

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statement of Comprehensive Income (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2021**

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31.12.2021 (Unaudited) RM' 000	31.12.2020 (Unaudited) RM'000	31.12.2021 (Unaudited) RM' 000	31.12.2020 (Audited) RM' 000
Revenue	195,821	103,952	599,008	354,739
Cost of sales	(157,333)	(87,610)	(489,935)	(306,313)
Gross profit	38,488	16,342	109,073	48,426
Other income	5,092	1,199	8,727	4,052
Administrative expenses	(5,597)	(3,501)	(13,993)	(12,887)
Other operating expenses	(1,280)	(2,714)	(3,654)	(3,583)
Operating profit	36,703	11,326	100,153	36,008
Finance costs	(683)	(213)	(3,462)	(4,809)
Profit/(Loss) before tax	36,020	11,113	96,691	31,199
Income tax expense	(5,539)	(3,444)	(19,686)	(8,695)
Profit/(Loss) after tax	30,481	7,669	77,005	22,504
Other comprehensive income				
Available-for-sale financial assets:				
- (Loss)/Gain on fair value changes	(59)	(56)	(59)	(56)
Exchange difference on translation of foreign operations	225	164	(63)	280
Total comprehensive income for the period	30,647	7,777	76,883	22,728
Profit/(Loss) attributable to:				
Owners of the parent	14,559	4,427	41,978	13,674
Non-controlling interests	15,922	3,242	35,027	8,830
	30,481	7,669	77,005	22,504
Total comprehensive income attributable to:				
Owners of the parent	14,640	4,440	41,878	13,685
Non-controlling interests	16,007	3,337	35,005	9,043
	30,647	7,777	76,883	22,728
Weighted average number of shares in issue	196,544	196,544	196,544	196,544
Earnings per share in sen				
- Basic	7.41	2.25	21.36	6.96

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2020.**

**MHC Plantations Bhd (4060-V)**  
(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position**  
**as at 31 December 2021**

	<b>As at 31.12.2021 (Unaudited) RM'000</b>	<b>As at 31.12.2020 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	486,200	507,400
Investment properties	45,264	45,264
Deferred tax assets	6,539	6,777
Investment in securities	279	338
Goodwill on consolidation	43,867	43,867
	<u>582,149</u>	<u>603,646</u>
<b>Current assets</b>		
Inventories	21,609	18,533
Biological assets	5,822	3,264
Trade and other receivables	26,971	23,026
Tax recoverable	1,700	848
Short term investments	31,966	17,573
Fixed deposits with licensed banks	14,486	7,796
Cash and bank balances	36,567	24,810
	<u>139,121</u>	<u>95,850</u>
<b>TOTAL ASSETS</b>	<u>721,270</u>	<u>699,496</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	196,544	196,544
Reserves	88,549	54,322
	<u>285,093</u>	<u>250,866</u>
<b>Non-controlling interests</b>	<u>282,046</u>	<u>253,568</u>
<b>Total equity</b>	<u>567,139</u>	<u>504,434</u>

**Condensed Consolidated Statement of Financial Position  
as at 31 December 2021 (Contd.)**

	<b>As at 31.12.2021 (Unaudited) RM'000</b>	<b>As at 31.12.2020 (Audited) RM'000</b>
<b>EQUITY AND LIABILITIES (CONTD.)</b>		
<b>Non-current liabilities</b>		
Borrowings	31,309	46,867
Deferred tax liabilities	50,997	48,913
Lease liabilities	2,900	3,876
	85,206	99,656
<b>Current liabilities</b>		
Payables	37,757	26,322
Borrowings	24,404	65,238
Lease liabilities	1,082	1,229
Taxation	5,682	2,617
	68,925	95,406
<b>Total liabilities</b>	154,131	195,062
<b>TOTAL EQUITY AND LIABILITIES</b>	721,270	699,496
<b>Net Tangible Asset Per Share (RM)</b>	1.23	1.05
<b>Net Asset Per Share (RM)</b>	1.45	1.28

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2020.**

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statements of Changes in Equity (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2021**

