

**ELK-DESA<sup>®</sup>**

**ELK-DESA RESOURCES BERHAD**

(Company No: 198901002858 (180164-X))

**QUARTERLY REPORT ON CONSOLIDATED  
RESULTS FOR THE PERIOD ENDED  
30 JUNE 2021**

**ELK-DESA RESOURCES BERHAD** (Company No: 198901002858 (180164-X))  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the financial period ended 30 June 2021**  
(The figures have not been audited.)

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>30.06.2021</b>	<b>30.06.2020</b>	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue	31,372,615	30,401,568	31,372,615	30,401,568
Other income	602,212	1,203,529	602,212	1,203,529
Cost of inventories sold	(5,788,163)	(4,554,616)	(5,788,163)	(4,554,616)
Depreciation of PPE & right-of-use assets	(702,001)	(614,772)	(702,001)	(614,772)
Impairment allowance	(8,320,928)	(14,140,060)	(8,320,928)	(14,140,060)
Other expenses	(7,347,613)	(5,313,900)	(7,347,613)	(5,313,900)
Finance costs	(2,905,077)	(3,973,850)	(2,905,077)	(3,973,850)
Profit before taxation	6,911,045	3,007,899	6,911,045	3,007,899
Taxation	(1,943,783)	(710,437)	(1,943,783)	(710,437)
Profit for the financial period	4,967,262	2,297,462	4,967,262	2,297,462
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	4,967,262	2,297,462	4,967,262	2,297,462
Earnings per ordinary share - basic (sen)	1.67	0.77	1.67	0.77
Earnings per ordinary share - diluted (sen)	1.65	0.77	1.65	0.77

*(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021)*

**ELK-DESA RESOURCES BERHAD** (Company No: 198901002858 (180164-X))  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2021**

(The figures have not been audited.)

	<b>As at 30.06.2021 RM</b>	<b>As at 31.03.2021 RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	11,091,587	11,069,698
Hire purchase receivables	372,274,111	385,842,527
Right-of-use assets	3,999,143	4,425,013
Deferred tax assets	10,201,553	8,830,394
	<b>397,566,394</b>	<b>410,167,632</b>
<b>Current assets</b>		
Inventories	8,825,908	9,073,407
Other assets	495,479	507,821
Trade receivables	16,280,959	17,311,074
Hire purchase receivables	136,595,338	136,954,548
Other receivables, deposits and prepayments	2,858,271	2,327,260
Current tax assets	49,730	48,240
Short term funds	44,079,661	15,461,222
Cash and bank balances	68,216,638	71,162,489
	<b>277,401,984</b>	<b>252,846,061</b>
Total assets	<b>674,968,378</b>	<b>663,013,693</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	344,836,593	344,449,188
Retained earnings	82,354,106	91,576,189
ICULS - equity component	5,482,179	5,805,076
Total equity	<b>432,672,878</b>	<b>441,830,453</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
ICULS - liability component	133,187	186,617
Block discounting payables - secured	98,319,473	76,707,640
Term loan - unsecured	9,312,000	10,314,000
Medium term notes	19,974,609	19,843,278
Lease liabilities	3,131,073	3,219,212
Deferred tax liabilities	17,586	862
	<b>130,887,928</b>	<b>110,271,609</b>
<b>Current liabilities</b>		
Trade payables	4,299,004	8,059,810
Other payables and accruals	5,909,129	7,802,936
Block discounting payables - secured	57,365,519	50,035,409
Term loan - unsecured	4,008,000	4,008,000
Medium term notes	34,474,675	34,474,675
Lease liabilities	983,137	1,303,103
Bank overdraft	102,666	262,576
Current tax liabilities	4,265,442	4,965,122
	<b>111,407,572</b>	<b>110,911,631</b>
Total liabilities	<b>242,295,500</b>	<b>221,183,240</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>674,968,378</b>	<b>663,013,693</b>
Net assets per share	1.45	1.49

*(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021)*

**ELK-DESA RESOURCES BERHAD** (Company No: 198901002858 (180164-X))  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the financial period ended 30 June 2021**  
(The figures have not been audited.)

