



**Always Low Prices**

**MR D.I.Y. GROUP (M) BERHAD**

**【Company No.: 201001034084 (918007-M)】**

INTERIM FINANCIAL REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2021

5 AUGUST 2021

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**  
**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Revenue	759,818	516,664	1,629,999	1,050,749
Cost of sales	(444,481)	(300,569)	(948,208)	(602,707)
<b>Gross profit</b>	<b>315,337</b>	<b>216,095</b>	<b>681,791</b>	<b>448,042</b>
Other operating income	3,870	5,223	7,747	8,145
Administrative expenses	(28,775)	(20,899)	(60,243)	(40,464)
Other operating expenses	(163,109)	(105,129)	(316,725)	(221,090)
<b>Profit from operations</b>	<b>127,323</b>	<b>95,290</b>	<b>312,570</b>	<b>194,633</b>
Finance costs	(15,296)	(18,008)	(30,713)	(36,040)
Share of profit of an associate	524	347	1,375	1,114
<b>Profit before tax</b>	<b>112,551</b>	<b>77,629</b>	<b>283,232</b>	<b>159,707</b>
Income tax expense	(30,417)	(20,648)	(76,308)	(44,264)
<b>Profit for the period</b>	<b>82,134</b>	<b>56,981</b>	<b>206,924</b>	<b>115,443</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Gain on foreign currency translation	27	205	169	104
Other comprehensive income, net of tax	27	205	169	104
<b>Total comprehensive income for the period</b>	<b>82,161</b>	<b>57,186</b>	<b>207,093</b>	<b>115,547</b>
<b>Profit attributable to:</b>				
Owners of the Company	82,134	56,981	206,924	115,443
Non-controlling interests	-	-	-	-
	<b>82,134</b>	<b>56,981</b>	<b>206,924</b>	<b>115,443</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	82,161	57,186	207,093	115,547
Non-controlling interests	-	-	-	-
	<b>82,161</b>	<b>57,186</b>	<b>207,093</b>	<b>115,547</b>
<b>Basic earnings per share (sen)</b>	<b>1.31</b>	<b>5,698.08<sup>(2)</sup></b>	<b>3.30</b>	<b>11,544.31<sup>(2)</sup></b>
<b>Diluted earnings per share (sen)</b>	<b>1.30</b>	<b>5,698.08<sup>(2)</sup></b>	<b>3.28</b>	<b>11,544.31<sup>(2)</sup></b>

**Notes:**

- (1) The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.
- (2) For comparative purpose, the earnings per share for individual and cumulative quarter ended 30 June 2020 had been adjusted retrospectively to reflect the subdivision of ordinary shares which was completed on 23 September 2020.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>**

	<b>Unaudited As at 30/06/2021 RM'000</b>	<b>Audited As at 31/12/2020 RM'000</b>
<b>ASSETS</b>		
<b><i>Non-current assets</i></b>		
Property, plant and equipment	498,524	436,331
Intangible assets	6,050	5,041
Right-of-use assets	989,675	879,422
Investment in an associate	7,151	6,226
Deferred tax assets	19,192	17,273
	<u>1,520,592</u>	<u>1,344,293</u>
<b><i>Current assets</i></b>		
Inventories	759,226	690,047
Trade and other receivables	124,266	127,754
Cash and bank balances	67,865	90,885
	<u>951,357</u>	<u>908,686</u>
<b>TOTAL ASSETS</b>	<u>2,471,949</u>	<u>2,252,979</u>
<b>EQUITY AND LIABILITIES</b>		
<b><i>Equity attributable to owners of the Company</i></b>		
Share capital	295,625	295,625
Reserves	697,354	581,051
<b>TOTAL EQUITY</b>	<u>992,979</u>	<u>876,676</u>
<b>LIABILITIES</b>		
<b><i>Non-current liabilities</i></b>		
Borrowings	18,736	20,761
Lease liabilities	918,278	813,612
Provision for restoration costs	17,983	16,008
Deferred tax liabilities	2,179	2,324
	<u>957,176</u>	<u>852,705</u>
<b><i>Current liabilities</i></b>		
Trade and other payables	125,196	119,925
Borrowings	198,011	242,823
Lease liabilities	136,602	120,770
Provision for restoration costs	513	536
Current tax liabilities	61,472	39,544
	<u>521,794</u>	<u>523,598</u>
<b>TOTAL LIABILITIES</b>	<u>1,478,970</u>	<u>1,376,303</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,471,949</u>	<u>2,252,979</u>
<b>Net assets per share attributable to owners of the Company (sen)<sup>(2)</sup></b>	<u>15.82</u>	<u>13.97</u>

