

**HUP SENG INDUSTRIES BERHAD** 199101015786 (226098-P)

(Incorporated in Malaysia)

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

	Note	<u>2021</u> CURRENT QUARTER ENDED 30 September RM'000	<u>2020</u> CURRENT QUARTER ENDED 30 September RM'000 *Restated	<u>2021</u> 9 MONTHS CUMULATIVE TO DATE RM'000	<u>2020</u> 9 MONTHS CUMULATIVE TO DATE RM'000 *Restated
Revenue		64,785	87,265	214,027	239,584
Cost of sales		(47,849)	(58,382)	(155,255)	(161,701)
<b>Gross profit</b>		16,936	28,883	58,772	77,883
Other income		457	667	1,679	2,191
Administrative expenses		(4,876)	(5,544)	(14,650)	(15,448)
Selling and marketing expenses		(6,822)	(7,657)	(21,737)	(23,330)
<b>Operating profit</b>		5,695	16,349	24,064	41,296
Finance cost		(4)	(5)	(12)	(12)
<b>Profit before tax</b>	10	<b>5,691</b>	<b>16,344</b>	<b>24,052</b>	<b>41,284</b>
Income tax expense	23	(1,608)	(4,356)	(6,522)	(10,828)
<b>Profit for the period</b>		<b>4,083</b>	<b>11,988</b>	<b>17,530</b>	<b>30,456</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>4,083</b>	<b>11,988</b>	<b>17,530</b>	<b>30,456</b>
Profit attributable to : Owners of the Parent		4,083	11,988	17,530	30,456
Total Comprehensive Income for the period, net of tax attributable to : Owners of the Parent		4,083	11,988	17,530	30,456
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	32(a)	0.51	1.50	2.19	3.81
-Diluted	32(b)	0.51	1.50	2.19	3.81

\*Note: The restatement is in respect of underpayment of sales tax which was restated in FYE 2020.

( 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 September 2021****The figures have not been audited**

	Note	As at 30/09/2021 RM'000	As at 31/12/2020 RM'000
<b><u>ASSETS:</u></b>			
<b>Non-current assets:</b>			
Property, plant and equipment		73,519	76,529
Investment properties		1,352	1,400
Right-of-use assets		5,357	5,568
Deferred tax assets		551	399
<i>Sub total</i>		80,779	83,896
<b>Current assets:</b>			
Inventories		24,926	29,742
Trade and other receivables	11	18,836	32,037
Prepayments		693	552
Tax recoverable		1,048	-
Cash and bank balances	12	66,049	82,553
<i>Sub total</i>		111,552	144,884
<b>TOTAL ASSETS</b>		<b>192,331</b>	<b>228,780</b>
<b><u>EQUITY AND LIABILITIES:</u></b>			
<b>Equity attributable to</b>			
<b>Owners of the Company :</b>			
Share capital		80,000	80,000
Retained earnings		49,310	59,780
<b>TOTAL EQUITY</b> <i>Sub total</i>		<b>129,310</b>	<b>139,780</b>
<b>Non-current liabilities :</b>			
Deferred tax liabilities		6,649	6,755
Lease liabilities		168	139
Other payable		514	1,438
<i>Sub total</i>		7,331	8,332
<b>Current liabilities:</b>			
Trade and other payables		40,696	56,119
Lease liabilities		143	215
Refund liabilities		1,570	3,413
Income tax payable		1,281	4,921
Dividends payable		12,000	16,000
<i>Sub total</i>		55,690	80,668
<b>TOTAL LIABILITIES</b>		<b>63,021</b>	<b>89,000</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>192,331</b>	<b>228,780</b>

( 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 September 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	-	17,530	17,530
Transaction with the owners			
Dividends on ordinary shares	-	(28,000)	(28,000)
Total transaction with the owners	-	(28,000)	(28,000)
Closing balance at 30 September 2021	80,000	49,310	129,310

**For the corresponding period  
ended 30 September 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 (restated)	-	30,456	30,456
Transaction with the owners			
Dividends on ordinary shares	-	(32,000)	(32,000)
Total transaction with the owners	-	(32,000)	(32,000)
Closing balance at 30 September 2020 (restated)	80,000	65,855	145,855

*( 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 September 2021****The figures have not been audited**