	<b>Number of Issued Shares Units</b>	<b>Share Capital RM</b>	<b>Retained Earnings RM</b>	<b>ICULS - equity component RM</b>	<b>Total Equity RM</b>
Balance as at 1 April 2020	297,146,444	344,340,237	74,877,336	5,895,891	425,113,464
Total comprehensive income	-	-	2,297,462	-	2,297,462
Issuance of shares upon conversion of ICULS	12,650	14,927	(1,776)	(12,446)	705
Second interim dividend for financial year ended 31 March 2020	-	-	(11,143,503)	-	(11,143,503)
<b>Balance as at 30 June 2020</b>	<b>297,159,094</b>	<b>344,355,164</b>	<b>66,029,519</b>	<b>5,883,445</b>	<b>416,268,128</b>
Balance as at 1 April 2021	297,238,774	344,449,188	91,576,189	5,805,076	441,830,453
Total comprehensive income	-	-	4,967,262	-	4,967,262
Issuance of shares upon conversion of ICULS	328,308	387,405	(54,873)	(322,897)	9,635
Second Interim Dividend For Financial Year Ended 31 March 2021	-	-	(14,134,472)	-	(14,134,472)
<b>Balance as at 30 June 2021</b>	<b>297,567,082</b>	<b>344,836,593</b>	<b>82,354,106</b>	<b>5,482,179</b>	<b>432,672,878</b>

*(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021)*

**ELK-DESA RESOURCES BERHAD** (Company No: 198901002858 (180164-X))**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial period ended 30 June 2021

(The figures have not been audited.)

	3 months ended	
	30.06.2021 RM	30.06.2020 RM
<b><u>Cash flows from operating activities</u></b>		
Profit before taxation	6,911,045	3,007,899
Adjustment for :		
Depreciation of property, plant and equipment	276,134	255,487
Depreciation of right-of-use assets	425,868	359,285
Inventories written down / (written back)	(32,973)	-
Impairment allowances made for the financial year:		
- hire-purchase receivables	8,547,725	14,239,746
- trade receivables	104,156	253,134
Interest expense	2,844,760	3,952,005
Interest on lease liabilities	60,317	21,845
Interest income	(376,621)	(671,124)
Income from short term funds	(77,693)	(65,190)
Unrealised loss/(gain) on foreign exchange	(16,493)	55,322
Operating profit before working capital changes	18,666,225	21,408,409
Changes in working capital:		
Inventories	280,472	378,802
Other assets	12,342	1,434,970
Hire purchase receivables	5,379,901	28,342,016
Trade receivables	943,787	2,152,900
Other receivables, deposits and prepayments	(531,011)	201,420
Trade payables	(3,760,806)	(5,058,814)
Other payables and accruals	(2,391,827)	(2,802,744)
	(67,142)	24,648,550
Cash generated from/(used in) operations	18,599,083	46,056,959
Tax paid	(4,002,430)	(4,292,550)
Tax refunded	-	-
<b>Net cash from/(used in) operating activities</b>	<b>14,596,653</b>	<b>41,764,409</b>
<b><u>Cash flows from investing activities</u></b>		
Purchase of property, plant and equipment	(298,023)	(424,142)
Net withdrawal/(placement) of fixed deposit with licensed banks with original maturity of more than three (3) months	5,022,465	(4,703,284)
Withdrawals/(Placements) of deposits assigned in favour of the trustee	(309,934)	(11,433,633)
Interest received	376,621	671,124
Income received from short term funds	77,693	65,190
<b>Net cash from/(used in) investing activities</b>	<b>4,868,822</b>	<b>(15,824,745)</b>

**ELK-DESA RESOURCES BERHAD** (Company No: 198901002858 (180164-X))**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the financial period ended 30 June 2021

(The figures have not been audited.)