	Non-Distributable						Distributable		Total	Non-controlling Interests	Total Equity
	Share Capital RM' 000	Capital Reserve RM' 000	Other Reserve RM' 000	Revaluation Reserve RM' 000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000			
<b>Opening balance at 1 Jan 2020</b>	196,544	5,737	(32,266)	789	52	(343)	8	69,384	239,905	249,235	489,140
Total comprehensive income for the period	-	-	-	-	(56)	67	-	13,674	13,685	9,043	22,728
Dividends paid to the equity holders of the Company	-	-	-	-	-	-	-	(2,948)	(2,948)	-	(2,948)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(3,650)	(3,650)
Effect of subsidiaries treasury transaction	-	-	(116)	-	-	-	-	(50)	(166)	(670)	(836)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	390	390	(390)	-
<b>Closing balance at 31 December 2020</b>	<b>196,544</b>	<b>5,737</b>	<b>(32,382)</b>	<b>789</b>	<b>(4)</b>	<b>(276)</b>	<b>8</b>	<b>80,450</b>	<b>250,866</b>	<b>253,568</b>	<b>504,434</b>
<b>Opening balance at 1 Jan 2021</b>	196,544	5,737	(32,382)	789	(4)	(276)	8	80,450	250,866	253,568	504,434
Total comprehensive income for the period	-	-	-	-	(59)	(41)	-	41,978	41,878	35,005	76,883
Dividends paid to the equity holders of the Company	-	-	-	-	-	-	-	(7,862)	(7,862)	-	(7,862)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(5,551)	(5,551)
Effect of subsidiaries treasury transaction	-	-	(142)	-	-	-	-	-	(142)	(84)	(226)
Effect of acquisition of minority interest	-	-	-	-	-	-	-	353	353	(892)	(539)
<b>Closing balance at 31 December 2021</b>	<b>196,544</b>	<b>5,737</b>	<b>(32,524)</b>	<b>789</b>	<b>(63)</b>	<b>(317)</b>	<b>8</b>	<b>114,919</b>	<b>285,093</b>	<b>282,046</b>	<b>567,139</b>

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2020.

**MHC Plantations Bhd (4060-V)**  
**Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For The Fourth Quarter Ended 31 December 2021**

	<b>12 months ended</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>RM' 000</b>	<b>RM' 000</b>
<b>Operating activities</b>		
Profit before taxation	96,691	31,199
Adjustments for:		
Depreciation and amortisation	29,797	29,981
Bad debts written off	-	269
Deposit written off	-	39
Fair value gain on biological assets	(2,558)	(527)
Property, plant and equipment written off	935	205
Interest expense	3,462	4,809
(Gain)/Loss on disposal of property, plant and equipment	-	(21)
(Gain)/Loss on disposal of investment properties	-	260
Inventory written off	1,028	1,626
Reversal of allowance for expected credit losses	(56)	(46)
Interest income	(558)	(621)
Dividend income	(6)	(30)
Total adjustments	32,044	35,944
<b>Operating cash flows before changes in working capital</b>	<b>128,735</b>	<b>67,143</b>
Changes in working capital:		
Inventories	(4,102)	5,196
Receivables	(3,846)	(3,163)
Payables	11,407	(5,478)
Total changes in working capital	3,459	(3,445)
Cash generated from operations	132,195	63,698
Interest received	558	621
Interest paid	(3,453)	(5,874)
Tax paid	(15,153)	(5,291)
<b>Net cash flows from/(used in) operating activities</b>	<b>114,147</b>	<b>53,154</b>
<b>Investing activities</b>		
Dividend received	6	30
Proceeds from disposal of property, plant and equipment	-	278
Proceeds from disposal of investment properties	-	4,400
Purchase of property, plant and equipment	(9,533)	(17,228)
Net redemption/(investment in) of short term investments	(14,393)	(1,253)
Additional placement of pledged fixed deposits	-	(1,288)
<b>Net cash flows (used in)/from investing activities</b>	<b>(23,920)</b>	<b>(15,061)</b>
<b>Financing activities</b>		
Acquisition of subsidiary's treasury shares	(765)	(836)
Drawdown of revolving credit	5,000	16,450
Repayment of revolving credit	(35,000)	(21,400)
Repayment of term loan	(26,392)	(14,208)
Repayment of lease liabilities	(1,143)	(1,226)
Dividends paid to equity holders of the Company	(7,862)	(2,948)
Dividends paid to non-controlling shareholders	(5,553)	(3,650)
<b>Net cash flows from/(used in) financing activities</b>	<b>(71,714)</b>	<b>(27,819)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18,513</b>	<b>10,274</b>
Effect on exchange rate changes on cash and cash equivalents	(68)	280
<b>Cash and cash equivalents as at 1 January</b>	<b>27,986</b>	<b>17,432</b>
<b>Cash and cash equivalents as at 31 December</b>	<b>46,432</b>	<b>27,986</b>
<b>Cash and cash equivalents :</b>		
Fixed deposits with licensed banks	14,486	7,796
Cash and bank balances	36,567	24,811
	51,053	32,607
Less : Fixed deposits pledged	(4,621)	(4,621)
	46,432	27,986