	Note	<b>2021</b> <b>9 months</b> <b>ended</b> <b>30/09/2021</b> <b>RM'000</b>	<b>2020</b> <b>9 months</b> <b>ended</b> <b>30/09/2020</b> <b>RM'000</b> <b>Restated</b>
<b>Cash flows from operating activities:</b>			
<b>Profit before tax</b>		24,052	41,284
Adjustments for:			
Allowance for doubtful debts		147	464
Bad debts written off		1	2
Depreciation of property, plant and equipment		4,638	4,751
Depreciation of investment properties		49	17
Depreciation of right-of-use assets		369	372
Interest expense on lease liabilities		12	12
Interest income		(796)	(1,369)
Inventories written off		132	58
Gain on disposal of property, plant and equipment		(3)	(2)
Property, plant and equipment written off		227	325
Reversal of impairment loss on property, plant and equipment		-	(142)
Total adjustments		4,776	4,488
<b>Operating cash flows before changes in working capital</b>		28,828	45,772
Changes in working capital			
Decrease/(increase) in inventories		4,684	(3,716)
Decrease in trade and other receivables		13,053	6,624
(Increase)/decrease in prepayments		(141)	91
Decrease in trade and other payables		(18,190)	(6,673)
Total changes in working capital		(594)	(3,674)
<b>Cash flows generated from operations</b>		28,234	42,098
Interest expense on lease liabilities paid		(12)	(12)
Income taxes paid		(11,469)	(9,232)
<b>Net cash flows generated from operating activities</b>		16,753	32,854
<b>Cash flows from investing activities</b>			
Withdrawal of deposits with more than 3 months with licensed bank		-	4,000
Interest income received		796	1,369
Proceeds from disposal of property, plant and equipment		5	3
Purchase of property, plant and equipment		(1,857)	(3,426)
<b>Net cash flows (used in)/generated from investing activities</b>		(1,056)	1,946
<b>Cash flows from financing activities</b>			
Repayment for lease liabilities		(201)	(204)
Dividends paid on ordinary shares		(32,000)	(32,000)
<b>Net cash used in financing activities</b>		(32,201)	(32,204)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(16,504)	2,596
<b>Cash and cash equivalents at beginning of financial year</b>		77,514	76,522
<b>Cash and cash equivalents at end of financial period</b>	12	61,010	79,118

( 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 September 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 September 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.

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

(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:

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 September 2021.

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 30 September 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 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 September 2021 and 31 December 2020, which are within the Group's objectives for capital management, are as follows:

	As at 30.09.2021	As at 31.12.2020
	RM'000	RM'000
Total liabilities	63,021	89,000
Total equity	129,310	139,780
Total capital	80,000	80,000
Gearing ratio	49%	64%

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

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 30.09.2021 RM'000
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	16,000
- Interim dividend of 1.5 sen per share (single-tier) for 2021 declared on 7 September 2021	15.10.2021	12,000
		<u>28,000</u>

Part A: Explanatory notes pursuant to MFRS 134  
For the period ended 30 September 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.

	Biscuit manufacturing division RM'000	Beverage manufacturing division RM'000	Trading division RM'000	Total RM'000
<b>Quarter ended 30.09.2021</b>				
Revenue *	46,536	1,414	49,914	97,864
Profit/(loss) for reportable segments	1,660	(5)	4,654	6,309
<b>9 months cumulative to date</b>				
Revenue *	154,976	4,701	166,017	325,694
Profit for reportable segments	8,876	214	17,218	26,308

### Reconciliation of profit or loss

Profit or loss for the financial period ended 30.09.2021	Quarter ended RM'000	Cumulative to date RM'000
Total profit for reportable segments	6,309	26,308
Profit from inter-segment sales	140	178
Other income	148	396
Unallocated expenses	(906)	(2,830)
Profit before tax	5,691	24,052

\* Revenue reported above represents revenue generated from the reportable segments. Inter-segment sales for the current quarter and 9 months cumulative to date are RM33,079,000 and RM111,667,000 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 September 2021

## 10. Profit before tax

Included in the profit before tax are the following items:

	Quarter ended		Cumulative to date	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(271)	(406)	(796)	(1,369)
Rental income	(48)	(78)	(203)	(214)
Reversal of impairment loss on property, plant and equipment	-	-	-	(142)
Reversal of impairment losses on trade receivable (Note 11)	(1)	(2)	(4)	(5)
Bad debts written off	-	1	1	2
Allowance for doubtful debts (Note 11)	168	97	147	464
Depreciation of property, plant and equipment	1,531	1,583	4,638	4,751
Depreciation of investment properties	17	5	49	17
Depreciation of right-of-use assets	125	122	369	372
Gain on disposal of property, plant and equipment	-	(2)	(3)	(2)
Interest expense on lease liabilities	4	5	12	12
Inventories written off	15	25	132	58
Property, plant and equipment written off	68	55	227	325
Realised exchange losses	85	262	172	612

## 11. Trade and other receivables

	As at	
	30.09.2021	31.12.2020
	RM'000	RM'000
Trade receivables		
Third parties	19,091	32,393
Less: Allowance for doubtful debts	(703)	(652)
Trade receivables, net	18,388	31,741
Other receivables	448	296
Total trade and other receivables	18,836	32,037

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

### Trade receivables

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

	As at	
	30.09.2021	31.12.2020
	RM'000	RM'000
Neither past due nor impaired	12,183	23,422
1 to 30 days past due not impaired	5,183	7,681
31 to 60 days past due not impaired	669	511
61 to 90 days past due not impaired	93	76
91 to 120 days past due not impaired	234	16
More than 121 days past due not impaired	26	35
	6,205	8,319
Impaired	703	652
	<u>19,091</u>	<u>32,393</u>

### Receivables that are impaired

Movement in allowance accounts :

At 1 January	652	293
Charge for the period/year (Note 10)	147	394
Written off	(92)	(29)
Reversal of impairment losses (Note 10)	(4)	(6)
	<u>703</u>	<u>652</u>

## 12. Cash and bank balances

Cash and bank balances comprised the following amounts:

	As at	
	30.09.2021	31.12.2020
	RM'000	RM'000
Cash and bank balances	3,760	4,314
Short-term deposits with licensed banks	57,250	73,200
Cash and cash equivalents	61,010	77,514
Long-term deposits of more than 3 months with licensed banks	5,039	5,039
	<u>66,049</u>	<u>82,553</u>

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

### 13. Foreign exchange exposure

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

	As at	
	30.09.2021	31.12.2020
	RM'000	RM'000
Trade and other receivables		
United States Dollars	419	840
Singapore Dollars	1,097	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 September 2021 are as follows:

	RM'000
Contracted but not provided for:	
Purchase of plant and equipment	<u>3,400</u>

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

**18. Related party transactions**

	Current quarter ended 30.09.2021 RM	9 months cumulative to date 30.09.2021 RM
Rental of premises payable to:		
-Hup Seng Brothers Holdings Sdn. Bhd. #	22,350	<u>67,050</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 directors, 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 September 2021

**19. Performance review**

**Financial review for current quarter and financial year to date**

	3 months		Changes		9 months		Changes	
	Quarter ended		Amount	%	cumulative to date		Amount	%
	30.09.2021	30.09.2020			30.09.2021	30.09.2020		
	RM'000	RM'000 Restated	RM'000		RM'000	RM'000 Restated	RM'000	
Revenue	64,785	87,265	(22,480)	(26)	214,027	239,584	(25,557)	(11)
Operating profit	5,695	16,349	(10,654)	(65)	24,064	41,296	(17,232)	(42)
Profit before interest and tax	5,695	16,349	(10,654)	(65)	24,064	41,296	(17,232)	(42)
Finance cost	(4)	(5)	(1)	(20)	(12)	(12)	-	-
Profit before tax	5,691	16,344	(10,653)	(65)	24,052	41,284	(17,232)	(42)
Profit after tax	4,083	11,988	(7,905)	(66)	17,530	30,456	(12,926)	(42)
Profit attributable to: Owners of the Parent	4,083	11,988	(7,905)	(66)	17,530	30,456	(12,926)	(42)

The Group's revenue for the current quarter ended 30 September 2021 has significantly decreased by 26% to RM64,785,000 from RM87,265,000 in the quarter ended 30 September 2020. During this quarter, sales orders for Hup Seng products were not able to be fulfilled primarily constrained by the temporary two (2) weeks suspension of operations in September, for disinfection works as well as the mandatory compliance of 60% workforce. To this effect, production tonnage lost during the quarter about 30.7% resulting in reduction in revenue.