	<b>3 months ended</b>	
	<b>30.06.2021</b>	<b>30.06.2020</b>
	<b>RM</b>	<b>RM</b>
<b><u>Cash flows from financing activities</u></b>		
Net (repayment)/drawdown of term loans	(1,002,000)	(1,002,000)
Net (repayment)/drawdown of block discounting payables	29,028,423	(4,515,661)
Interest paid	(2,343,977)	(2,808,584)
Repayment of lease liabilities	(468,420)	(379,990)
Dividend paid	(14,134,472)	-
<b>Net cash from/(used in) financing activities</b>	<b>11,079,554</b>	<b>(8,706,235)</b>
<b>Net increase/(decrease) in cash and cash equivalents during the financial period</b>	<b>30,545,029</b>	<b>17,233,429</b>
Effects of exchange rate changes on cash and cash equivalents	-	1
Cash and cash equivalents as at beginning of financial year	22,305,362	24,496,137
<b>Cash and cash equivalents as at end of financial period</b>	<b>52,850,391</b>	<b>41,729,567</b>
<b><u>Composition of cash and cash equivalents</u></b>		
Deposits, cash and bank balances	68,216,638	100,786,102
Bank overdraft	(102,666)	(97,872)
Short term fund	44,079,661	24,171,945
Fixed deposit placed with licensed banks with original maturity of more than three (3) months	-	(7,718,979)
Deposits assigned in favour of the trustee of SPE	(59,343,242)	(75,411,629)
	<b>52,850,391</b>	<b>41,729,567</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 March 2021)

#### **A1 Accounting Policies And Basis Of Preparation**

The interim financial statements have been prepared in accordance with MFRS 134: *Interim Financial Reporting* and Chapter 9 Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements are unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021, which had been prepared in accordance with Malaysian Financial Reporting Standards (MFRS).

The accounting policies adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2021 except for the adoption of new MFRSs, amendments and IC interpretations that are mandatory for the Group for the financial year beginning or after 1 April 2021.

On 1 April 2021, the following accounting standards, amendments and interpretations of the MFRS Framework were adopted by the Group.

<b>Title</b>	<b>Effective Date</b>
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2021

Application of the above accounting standards, amendments and interpretations are not expected to have a material impact on the financial statements of the Group.

#### **A2 Seasonal and Cyclical Factors**

Generally, the Group's operations will benefit from higher consumer spendings during festive seasons in Malaysia.

#### **A3 Unusual Items due to Their Nature, Size or Incidence**

There were no unusual items that may affect the amount stated in the interim financial statements during the financial year ended 30 June 2021.

#### **A4 Change in Estimates**

There were no changes in estimates that had any material effect for the financial period ended 30 June 2021.

#### **A5 Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

There were no issuance, repurchases and repayment of debt and equity securities and share cancellations during the financial period ended 30 June 2021 except for the following:

##### Equity Securities

During the financial period under review, the Company had issued 328,308 new ordinary shares pursuant to conversions of 387,405 units of ICULS.

As at 30 June 2021, the number of ordinary shares were 297,567,082 shares. The number of outstanding ICULS stood at 6,656,505 units.

#### A6 Dividend Paid

On 18 June 2021, the Company had paid a second interim single tier dividend of 4.75 sen per share in respect of the financial year ended 31 March 2021, the dividend amounting to RM14.13 million.

#### A7 Segmental Reporting

	Hire Purchase Financing RM	Furniture RM	Consolidated RM
<b>Year to Date and Quarter Ended 30 June 2021</b>			
Revenue (External)	22,879,369	8,493,246	31,372,615
Other income	593,256	8,956	602,212
Cost of inventories sold	-	(5,788,163)	(5,788,163)
Depreciation of PPE & right-of-use assets	(345,986)	(356,015)	(702,001)
Impairment allowance	(8,219,772)	(101,156)	(8,320,928)
Other expenses	(4,949,593)	(2,398,020)	(7,347,613)
Finance costs	(2,892,693)	(12,384)	(2,905,077)
<b>Profit/(Loss) before tax</b>	<b>7,064,581</b>	<b>(153,536)</b>	<b>6,911,045</b>
Segment assets	641,788,080	33,180,298	674,968,378
Segment liabilities	239,133,954	3,161,546	242,295,500
<b>Year to Date and Quarter Ended 30 June 2020</b>			
Revenue (External)	23,471,006	6,930,562	30,401,568
Other income	1,040,753	162,776	1,203,529
Cost of inventories sold	-	(4,554,616)	(4,554,616)
Depreciation of PPE & right-of-use assets	(220,259)	(394,513)	(614,772)
Impairment allowance	(13,895,256)	(244,804)	(14,140,060)
Other expenses	(3,688,783)	(1,625,117)	(5,313,900)
Finance costs	(3,955,085)	(18,765)	(3,973,850)
<b>Profit/(Loss) before tax</b>	<b>2,752,376</b>	<b>255,523</b>	<b>3,007,899</b>
Segment assets	705,449,807	31,296,355	736,746,162
Segment liabilities	316,350,378	4,127,656	320,478,034

**A8 Subsequent Events**

There was no material event subsequent to the current quarter.