**Notes:**

(1) The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

(2) Computed based on total equity divided by the number of ordinary shares outstanding of 6,276,600,000.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup>**

	Share capital RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Share options reserve RM'000	Distributable Retained earnings RM'000	Total equity RM'000
<b>At 1 January 2021</b>	295,625	(117,450)	52	1,212	697,237	876,676
Net profit for the period	-	-	-	-	206,924	206,924
Other comprehensive income	-	-	169	-	-	169
<b>Total comprehensive income</b>	-	-	169	-	206,924	207,093
<b>Transactions with owners</b>						
Dividends paid	-	-	-	-	(94,149)	(94,149)
ESOS share options expenses	-	-	-	3,359	-	3,359
<b>Total transactions with owners</b>	-	-	-	3,359	(94,149)	(90,790)
<b>At 30 June 2021</b>	<b>295,625</b>	<b>(117,450)</b>	<b>221</b>	<b>4,571</b>	<b>810,012</b>	<b>992,979</b>
<b>At 1 January 2020</b>	1,970	(117,450)	59	-	455,895	340,474
Net profit for the period	-	-	-	-	115,443	115,443
Other comprehensive income	-	-	104	-	-	104
<b>Total comprehensive income</b>	-	-	104	-	115,443	115,547
<b>At 30 June 2020</b>	<b>1,970</b>	<b>(117,450)</b>	<b>163</b>	<b>-</b>	<b>571,338</b>	<b>456,021</b>

**Note:**

- (1) The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>**

	<b>CUMULATIVE QUARTER</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	283,232	159,707
Adjustments for:		
Amortisation of intangible assets	840	537
Depreciation of property, plant and equipment	33,603	24,264
Depreciation of right-of-use assets	73,045	56,350
Interest expense	30,713	36,040
Interest income	(789)	(1,498)
Other non-cash items	10,837	5,506
Operating profit before changes in working capital	431,481	280,906
Changes in working capital:		
Inventories	(79,513)	(22,654)
Trade and other receivables	1,760	4,740
Trade and other payables	827	16,859
Cash generated from operations	354,555	279,851
Tax paid	(56,593)	(27,224)
Tax refunded	132	-
Net cash from operating activities	298,094	252,627
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received from an associate	450	150
Interest income received	789	1,498
Purchase of property, plant and equipment	(91,028)	(30,707)
Purchase of intangible assets	(1,861)	(571)
Proceeds from disposal of property, plant and equipment	1,466	579
Proceeds from disposal of intangible assets	12	-
Net cash used in investing activities	(90,172)	(29,051)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(94,149)	-
Drawdowns of revolving credits	-	110,500
Interest expense paid on:		
-borrowings	(4,045)	(12,352)
-lease liabilities	(25,930)	(21,975)
Payments of lease liabilities	(59,274)	(42,841)
Placements in restricted bank balances	-	(13)
Repayments of hire purchase creditors	(353)	(162)
Repayments of term loans	(2,306)	(1,955)
Repayments of revolving credits	(46,502)	(133,000)
Net cash used in financing activities	(232,559)	(101,798)
Net (decrease)/increase in cash and cash equivalents	(24,637)	121,778
Effects of exchange rate changes on cash and cash equivalents	79	109
Cash and cash equivalents at the beginning of financial period	64,773	125,376
Cash and cash equivalents at the end of financial period	40,215	247,263

