

HUP SENG INDUSTRIES BERHAD 199101015786 (226098-P)

(Incorporated in Malaysia)

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

	Note	<u>2021</u> CURRENT QUARTER ENDED 31 December RM'000	<u>2020</u> CURRENT QUARTER ENDED 31 December RM'000	<u>2021</u> 12 MONTHS CUMULATIVE TO DATE RM'000	<u>2020</u> 12 MONTHS CUMULATIVE TO DATE RM'000
Revenue		81,806	87,741	295,833	327,325
Cost of sales		(58,905)	(61,047)	(214,160)	(222,748)
Gross profit		22,901	26,694	81,673	104,577
Other income		868	770	2,547	2,961
Administrative expenses		(3,964)	(5,087)	(18,614)	(20,535)
Selling and marketing expenses		(6,550)	(8,644)	(28,287)	(31,974)
Operating profit		13,255	13,733	37,319	55,029
Finance cost		(15)	(7)	(27)	(19)
Profit before tax	10	13,240	13,726	37,292	55,010
Income tax expense	23	(3,530)	(3,801)	(10,052)	(14,629)
Profit for the period		9,710	9,925	27,240	40,381
Total comprehensive income for the period, net of tax		9,710	9,925	27,240	40,381
Profit attributable to :					
Owners of the Parent		9,710	9,925	27,240	40,381
Total Comprehensive Income for the period, net of tax attributable to :					
Owners of the Parent		9,710	9,925	27,240	40,381
Earnings per share attributable to Owners of the Parent (sen) :					
-Basic	32(a)	1.21	1.24	3.41	5.05
-Diluted	32(b)	1.21	1.24	3.41	5.05

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

	Note	As at 31/12/2021 RM'000	As at 31/12/2020 RM'000
<u>ASSETS:</u>			
Non-current assets:			
Property, plant and equipment		72,755	76,529
Investment properties		1,337	1,400
Right-of-use assets		5,554	5,568
Deferred tax assets		510	399
<i>Sub total</i>		80,156	83,896
Current assets:			
Inventories		28,212	29,742
Trade and other receivables	11	31,615	32,037
Prepayments		478	552
Cash and bank balances	12	66,693	82,553
<i>Sub total</i>		126,998	144,884
TOTAL ASSETS		207,154	228,780
<u>EQUITY AND LIABILITIES:</u>			
Equity attributable to			
Owners of the Company :			
Share capital		80,000	80,000
Retained earnings		59,020	59,780
TOTAL EQUITY <i>Sub total</i>		139,020	139,780
Non-current liabilities :			
Deferred tax liabilities		6,712	6,755
Lease liabilities		326	139
Other payable		205	1,438
<i>Sub total</i>		7,243	8,332
Current liabilities:			
Trade and other payables		56,342	56,119
Lease liabilities		238	215
Refund liabilities		2,089	3,413
Income tax payable		2,222	4,921
Dividends payable		-	16,000
<i>Sub total</i>		60,891	80,668
TOTAL LIABILITIES		68,134	89,000
TOTAL EQUITY AND LIABILITIES		207,154	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 December 2021**

	Attributable to owners of the parent		
	Non-distributable	Distributable	Total
	Share capital RM'000	Retained earnings RM'000	RM'000
Opening balance at 1 January 2021	80,000	59,780	139,780
Total comprehensive income for the period	-	27,240	27,240
Transaction with the owners			
Dividends on ordinary shares	-	(28,000)	(28,000)
Total transaction with the owners	-	(28,000)	(28,000)
Closing balance at 31 December 2021	80,000	59,020	139,020

**For the corresponding period
ended 31 December 2020**

	Attributable to owners of the parent		
	Non-distributable	Distributable	Total
	Share capital RM'000	Retained earnings RM'000	RM'000
Opening balance at 1 January 2020 (as restated)	80,000	67,399	147,399
Total comprehensive income for the period	-	40,381	40,381
Transaction with the owners			
Dividends on ordinary shares	-	(48,000)	(48,000)
Total transaction with the owners	-	(48,000)	(48,000)
Closing balance at 31 December 2020	80,000	59,780	139,780