**A9 Changes in the Composition of the Group**

There were no changes in the composition of the Group, including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operations during the financial period ended 30 June 2021.

**A10 Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities and assets for the Group as at 30 June 2021.

**A11 Capital Commitments**

There were no material capital commitments for the purchase of property, plant and equipment as at the end of the financial period ended 30 June 2021.

**A12 Related Party Disclosures**

There was no significant related party transaction during the financial period ended 30 June 2021.

## B1 Review of Performance

### YEAR TO DATE AND CURRENT QUARTER (FY2022-Q1 vs FY2021-Q1)

GROUP	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2021	30.06.2020			30.06.2021	30.06.2020		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	31,372,615	30,401,568	971,047	3%	31,372,615	30,401,568	971,047	3%
Profit before interest and tax	9,816,122	6,981,749	2,834,373	41%	9,816,122	6,981,749	2,834,373	41%
Profit before taxation	6,911,045	3,007,899	3,903,146	130%	6,911,045	3,007,899	3,903,146	130%
GROUP	As at		Variance	Variance			Variance	Variance
	30.06.2021				30.06.2020			
	RM	RM			RM	%		
Hire Purchase Receivables	508,869,449	567,839,848	(58,970,399)	-10%				
Bank Borrowings	169,107,658	190,033,969	(20,926,311)	-11%				
Medium Term Notes ("MTN")	54,449,284	103,923,959	(49,474,675)	-48%				

The ongoing Coronavirus ("Covid-19") outbreak and the reintroduction of the Movement Control Order ("MCO") declared by the Malaysian Government from June 2021 onwards, has resulted in disruptions to our Group's business and operations.

The Group's revenue for the quarter increased marginally to RM31.37 million due to contribution from the furniture segment. Profit before tax for the quarter increased by 130% to RM6.91 million mainly due to significantly higher contribution from the hire-purchase segment.

Hire purchase receivables as at 30 June 2021 stood at RM508.87 million, which is 10% lower than the previous year.

The Group's bank borrowings decreased by 11% mainly due to repayment of block discounting facilities and term loans. MTNs were reduced by 48% due to a redemption of a senior note on its maturity date in the last financial year. As at 30 June 2021, the Group's gearing remains at a low level of 0.52 times.

HIRE PURCHASE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2021	30.06.2020			30.06.2021	30.06.2020		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	22,879,369	23,471,006	(591,637)	-3%	22,879,369	23,471,006	(591,637)	-3%
Profit before interest and tax	9,957,274	6,707,461	3,249,813	48%	9,957,274	6,707,461	3,249,813	48%
Profit before taxation	7,064,581	2,752,376	4,312,205	157%	7,064,581	2,752,376	4,312,205	157%

Revenue decreased by 3% to RM22.88 million, as a result of a smaller hire purchase portfolio during the quarter.

Impairment allowance decreased by 41% to RM8.22 million. Credit loss charge (i.e. impairment allowance over average net hire purchase receivables) decreased from 2.46% to 1.43%. The lower impairment allowance and credit loss charge were mainly due to a decrease in the non-performing accounts during the quarter.

Other expenses increased by 34% to RM4.95 million mainly due to higher operating costs such as staff costs and professional fees. Cost to income ratio remains at a manageable level of 26%. Finance cost reduced by 27% to RM2.89 million due to lower borrowings.

The profit before tax increased by 157% to RM7.06 million mainly due to the lower impairment allowance during the quarter.

