Operating profit	5,059	11,829	(6,770)	(57)	18,369	24,947	(6,578)	(26)
Profit before interest and tax	5,059	11,829	(6,770)	(57)	18,369	24,947	(6,578)	(26)
Finance cost	(5)	(4)	1	25	(8)	(7)	1	14
Profit before tax	5,054	11,825	(6,771)	(57)	18,361	24,940	(6,579)	(26)
Profit after tax	3,579	8,760	(5,181)	(59)	13,447	18,468	(5,021)	(27)
Profit attributable to: Owners of the Parent	3,579	8,760	(5,181)	(59)	13,447	18,468	(5,021)	(27)

The Group's revenue for the current quarter ended 30 June 2021 has decreased by 7% to RM66,497,000 from RM71,443,000 in the quarter ended 30 June 2020 mainly constrained by the mandatory compliance of 60% workforce since May 2021.

The Group registered a profit before tax of RM5,054,000 as compared to a profit before tax of RM11,825,000 in the preceding corresponding quarter, a tremendous decrease of about 57%. The low biscuits revenue was further aggravated by the rising costs of the main raw materials and had resulted in the fall of profit before tax.

The Group's revenue for the six months ended 30 June 2021 has decreased by 2% to RM149,242,000 from RM152,319,000 as compared with the preceding year corresponding period. Domestic sales was flat compared to previous corresponding period. On the other hand, export market saw a decline of about 9% or RM3.3 million mainly due to Myanmar.

The profit before tax has decreased to RM18,361,000 when compared with the preceding year corresponding period of RM24,940,000 a decrease of about 26%. Lower sales couple with the increase in prices of certain raw and packing materials during the first half of the year depressed the profit performance.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 30 June 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	
	30.06.2021 RM'000	31.03.2021 RM'000	Amount RM'000	%
Revenue	66,497	82,745	(16,248)	(20)
Operating profit	5,059	13,310	(8,251)	(62)
Profit before interest and tax	5,059	13,310	(8,251)	(62)
Finance cost	(5)	(3)	2	67
Profit before tax	5,054	13,307	(8,253)	(62)
Profit after tax	3,579	9,868	(6,289)	(64)
Profit attributable to: Owners of the Parent	3,579	9,868	(6,289)	(64)

The Group's revenue has decreased 20% to RM66,497,000 in the current quarter ended 30 June 2021 as compared to RM82,745,000 in the preceding quarter. While the demand for Hup Seng's product is still intact, performance was affected due to constraint of 60% workforce since May 2021.

Profit before tax has decreased by about 62% to RM5,054,000 as compared to RM13,307,000 in the preceding quarter mainly due to lower sales recorded and higher costs of certain raw and packing materials.

21. Commentary of prospects

The outlook for the Malaysia economy has deteriorated substantially following a month of stringent lockdown (Movement Control Order, or MCO) in June 2021 and an extension into July 2021 for large swathes of the country. Complicating things further, the enhanced measures were announced across much of Selangor and parts of Kuala Lumpur resulting in sharp hit to consumption thereby, impacting manufacturing and export activity. However, this latest wave has resulted in a sharp acceleration in vaccinations and the country can reach about 70% vaccinations rate by December. Meantime, the Malaysian government continues to provide substantial fiscal support to boost the economy. The greatest challenge to the Group over the next two quarters would probably be the rising materials costs, which are unfortunately not able to be recovered in the immediate term. 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 30 June 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		Cumulative	
	Quarter ended		to date	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
-Malaysia income tax	1,523	3,169	5,004	6,574
-Deferred taxation	(48)	(104)	(90)	(102)
	<u>1,475</u>	<u>3,065</u>	<u>4,914</u>	<u>6,472</u>

Major components of tax expenses

	Current	6 months
	Quarter ended	cumulative
	30.06.2021	to date
	RM'000	RM'000
Current tax expense	1,523	5,004
Deferred tax expense	(48)	(90)
	<u>1,475</u>	<u>4,914</u>
Profit before taxation	<u>5,054</u>	<u>18,361</u>
Taxation at the Malaysian statutory tax rate of 24%	1,213	4,407
Adjustments:		
-Non-deductible expenses	273	523
-Expenses with double deduction	(11)	(16)
Income tax expense	<u>1,475</u>	<u>4,914</u>
Effective tax rate	29.2%	26.8%

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.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 30 June 2021

25. Quoted securities

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

26. Corporate proposals

There were no corporate proposals announced but not completed not earlier than seven (7) days from 11 August 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 30 June 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 11 August 2021.

31. Dividend payable

Other than as disclosed in Note 8 above, the Board of Directors recommends the payment of an interim single-tier dividend of 1.5 sen per ordinary share in respect of the year ending 31 December 2021 for the financial quarter under review. The entitlement date will be announced in due course.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 30 June 2021

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 quarter ended		6 months cumulative to date	
	30.06.21	30.06.20	30.06.21	30.06.20
(a) Basic				
Profit for the period (RM'000)	3,579	8,760	13,447	18,468
Weighted average number of ordinary shares for earnings per share ('000)	800,000	800,000	800,000	800,000
Basic earnings per share (sen)	0.45	1.10	1.68	2.31
(b) Diluted				
Diluted earnings per share (sen)	0.45	1.10	1.68	2.31

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 11 August 2021.