(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

	Note	2021 12 months ended 31/12/2021 RM'000	2020 12 months ended 31/12/2020 RM'000
Cash flows from operating activities:			
Profit before tax		37,292	55,010
Adjustments for:			
(Reversal of)/allowance for doubtful debts		(88)	394
Bad debts written off		1	5
Depreciation of property, plant and equipment		6,188	6,292
Depreciation of investment properties		63	63
Depreciation of right-of-use assets		486	494
Interest expense on lease liabilities		27	19
Interest income		(1,060)	(1,725)
Inventories written off		171	70
Gain on disposal of property, plant and equipment		(219)	(129)
Property, plant and equipment written off		340	401
Reversal of impairment loss on property, plant and equipment		-	(142)
Total adjustments		5,909	5,742
Operating cash flows before changes in working capital		43,201	60,752
Changes in working capital			
Decrease/(increase) in inventories		1,359	(5,515)
Decrease in trade and other receivables		509	4,398
Decrease in prepayments		74	157
(Decrease)/increase in trade and other payables		(2,334)	594
Total changes in working capital		(392)	(366)
Cash flows generated from operations		42,809	60,386
Interest expense on lease liabilities paid		(27)	(19)
Income taxes paid		(12,906)	(13,237)
Net cash flows generated from operating activities		29,876	47,130
Cash flows from investing activities			
Withdrawal of deposits with more than 3 months with licensed bank		4,000	3,961
Interest income received		1,060	1,725
Proceeds from disposal of property, plant and equipment		222	282
Purchase of property, plant and equipment		(2,756)	(3,836)
Net cash flows generated from investing activities		2,526	2,132
Cash flows from financing activities			
Repayment for lease liabilities		(262)	(270)
Dividends paid on ordinary shares		(44,000)	(48,000)
Net cash used in financing activities		(44,262)	(48,270)
Net (decrease)/increase in cash and cash equivalents		(11,860)	992
Cash and cash equivalents at beginning of financial year		77,514	76,522
Cash and cash equivalents at end of financial year	12	65,654	77,514

(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 December 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 December 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 Leases: 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 31 December 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</u> or <u>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 MFRS 3: Business Combinations-References to the Conceptual Framework	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 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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 December 2021.

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

	As at 31.12.2021	As at 31.12.2020
	RM'000	RM'000
Total liabilities	68,134	89,000
Total equity	139,020	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 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 31.12.2021 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 31 December 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
Quarter ended 31.12.2021				
Revenue *	61,231	2,300	59,478	123,009
Profit/(loss) for reportable segments	5,522	154	8,138	13,814
12 months cumulative to date				
Revenue *	216,207	7,001	225,495	448,703
Profit for reportable segments	14,398	368	25,356	40,122

Reconciliation of profit or loss

Profit or loss for the financial period ended 31.12.2021	Quarter ended RM'000	Cumulative to date RM'000
Total profit for reportable segments	13,814	40,122
Profit from inter-segment sales	(128)	50
Other income	148	544
Unallocated expenses	(594)	(3,424)
Profit before tax	13,240	37,292

* Revenue reported above represents revenue generated from the reportable segments. Inter-segment sales for the current quarter and 12 months cumulative to date are RM41,203,000 and RM152,870,000 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 31 December 2021

10. Profit before tax

Included in the profit before tax are the following items:

	Quarter ended		Cumulative to date	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Interest income	(264)	(356)	(1,060)	(1,725)
Rental income	(78)	(77)	(281)	(291)
Reversal of impairment loss on property, plant and equipment	-	-	-	(142)
Reversal of impairment losses on trade receivable (Note 11)	(1)	(1)	(5)	(6)
Bad debts written off	-	3	1	5
(Reversal of)/allowance for doubtful debts (Note 11)	(235)	(70)	(88)	394
Depreciation of property, plant and equipment	1,550	1,541	6,188	6,292
Depreciation of investment properties	14	46	63	63
Depreciation of right-of-use assets	117	122	486	494
Gain on disposal of property, plant and equipment	(216)	(127)	(219)	(129)
Interest expense on lease liabilities	15	7	27	19
Inventories written off	39	12	171	70
Property, plant and equipment written off	113	76	340	401
Realised exchange losses	124	207	296	819