FURNITURE SEGMENT	Individual Quarter		Variance	Variance	Cumulative Quarter		Variance	Variance
	3 months ended				3 months ended			
	30.06.2021	30.06.2020			30.06.2021	30.06.2020		
	RM	RM	RM	%	RM	RM	RM	%
Revenue	8,493,246	6,930,562	1,562,684	23%	8,493,246	6,930,562	1,562,684	23%
(Loss) / Profit before interest and tax	(141,152)	274,288	(415,440)	-151%	(141,152)	274,288	(415,440)	-151%
(Loss) / Profit before taxation	(153,536)	255,523	(409,059)	-160%	(153,536)	255,523	(409,059)	-160%

Revenue increased by 23% to RM8.49 million mainly due to higher sales for the wholesale division. The furniture segment continued to experience vibrant business activities in the furniture industry as there was pent up consumer demand for home furnitures. However, the gross profit margin has decreased from 34% to 32%. mainly due to supply cost pressures.

Other expenses increased by 48% to RM2.40 million mainly due to higher selling and distribution costs and staff costs which is in tandem with the higher sales.

The segment recorded a net loss before tax of RM0.15 million for the quarter ended 30 June 2021 mainly due to lower gross profit margin as well as absence of the wage subsidies that were received in the previous corresponding quarter.

**B2 Comparison of Results with Preceding Quarter**

GROUP	Current Quarter	Immediate Preceding Quarter	Variance	Variance
	30.06.2021	31.03.2021		
	RM	RM	RM	%
Revenue	31,372,615	38,751,329	(7,378,714)	-19%
Profit before interest and tax	9,816,122	20,426,246	(10,610,124)	-52%
Profit before taxation	6,911,045	17,534,644	(10,623,599)	-61%
Hire purchase receivables	508,869,449	522,797,075	(13,927,626)	-3%
Bank borrowings	169,107,658	141,327,625	27,780,033	20%
Medium term notes	54,449,284	54,317,953	131,331	0%

The Group's profit before tax for the current quarter of RM6.91 million was lower as compared to RM17.53 million of the immediate preceding quarter due to a lower profit contribution from the hire purchase segment in the current quarter whereby the business and operations were significantly affected by the MCO starting June 2021.

### **B3 Prospects and Outlook**

The operating landscape in the current financial year (FY2022) is expected to have less uncertainties compared to a year ago. This stems from the on-going roll-out of the national vaccination programme, positive outcome of the Government's economic stimulus packages and the gradual recovery of global trade and economy.

Nevertheless, uncertainties still persist due to the high daily infection numbers. The Covid-19 crisis is far from over as our businesses can only operate depending on the 4-phase National Recovery Plan announced by the Malaysian Government.

As we move into the second half of 2021, ELK-Desa expects demand for used-car financing to remain strong on the back of stable macro-economic factors including manageable unemployment rate, improving consumer and business confidence as well as controllable inflation. Barring any unforeseen shocks to the economy, we anticipate demand to continue to out-pace supply as this niche market remains underserved.

Demand for hire purchase solutions may be strong but prolonged disruptions to the economy caused by the pandemic may eventually hamper our customers' ability to fulfill their loan obligations. Moving forward, ELK-Desa is maintaining its cautious stance to protect the quality of its assets while ensuring that its hire purchase receivables does not decline any further. In addition, the Group will also remain vigilant in credit risk management while continuing to improve operational efficiencies and optimise operating cost.

For the Group's furniture trading business, demand for furniture products is also expected to remain resilient. The lifestyle in the new normal will see more and more people working and studying from home. Hence, we foresee an uptrend in consumers spending to make their homes better equipped for work and study.

In spite of the increased demand for affordable quality furniture products, raw material supply locally and globally have been hampered by logistic problems due to the pandemic while travel restrictions as well as foreign labour policies have caused labour shortages. ELK-Desa aims to focus on overcoming these supply chain issues by working closely with our suppliers.

Concurrently, being a furniture wholesaler for the domestic market, ELK-Desa is also committed to building strong relationships with furniture retailers across Malaysia in order to solidify our brand presence and grow.

For the financial ending 31 March 2022, the Board of ELK-Desa will strive to maintain its performance levels in tandem with FY2021. The Board is also committed to delivering its dividend policy of distributing not less than 60% of the Group's annual net profits after tax to shareholders.

#### B4 Profit Forecasts

The Group did not issue any profit forecasts for the period under review.

#### B5 Taxation

Tax charge for the quarter and financial period ended 30 June 2021 are set out below:

	<b>3 months ended 30.06.2021 RM</b>
(a) Income Tax	3,301,260
(b) Deferred Taxation	<u>(1,357,477)</u>
	<u><u>1,943,783</u></u>

The effective tax rate of the Group for the current quarter ended 30 June 2021 was higher than the statutory tax rate mainly due to certain expenses which were not deductible for tax purposes.