**The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2020.**

## Notes to the condensed consolidated interim financial statements

### 1. Basis of preparation

The condensed consolidated interim financial statements for the financial year ended 31 December 2021 have been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020.

The accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

### 2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020 except for the adoption of new MFRS, amendments to published standards and IC Interpretations for the Group for the financial year beginning 1 January 2021:

<b>Amendments to MFRSs</b>	<b>Effective Date</b>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2	1 Jan 2022
Amendments to MFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021	1 Apr 2021

The adoption of above amendments to MFRS did not have a material impact on the financial statements of the Group.

At the date of authorization of these interim financial statements, the following MFRS were issued but not yet effective and have not been applied by the Group:

<b>Amendments to MFRSs</b>	<b>Effective Date</b>
Amendments to MFRS 3: Business Combinations	1 Jan 2022
Amendments to MFRS 116: Property, Plant and Equipment	1 Apr 2021
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets	1 Jan 2022
Amendments to MFRS1 First-time Adoption of Malaysian Financial Reporting Standards	1 Jan 2022
Amendments to MFRS 9 Financial Instruments Arrangements	1 Jan 2022
Amendments to MFRS 16 Leases – Illustrative Examples	1 Jan 2022
Amendments to MFRS 141 Agriculture	1 Jan 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 Jan 2023
MFRS 17 Insurance Contracts	1 Jan 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

3. Auditors' report

The auditor's report on the preceding annual financial statements was not qualified.

4. Seasonal and cyclical factors

The business of the Group is cyclical in nature and the third quarter is normally the peak production season.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year 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. Equity and debt securities

There were no issuance, cancellation, resale, repurchase and repayment of equity or debt securities during the financial year ended 31 December 2021.

8. Dividend paid

On 7 April 2021, the Directors approved a single-tier interim dividend of 2.0 sen per ordinary share and a single-tier special dividend of 2.0 sen per ordinary shares in respect of the financial year ending 31 December 2021 on 196,543,970 ordinary shares, amounting to a total dividend payable of RM7,861,759 which was paid on 21 May 2021.

No interim dividend has been paid during the current quarter ended 31 December 2021.

## 9. Segment information

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

- a. Plantation - Cultivation of oil palm
- b. Oil Mill - Milling and sales of oil palm products
- c. Power Plant - Power Generation and sales of biomass by-products

### Information about reportable segments

	Results for 3 months ended 31 December							
	Plantation		Oil Mill		Power Plant		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
External revenue	16,049	8,730	161,233	79,570	18,245	19,148	195,527	107,448
Inter-segment revenue	25,241	9,053	-	-	-	-	25,241	9,053
Segment profit/(loss)	23,474	8,443	7,838	1,170	6,912	4,680	38,224	14,293

	3 months ended 31.12.2021 (Unaudited)	3 months ended 31.12.2021 (Unaudited)
	RM'000	RM'000
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	38,224	14,293
Other non-reportable segments	(567)	(1,854)
Amortisation of group land cost	(631)	(631)
Elimination of inter-segment profits	200	(5)
Unallocated corporate (expenses)/income	(1,206)	(690)
Consolidated profit/(loss) before tax	<u>36,020</u>	<u>11,113</u>