11. Trade and other receivables

	As at	
	31.12.2021	31.12.2020
	RM'000	RM'000
Trade receivables		
Third parties	31,257	32,393
Less: Allowance for doubtful debts	(467)	(652)
Trade receivables, net	30,790	31,741
Other receivables	825	296
Total trade and other receivables	31,615	32,037

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

Trade receivables

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

	As at	
	31.12.2021	31.12.2020
	RM'000	RM'000
Neither past due nor impaired	23,555	23,422
1 to 30 days past due not impaired	6,743	7,681
31 to 60 days past due not impaired	448	511
61 to 90 days past due not impaired	43	76
91 to 120 days past due not impaired	-	16
More than 121 days past due not impaired	1	35
	7,235	8,319
Impaired	467	652
	<u>31,257</u>	<u>32,393</u>

Receivables that are impaired

Movement in allowance accounts :

At 1 January	652	293
(Reversal)/charge for the year (Note 10)	(88)	394
Written off	(92)	(29)
Reversal of impairment losses (Note 10)	(5)	(6)
	<u>467</u>	<u>652</u>

12. Cash and bank balances

Cash and bank balances comprised the following amounts:

	As at	
	31.12.2021	31.12.2020
	RM'000	RM'000
Cash and bank balances	6,154	4,314
Short-term deposits with licensed banks	59,500	73,200
Cash and cash equivalents	65,654	77,514
Long-term deposits of more than 3 months with licensed banks	1,039	5,039
	<u>66,693</u>	<u>82,553</u>

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

13. Foreign exchange exposure

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

	As at	
	31.12.2021	31.12.2020
	RM'000	RM'000
Trade and other receivables		
United States Dollars	387	840
Singapore Dollars	3,938	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 31 December 2021 are as follows:

	RM'000
Approved but not contracted for property, plant and equipment	1,350
Contracted but not provided for property, plant and equipment	2,087
	<u>3,437</u>

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

18. Related party transactions

	Current quarter ended 31.12.2021 RM	12 months cumulative to date 31.12.2021 RM
Rental of premises payable to:		
-Hup Seng Brothers Holdings Sdn. Bhd. #	23,550	90,600
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 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 31 December 2021

19. Performance review

Financial review for current quarter and financial year to date

	3 months Quarter ended		Changes		12 months cumulative to date		Changes	
	31.12.2021 RM'000	31.12.2020 RM'000	Amount RM'000	%	31.12.2021 RM'000	31.12.2020 RM'000	Amount RM'000	%
Revenue	81,806	87,741	(5,935)	(7)	295,833	327,325	(31,492)	(10)
Operating profit	13,255	13,733	(478)	(3)	37,319	55,029	(17,710)	(32)
Profit before interest and tax	13,255	13,733	(478)	(3)	37,319	55,029	(17,710)	(32)
Finance cost	(15)	(7)	8	114	(27)	(19)	8	42
Profit before tax	13,240	13,726	(486)	(4)	37,292	55,010	(17,718)	(32)
Profit after tax	9,710	9,925	(215)	(2)	27,240	40,381	(13,141)	(33)
Profit attributable to: Owners of the Parent	9,710	9,925	(215)	(2)	27,240	40,381	(13,141)	(33)

The Group's revenue for the current quarter ended 31 December 2021 has decreased by 7% to RM81,806,000 from RM87,741,000 in the quarter ended 31 December 2020. Domestic and export sales registered a drop of 7% or about RM4.7 million and 5% or about RM1.2 million respectively, due to lower production activities constrained by shortage of manpower.

The Group registered a profit before tax of RM13,240,000 as compared to a profit before tax of RM13,726,000 in the preceding corresponding quarter, a decrease of about 4%. The low biscuits revenue was further aggravated by the rising costs of the main raw materials which resulted in the fall of profit before tax.