#### B6 Status of Corporate Proposals Announced

There are no corporate proposals announced for the Group as at the reporting date.

#### B7 Group Borrowings & Debt Securities

The Group does not have any borrowings or debt securities that are denominated in foreign currency.

		<b>As at 30.06.2021 RM</b>	<b>As at 30.06.2020 RM</b>
<b>Borrowings</b>			
Block Discounting Payables (Fixed rate and secured)	- within 1 year	57,365,519	63,474,012
	- later than 1 year	98,319,473	109,134,085
		155,684,992	172,608,097
Term Loan (Floating and unsecured)	- within 1 year	4,008,000	4,008,000
	- later than 1 year	9,312,000	13,320,000
		13,320,000	17,328,000
Bank overdraft		102,666	97,872
Total Borrowings		<u>169,107,658</u>	<u>190,033,969</u>
<b>Debt Securities</b>			
ICULS - liability component	- later than 1 year	133,187	319,061
Medium Term Notes	- within 1 year	34,474,675	49,474,675
	- later than 1 year	19,974,609	54,449,284
		54,449,284	103,923,959
Total Debt Securities		<u>54,582,471</u>	<u>104,243,020</u>

#### B8 Changes in Material Litigation

There was no material litigation against the Group as at the reporting date.

#### B9 Dividend

There was no dividend proposed in the current quarter and the previous corresponding quarter.

**B10 Earnings Per Share**

Basic earnings per share is calculated by dividing the Group's net profit by the weighted average number of ordinary shares in issue during the financial period.

	Quarter ended 30.06.2021	Quarter ended 30.06.2020	Year to date 30.06.2021	Year to date 30.06.2020
Profit after taxation (RM)	4,967,262	2,297,462	4,967,262	2,297,462
Weighted average number of ordinary shares (units)	297,384,340	297,147,556	297,384,340	297,147,556
Basic earnings per ordinary share (sen)	1.67	0.77	1.67	0.77

Diluted earnings per share is calculated by dividing the Group's net profit by the weighted average number of ordinary shares in issue after adjustment for the effects of all dilutive potential ordinary shares.

	Quarter ended 30.06.2021	Quarter ended 30.06.2020	Year to date 30.06.2021	Year to date 30.06.2020
Profit after taxation (RM)	4,967,262	2,297,462	4,967,262	2,297,462
Interest expense on ICULS, net of tax (RM)	23,113	26,204	23,113	26,204
Adjusted profit after tax (RM)	4,990,375	2,323,666	4,990,375	2,323,666
Weighted average number of ordinary shares (units)	297,384,340	297,147,556	297,384,340	297,147,556
Adjustment for potential dilutive shares (units)	5,823,920	6,060,704	5,823,920	6,060,704
Adjusted weighted average number of ordinary shares (units)	303,208,260	303,208,260	303,208,260	303,208,260
Diluted earnings per ordinary share (sen)	1.65	0.77	1.65	0.77

**B11 Audit Report For The Preceding Annual Financial Statements**

The audited financial statements of the Group for the preceding financial year ended 30 June 2021 was not qualified.

**B12 Notes to the Statement of Comprehensive Income**

	3 months ended 30.06.2021 RM
Profit before taxation is arrived at after charging:	
Interest expense	2,844,760
Interest on lease liabilities	60,317
And crediting :	
Interest income	454,314
Unrealised foreign exchange gain / (loss)	16,493
Realised foreign exchange gain / (loss)	59,733

**B13 Retained Earnings**

The following analysis of realised and unrealised retained earnings is prepared in accordance with the guidance issued by the Malaysian Institute of Accountants in the prescribed format by Bursa Malaysia Securities Berhad.

	As at 30.06.2021 RM	As at 31.03.2021 RM
Total retained earnings of the Company and its subsidiaries		
- Realised	106,664,398	116,682,670
- Unrealised	10,169,588	8,785,606
	116,833,986	125,468,276
Less: Consolidation adjustments	(34,479,880)	(33,892,087)
Total retained earnings as per consolidation accounts	82,354,106	91,576,189