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup> (continued)**

	<b>CUMULATIVE QUARTER</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and cash equivalents comprise:		
Cash and bank balances	37,683	78,146
Deposits with licensed banks	30,182	194,320
	<u>67,865</u>	<u>272,466</u>
Less: Deposits with a licensed bank with original maturity of more than three (3) months	-	(104)
Less: Restricted bank balances	-	(8,095)
Less: Bank overdraft included in borrowings	<u>(27,650)</u>	<u>(17,004)</u>
	<u>40,215</u>	<u>247,263</u>

**Note:**

- (1) The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

---

**1. Basis of Preparation**

The interim financial report of Mr D.I.Y. Group (M) Berhad (the "Company") and its subsidiaries (collectively, the "Group") is unaudited and has been prepared in accordance with the requirements of the Malaysian Financial Reporting Standards ("MFRS") 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial report.

**2. Accounting Policies**

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 31 December 2020 except for the adoption of the following new accounting standards, amendments and interpretation:

**2.1 New MFRS adopted during the financial period**

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to MFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021 (early adopted)

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

**3. Auditors' Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2020.

**4. Seasonal or Cyclical Factors**

The business operations of the Group typically experience higher customer traffic, transaction value and sales during weekends, public holidays, school holidays and festive periods.

**5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

**6. Material Changes in Estimates**

There was no changes in estimates of amounts reported that have a material effect in the current quarter and financial period under review.

**7. Debts and Equity Securities**

There was no issuance, cancellation, repurchase, resale or repayment of debt and equity securities in the current period under review.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**8. Dividend**

	<b>RM'000</b>
In respect of the financial year ended 31 December 2020:	
Interim single tier dividend of RM0.007 per ordinary share, paid on 8 April 2021	43,936
In respect of the financial year ending 31 December 2021:	
Interim single tier dividend of RM0.008 per ordinary share, paid on 17 June 2021	50,213

Declared

On 5 August 2021, the Company declared an interim single tier dividend of RM0.006 per ordinary share amounted to RM37,659,600 in respect of the financial year ending 31 December 2021, to be paid on 23 September 2021 to shareholders of the Company whose name appear in the Record of Depositors on 27 August 2021.

**9. Segment reporting**

The Group is organised into two (2) reportable segments based on their geographical locations. The reportable segments are summarised as follows:

- (i) Malaysia; and
- (ii) Brunei

The segmental information for the financial period ended 30 June 2021 is as follows:

	<b>Malaysia RM'000</b>	<b>Brunei RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Sales to external customers	1,615,489	14,510	-	1,629,999
Inter-segment sales	7,213	-	(7,213)	-
<b>Total revenue</b>	1,622,702	14,510	(7,213)	1,629,999
<b>Results</b>				
Profit from operations	312,907	4,325	(4,662)	312,570
Interest expense	(30,289)	(424)	-	(30,713)
Share of profit of an associate	1,375	-	-	1,375
Profit before tax	283,993	3,901	(4,662)	283,232
Income tax expense	(75,661)	(660)	13	(76,308)
<b>Net profit for the financial period</b>	208,332	3,241	(4,649)	206,924
<b>Segment assets</b>	2,438,348	35,112	(1,511)	2,471,949
<b>Segment liabilities</b>	1,454,837	25,263	(1,130)	1,478,970

The segmental information for the financial period ended 30 June 2020 is as follows:

	<b>Malaysia RM'000</b>	<b>Brunei RM'000</b>	<b>Eliminations RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>				
Sales to external customers	1,039,961	10,788	-	1,050,749
Inter-segment sales	4,729	-	(4,729)	-
<b>Total revenue</b>	1,044,690	10,788	(4,729)	1,050,749
<b>Results</b>				
Profit from operations	191,394	3,231	8	194,633
Interest expense	(35,768)	(272)	-	(36,040)
Share of profit of an associate	1,114	-	-	1,114
Profit before tax	156,740	2,959	8	159,707
Income tax expense	(43,944)	(319)	(1)	(44,264)
<b>Net profit for the financial period</b>	112,796	2,640	7	115,443
<b>Segment assets</b>	2,007,409	25,024	(1,099)	2,031,334
<b>Segment liabilities</b>	1,565,479	10,679	(845)	1,575,313



**NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**10. Property, Plant and Equipment**

(a) Acquisition and disposal

There were no material acquisition and disposal of property, plant and equipment during the current quarter and financial period under review.

(b) Valuation

There was no valuation of property, plant and equipment in the current quarter and financial period under review as the Group has not adopted a revaluation policy on its property, plant and equipment.

**11. Capital Commitments**

Capital expenditure in respect of purchase of property, plant and equipment:

	<b>30/06/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
- Approved but not contracted for	43,455	108,150
- Contracted but not provided for	62,651	50,468
	<u>106,106</u>	<u>158,618</u>

**12. Material Events Subsequent to the End of Financial Period**

There was no material event subsequent to the end of the current quarter up to the date of the interim financial report.

**13. Changes in the Composition of the Group**

There was no material changes in the composition of the Group during the current quarter and financial period under review.

**14. Changes in Contingent Liability**

There was no material contingent liability as at the end of the current financial period and up to the date of the interim financial report.

**15. Significant Related Party Transactions**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>30/06/2021</b>	<b>30/06/2020</b>	<b>30/06/2021</b>	<b>30/06/2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Associate:</b>				
Purchases of equipment and computer software	1,614	1,178	3,744	2,013
Purchases of goods	3,225	349	5,147	1,399
<b>Companies in which certain Directors have financial interests:</b>				
Sales of goods	6,545	4,765	12,263	9,029
Management fees received/ receivables	1,480	489	3,192	1,461
Reimbursable expenses paid on behalf	-	88	-	108

The related party transactions described above were carried out in the ordinary course of business and have been established under negotiated and mutually agreed terms.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

---

**16. Fair Value of Financial Liabilities**

There was no gain or loss arising from fair value changes of the Group's financial liabilities for the current quarter and financial period under review.

**17. Performance Review**

**2QFY2021 vs 2QFY2020**

A nationwide Full MCO ("FMCO") was imposed on 1 June 2021 following a rise in COVID-19 cases across the country. Only essential retailers and sectors were allowed to operate during this period. MR DIY and MR DOLLAR stores continued to operate but were limited to selling only essential items, while MR TOY stores had to close under the guidelines. As a result of these restrictions and lower foot traffic, the performance of our stores in June 2021 was impacted.

Despite this challenging operating environment, the Group reported revenue of RM759.8 million for the quarter ended 30 June 2021 ("2QFY2021"), a 47.1% year-on-year ("y-o-y") increase on the corresponding quarter of 2020 ("2QFY2020"). The significant increase in revenue was mainly driven by positive contribution from new stores. Our store network grew 29.2% to 827 stores in 2QFY2021. Correspondingly, total transactions grew 65.7% y-o-y to 26.8 million in 2QFY2021.

In line with the rise in revenue, gross profit ("GP") for 2QFY2021 increased by 45.9% y-o-y to RM315.3 million. GP margin in 2QFY2021 remained fairly consistent with the corresponding quarter at 41.5%.

The Group also reported other operating income of RM3.9 million for 2QFY2021, mainly comprising management fees, interest income as well as rent concessions.

Administrative and operating expenses rose 37.7% and 55.2% y-o-y respectively for 2QFY2021, mainly attributed to staff costs and utilities, higher depreciation of right-of-use assets as well as depreciation of fixed assets incurred in line with the higher number of stores.

Profit before tax ("PBT") and profit after tax ("PAT") for 2QFY2021 increased by 45.0% and 44.1% y-o-y to RM112.6 million and RM82.1 million respectively, consistent with the above-mentioned factors.