The Group's revenue for the twelve months ended 31 December 2021 has decreased by 10% to RM295,833,000 from RM327,325,000 as compared with the preceding year corresponding period. Domestic sales dropped 7% or RM17.2 million compared to previous corresponding period. Export market decreased by about 17% or RM14.3 million. While the demand for Hup Seng's product is still intact, performance was affected due to constraint of 60% workforce 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 RM37,292,000 when compared with the preceding year corresponding period of RM55,010,000 a decrease of about 32%. 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 31 December 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	
	31.12.2021 RM'000	30.09.2021 RM'000	Amount RM'000	%
Revenue	81,806	64,785	17,021	26
Operating profit	13,255	5,695	7,560	133
Profit before interest and tax	13,255	5,695	7,560	133
Finance cost	(15)	(4)	11	275
Profit before tax	13,240	5,691	7,549	133
Profit after tax	9,710	4,083	5,627	138
Profit attributable to: Owners of the Parent	9,710	4,083	5,627	138

The Group's revenue has significantly increased by 26% to RM81,806,000 in the current quarter ended 31 December 2021 as compared to RM64,785,000 in the preceding quarter. Unlike previous two quarters, domestic sales has grown 19% or RM9.7 million mainly from modern and wholesale channels. Export market sales saw a strong increase of about 50% or RM7.3 million mainly from Indonesia, Thailand, Myanmar and China.

Profit before tax has significantly increased by about 133% to RM13,240,000 as compared to RM5,691,000 in the preceding quarter mainly due to the resumption of operations and constraint of 60% workforce has been removed during the quarter.

21. Commentary of prospects

For the year 2022, Malaysia's gross domestic product (GDP) is expected to accelerate to 5.5%-6.5% in 2022 from 3%-4% in 2021, boosted by the continuation of the various stimulus and assistance packages to combat Covid-19. The growth trajectory will also be based on expectations of further expansion in global and domestic activities. However, for the Group, the greatest challenge will be the rising materials costs. The selling prices to all domestic outlets will be increased progressively with effect from January 2022 to minimize the impact of the rising materials costs.

Recognizing and understanding the changing business environment and moving into the 'new norm', the Group will continue to exercise prudence and find new business strategies moving forward.

Nevertheless, the Group will continue to maintain and improve product quality, innovating products portfolio, reducing costs and broadening the distributor network to safeguard revenue and address the needs of consumers.

Part B: Explanatory notes pursuant to Main Market Listing Requirements of
Bursa Malaysia Securities Berhad
For the period ended 31 December 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	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
-Malaysia income tax	3,425	4,213	10,206	15,196
-Deferred taxation	105	(412)	(154)	(567)
	<u>3,530</u>	<u>3,801</u>	<u>10,052</u>	<u>14,629</u>

Major components of tax expenses

	Current	12 months
	Quarter	cumulative
	ended	to date
	31.12.2021	31.12.2021
	RM'000	RM'000
Current tax expense	3,425	10,206
Deferred tax expense	105	(154)
	<u>3,530</u>	<u>10,052</u>
Profit before taxation	<u>13,240</u>	<u>37,292</u>
Taxation at the Malaysian statutory tax rate of 24%	3,178	8,951
Adjustments:		
-Non-deductible expenses	362	1,129
-Expenses with double deduction	(10)	(28)
Income tax expense	<u>3,530</u>	<u>10,052</u>
Effective tax rate	<u>26.7%</u>	<u>27.0%</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
Bursa Malaysia Securities Berhad
For the period ended 31 December 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 16 February 2022.

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 December 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 16 February 2022.

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 sen per ordinary share in respect of the year ended 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 31 December 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		12 months cumulative to date	
	31.12.21	31.12.20	31.12.21	31.12.20
(a) Basic				
Profit for the period (RM'000)	9,710	9,925	27,240	40,381
Weighted average number of ordinary shares for earnings per share ('000)	800,000	800,000	800,000	800,000
Basic earnings per share (sen)	1.21	1.24	3.41	5.05
(b) Diluted				
Diluted earnings per share (sen)	1.21	1.24	3.41	5.05

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 16 February 2022.