The Group registered a profit before tax of RM5,691,000 as compared to a profit before tax of RM16,344,000 in the preceding corresponding quarter, a significant decrease of about 65%. 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 nine months ended 30 September 2021 has decreased by 11% to RM214,027,000 from RM239,584,000 as compared with the preceding year corresponding period. Domestic sales dropped 7% or RM12.5 million compared to previous corresponding period. Export market decreased by about 21.7% or RM13.1 million. While the demand for Hup Seng's product is still intact, performance was affected due to constraint of 60% since May 2021 and the temporary two (2) weeks suspension of operations for disinfection works in September 2021.

The profit before tax has decreased to RM24,052,000 when compared with the preceding year corresponding period of RM41,284,000 a decrease of about 42%. Lower sales and the increase in prices of certain raw and packing materials during 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 September 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	
	30.09.2021 RM'000	30.06.2021 RM'000	Amount RM'000	%
Revenue	64,785	66,497	(1,712)	(3)
Operating profit	5,695	5,059	636	13
Profit before interest and tax	5,695	5,059	636	13
Finance cost	(4)	(5)	(1)	(20)
Profit before tax	5,691	5,054	637	13
Profit after tax	4,083	3,579	504	14
Profit attributable to:				
Owners of the Parent	4,083	3,579	504	14

The Group's revenue has decreased 3% to RM64,785,000 in the current quarter ended 30 September 2021 as compared to RM66,497,000 in the preceding quarter mainly due to the drop in both domestic and export markets.

Profit before tax has increased by about 13% to RM5,691,000 as compared to RM5,054,000 in the preceding quarter mainly contributed from the financial assistance of the Wage Subsidy Program amounted to RM750,000.

## 21. Commentary of prospects

During the third quarter, the Group experienced disruption of operations due to disinfection works and compliance of 60% workforce by the government as well as rising materials prices. To date, more than 90% of staff and factory workers have been fully vaccinated, and the factory has resumed operations and allowed to operate 100% since 1 October 2021. The greatest challenge to the Group will be the rising materials costs. It is not expected to recover them in the immediate term and the Group will continue to put in effort to enhance the operating efficiency in order to mitigate the impact of high input costs as low as possible and will increase selling prices as and when necessary. Nevertheless, the Group remains optimistic about the prospects of the biscuits industry given the effort by the government on the progress of the COVID-19 National Immunisation Programme, and the gradual recovery of global trade and economy as Malaysia transits towards an endemic phase, where restrictions are relaxed and most economic sectors will reopen. The Group will continue to explore new markets to broaden its revenue and enhance the competitiveness of the products.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of  
Bursa Malaysia Securities Berhad  
For the period ended 30 September 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	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
-Malaysia income tax	1,777	4,409	6,781	10,983
-Deferred taxation	(169)	(53)	(259)	(155)
	<u>1,608</u>	<u>4,356</u>	<u>6,522</u>	<u>10,828</u>

Major components of tax expenses

	Current	9 months
	Quarter	cumulative
	ended	to date
	30.09.2021	30.09.2021
	RM'000	RM'000
Current tax expense	1,777	6,781
Deferred tax expense	(169)	(259)
	<u>1,608</u>	<u>6,522</u>
Profit before taxation	<u>5,691</u>	<u>24,052</u>
Taxation at the Malaysian statutory tax rate of 24%	1,366	5,773
Adjustments:		
-Non-deductible expenses	244	767
-Expenses with double deduction	(2)	(18)
Income tax expense	<u>1,608</u>	<u>6,522</u>
Effective tax rate	<u>28.3%</u>	<u>27.1%</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.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of  
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**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 10 November 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 September 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 10 November 2021.

**31. Dividend payable**

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



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### 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		9 months cumulative to date	
	30.09.21	30.09.20 Restated	30.09.21	30.09.20 Restated
<b>(a) Basic</b>				
Profit for the period (RM'000)	4,083	11,988	17,530	30,456
Weighted average number of ordinary shares for earnings per share ('000)	800,000	800,000	800,000	800,000
Basic earnings per share (sen)	0.51	1.50	2.19	3.81
<b>(b) Diluted</b>				
Diluted earnings per share (sen)	0.51	1.50	2.19	3.81

### 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 10 November 2021.