9. Segment information (Contd.)

	Results for 12 months ended 31 December								
	Plantation		Oil Mill		Power Plant		Total		
	2021	2020	2021	2020	2021	2020	2021	2020	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
External revenue	55,406	31,930	488,787	274,922	53,823	45,706	598,016	352,558	
Inter-segment revenue	71,124	37,458	-	-	-	-	71,124	37,458	
Segment profit/(loss)	65,723	18,913	21,368	9,374	16,050	10,418	103,141	38,705	

	12 months ended 31.12.2021 (Unaudited) RM'000	12 months ended 31.12.2020 (Unaudited) RM'000
<b>Segment profit is reconciled to consolidated profit before tax as follows:</b>		
Segment profit	103,141	38,705
Other non-reportable segments	(2,174)	(2,321)
Amortisation of group land cost	(2,523)	(2,522)
Elimination of inter-segment profits	218	(33)
Unallocated corporate (expenses)/income	(1,971)	(2,630)
Consolidated profit/(loss) before tax	<u>96,691</u>	<u>31,199</u>

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 December 2021.

11. Contingent Assets and Liabilities

There were no contingent assets and contingent liabilities at the end of this quarter and as at the date of this report.

12. Capital commitments

The amount of capital commitments not provided for in the unaudited interim financial statements as at 31 December 2021 is as follows:

	RM'000
Capital expenditure	
Approved and contracted for	2,274
Approved but not contracted for	<u>8,091</u>
	<u>10,365</u>

13. Subsequent event

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

## Information required by BMSB Listing Requirements

### 1. Review of performance

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

		Individual Period (4th Quarter)			Cumulative Period (12 months ended)		
		Current year Quarter	Preceding Year Corresponding Quarter	Changes (%)	Current Year To- date	Preceding Year Corresponding Period	Changes (%)
		31.12.2021 (Unaudited)	31.12.2020 (Unaudited)		31.12.2021 (Unaudited)	31.12.2020 (Audited)	
		RM'000	RM'000		RM'000	RM'000	
Revenue		195,821	103,952	88%	599,008	354,739	69%
Operating profit		36,703	11,326	>100%	100,153	36,008	>100%
Profit before tax		36,020	11,113	>100%	96,691	31,199	>100%
Profit after tax		30,481	7,669	>100%	77,005	22,504	>100%
Profit attributable to ordinary equity holders of the Parent		14,559	4,427	>100%	41,978	13,674	>100%
<b>Operational Statistics</b>							
Production:							
FFB	(mt)	38,912	38,781	0%	143,863	149,702	-4%
CPO	(mt)	26,456	20,811	27%	94,290	87,349	8%
PK	(mt)	7,209	5,538	30%	25,306	22,966	10%
Average selling price:							
FFB	(RM/mt)	1,037	601	73%	868	494	76%
CPO	(RM/mt)	5,100	3,249	57%	4,427	2,712	63%
PK	(RM/mt)	3,729	1,964	90%	2,889	1,597	81%
Quantity sold:							
CPO	(mt)	26,184	20,990	25%	93,890	87,753	7%
PK	(mt)	7,425	5,792	28%	25,309	23,098	10%
Oil Extraction Rate (%)		20	19.86	1%	19.68	19.50	1%
Electricity Export(MWh)		18,375	22,373	-18%	59,542	69,474	-14%

1. Review of performance (Cont'd)

**Current Quarter vs. Previous Year Corresponding Quarter**

The Group recorded a revenue of RM195.82 million and profit before tax of RM36.02 million for the current quarter ended 31 December 2021 as compared to a revenue of RM103.95 million and profit before tax of RM11.11 million in the preceding year quarter ended 31 December 2020. The significant increases in revenue and profit before tax were mainly due to:

- a) Increases in selling prices of CPO, PK, FFB and EFB Oil by 57%, 90%, 73% and 72% respectively; and
- b) Increases in sales volume of CPO and PK by 25% and 28% respectively.

Performance of the respective operating business segments for this quarter under review as compared to the previous corresponding quarter was analysed as follows:

- (i) Plantation – The increase in Segment profit by RM15.03 million (>100%) from RM8.44 million to RM23.47 million was mainly due to a significant increase in average FFB selling price by 72% for the current quarter under review.
- (ii) Oil Mill – The increase in Segment profit by RM6.67 million (>100%) from RM1.17 million to RM7.84 million was mainly due to higher selling prices of CPO and PK by 57% and 90% respectively, increase in FFB processed volume by 26%, a higher OER Margin in the current quarter and an inventory written off of RM 1.18 million in preceding year corresponding quarter.
- (iii) Power Plant – The increase in Segment profit by RM2.23 million (48%) from RM4.68 million to RM6.91 million was mainly due to an increase in the average selling price of EFB Oil (72%) which outweighs the impacts of reduction in power export to SESB (-20%) and decrease in EFB Oil sale volume (-7%).

1. Review of performance (Cont'd)

**Current Year-to-date vs. Previous Year-to-date**

For this financial year ended 31 December 2021, the Group recorded a revenue of RM599.19 million and profit before tax of RM96.69 million as compared to a revenue of RM354.74 million and profit before tax of RM31.20 million in the previous financial year ended 31 December 2020. The remarkable performance for this financial year was mainly due to higher average selling prices of CPO, PK, FFB and EFB Oil by 63%, 81% 76% and 74% respectively.

Performance of the respective operating business segments for this financial year under review as compared to the previous financial year was analysed as follows:

- (i) Plantation – The increase in Segment profit by RM46.81 million (>100%) from RM18.91 million to RM65.72 million was mainly due to a significant increase in average FFB selling price by 76% despite a decrease in FFB production by 4%.
- (ii) Oil Mill – The increase in Segment profit by RM12.00 million (>100%) from RM9.37 million to RM21.37 million was mainly due to higher average selling prices of CPO and PK by 64% and 72% respectively, increase in FFB processed volume by 7%, and an inventory written off of RM 1.18 million in previous financial year.
- (iii) Power Plant – The increase in Segment profit by RM5.63 million (54%) from RM10.42 million to RM16.05 million was mainly due to the increase in the average EFB Oil selling price by 74% which outweighs the reduction in Power Export and EFB Oil sales quantity by 14% and 7% respectively.

2. Financial review for current quarter compared with immediate preceding quarter

			<b>Current quarter 31.12.2021 (Unaudited) RM'000</b>	<b>Immediate Preceding Quarter 30.9.2021 (Unaudited) RM'000</b>	<b>Changes (%)</b>
Revenue			195,821	167,999	16.6%
Operating profit			36,703	26,932	36%
Profit before tax			36,020	26,093	38%
Profit after tax			30,481	19,695	55%
Profit attributable to ordinary equity holders of the Parent			14,559	11,477	27%
<b><i>Operational Statistics</i></b>					
Production:					
FFB	(mt)		38,912	41,030	-5%
CPO	(mt)		26,456	27,863	-5%
PK	(mt)		7,209	7,267	-1%
Average selling price:					
FFB	(RM/mt)		1,037	859	21%
CPO	(RM/mt)		5,100	4,345	17%
PK	(RM/mt)		3,729	2,480	50%
Quantity sold:					
CPO	(mt)		26,184	27,979	-6%
PK	(mt)		7,425	7,189	3%
Oil Extraction Rate (%)			20	19.95	0%
Electricity Export(MWh)			18,375	12,856	43%

The Group recorded a profit before tax of RM36.02 million in the quarter under review as compared to a profit before tax of RM26.09 million in the immediate preceding quarter. The increase in profit before tax was mainly due to:

- a) Increases in average selling prices of CPO, PK and FFB by 17%, 50% and 5% respectively;
- b) Increases in average selling price and sales volume of EPB Oil by 12% and 50% respectively;
- c) Increase in power export by 43%; and
- d) Increase in fair value gain on biological assets by RM2.56 million.

3. Commentary on prospects

The Group expects CPO prices to remain firm in 2022 in view of supply tightness amid strong demand.

The Group will continue to face challenges from the increase in production costs and shortage of foreign labour in the palm oil industry resulting from the international travel restriction that was implemented as part of COVID-19 measures. As such, the Group will continue to improve its operating efficiency and productivity in order to maintain a low operating cost.

On the whole, the Board is confident that, barring any unforeseen circumstances, the Group will continue to perform satisfactorily for the financial year 2022.

4. Profit forecast

Not applicable as there was no profit forecast published.

5. Profit/(Loss) before taxation

This is arrived at after crediting/ (charging):

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Bad debts written off	-	-	-	(269)
Deposit written off	-	-	-	(39)
Gain/(Loss) on disposal of plant and equipment	-	-	-	21
Loss on disposal of investment properties	-	-	-	(260)
Fair value gain/(loss) on biological assets	2,558	526	2,558	526
Interest income	175	147	558	621
Interest expense	(683)	(175)	(3,462)	(4,809)
Depreciation and amortisation	(7,543)	(7,245)	(29,797)	(29,981)
Dividend	6	8	6	30
Inventory written off	258	(1,626)	(1,028)	(1,626)
Property, plant and equipment written off	(935)	(256)	(935)	(205)
Reversal of expected credit losses	56	46	56	46
Unrealised (loss)/gain on foreign exchange	-	-	-	53

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

## 6. Income tax expense

Taxation is provided at the prevailing statutory rate based on the operating profit for the quarter as follows.

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Current tax:				
-Malaysian income tax	6,041	1,612	17,884	6,721
-Under/(over) provision of tax	(96)	36	2	77
	5,945	1,648	17,886	6,798
Deferred tax				
- relating to origination and reversal of temporary differences	(386)	1,218	1,682	1,339
- under/(over) provision of tax	(20)	578	118	558
	(406)	1,796	1,800	1,897
Total income tax expense	5,539	3,444	19,686	8,695

The Group's effective tax rate for the current quarter and cumulative quarter was lower than the statutory tax rate of 24% principally due to the recognition of previously unrecognised deferred tax assets.

## 7. Corporate proposal

There was no corporate proposal for the current quarter under review.

## 8. Borrowings

The total borrowings incurred by the Group and outstanding as at end of the current quarter are as follows:

	Current quarter	
	12 months ended	
	31.12.2021	31.12.2020.
	(Unaudited)	(Audited)
	RM'000	RM'000
<b>Short term borrowings</b>		
Secured:		
Term loans	11,604	16,838
Short term revolving credits	11,700	47,300
Unsecured:		
Short term revolving credits	1,100	1,100
	24,404	65,238
<b>Long term borrowings</b>		
Secured:		
Term loans	31,309	46,867
<b>Total borrowings</b>		
Secured:		
Term loans	42,913	63,705
Short term revolving credits	11,700	47,300
Unsecured:		
Short term revolving credits	1,100	1,100
	55,713	112,105

9. Trade and Other Receivables

		As at	
		31.12.2021	31.12.2020
		(Unaudited)	(Audited)
		RM'000	RM'000
<b>Current</b>			
Trade receivables:			
- Non-related parties		18,103	15,205
Less: Allowance for doubtful debts		(222)	(278)
		17,881	14,927
Other receivables, net		9,090	8,099
		26,971	23,026

The credit period of trade receivables is generally for a period of one month.

The ageing analysis of trade receivables is as follows:

		As at	
		31.12.2021	31.12.2020
		(Unaudited)	(Audited)
		RM'000	RM'000
Ageing analysis of Current trade receivables :-			
Neither past due nor impaired		17,860	14,364
1 - 30 days		57	465
31 - 60 days		-	10
61 - 90 days		-	21
More than 90 days		186	345
		243	841
Impaired		(222)	(278)
		17,881	14,927

10. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 December 2021.

11. Changes in material litigation

There are no pending material litigations as at the date of this report.

## 12. Dividend payable

No interim dividend has been declared for the current quarter ended 31 December 2021 (31 December 2020: Nil).

## 13. Earnings per share

### a) Basic

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 196,543,970 (2020 – 196,543,970) in issue during the financial period.

	Current quarter		Cumulative quarter	
	3 months ended		12 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to the owners of the Company	14,559	4,427	41,978	13,674
Weighted average number of ordinary shares in issue	196,544	196,544	196,544	196,544
Basic earnings per share (sen)	7.41	2.25	21.36	6.96

### b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been presented.

## 14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 24 February 2022.