**Financial review for current financial year-to-date ("YTD") vs preceding year's corresponding financial YTD**

The Group reported cumulative revenue of RM1.6 billion for the financial period ended 30 June 2021 ("1HFY2021"), a 55.1% y-o-y increase on the RM1.1 billion in revenue compared to the corresponding period of the preceding year. This was mainly driven by the positive contribution from new stores. This increase also reflects the temporary closure of our stores in April 2020 due to the MCO.

Gross profit in 1HFY2021 rose 52.2% y-o-y to RM681.8 million driven by higher revenue. The GP margin declined 0.8 percentage points to 41.8% mainly due to the impact of increased freight costs towards the end of 2020 and into the first quarter of 2021 ("1QFY2021").

Other operating income was RM7.7 million mainly comprising management fees, interest income, as well as rent concessions.

For 1HFY2021, the Group reported PBT and PAT of RM283.2 million and RM206.9 million respectively, an increase of 77.3% and 79.2% y-o-y, respectively due to the abovesaid factors.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**18. Comparison With Immediate Preceding Quarter's Results**

Whilst sales momentum remained strong going into April and May 2021, the Group's 2QFY2021 revenue and PBT of RM759.8 million and RM112.6 million was 12.7% and 34.1% lower respectively compared to 1QFY2021. This was mainly due to the impact of the FMCO which came into force from 1st June and resulted in total transactions for the 2QFY2021 declining 10.4% versus 1QFY2021.

**19. Prospects**

The ongoing COVID-19 pandemic remains the dampening factor on economic growth prospects in the coming quarters of 2021, as many countries still struggle to contain the rapid spread of the virus demonstrated by new waves of infections.

The World Bank on 23 June revised Malaysia's 2021 GDP growth projection to 4.5% from 6.0% estimated in March, amid the COVID-19 flare-up reflecting a slower pathway toward suppressing the pandemic coupled with slower-than-expected vaccination roll-out. The resurgence in infections since mid-April, coupled with the imposition of the FMCO is expected to have a significant impact on private consumption.

The Group is in a strong position to continue meeting the evolving needs of our customers, having positioned the Group for long-term sustainable growth through our customer proposition of value and convenience, supported by our network of more than 800+ outlets nationwide, the breadth of about 18,000 product SKUs, and promise of unbeatable value which resonates with the masses.

Going forward, the Group remains committed towards delivering consistent sustainable growth and long-term stakeholder value. Our target is to open a further 82 stores across all brands for a total of 175 new stores for 2021. This is subject to circumstances allowing the Group to resume normal monthly store opening rates within a reasonable period of time.

**20. Variance of Actual Profit from Profit Forecast or Profit Guarantee**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**21. Status of Corporate Proposal**

There was no corporate proposal announced but not completed as at the date of this interim financial report.

**22. Profit Before Tax**

Profit before tax for the current quarter and current year is arrived at after charging/(crediting):-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible assets	445	275	840	537
Depreciation of property, plant and equipment	17,351	12,365	33,603	24,264
Depreciation of right-of-use assets	37,825	28,862	73,045	56,350
Interest income	(447)	(778)	(789)	(1,498)
Inventory losses	1,891	3,601	5,279	7,120
Inventories written off	2,847	1,478	5,127	3,214
Gain on disposal of property, plant and equipment	(25)	(39)	(214)	(132)
(Gain)/Loss on reassessments and modifications of leases	(400)	284	(840)	(444)
Realised loss on foreign exchange	48	79	96	9
Unrealised loss/(gain) on foreign exchange	55	(1)	19	(48)

Save as disclosed above, the other disclosure items pursuant to Paragraph 16, Part A of Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**23. Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
Current year tax expense				
- current period	33,006	21,217	78,373	45,754
- under provision in prior years	-	35	-	35
	<u>33,006</u>	<u>21,252</u>	<u>78,373</u>	<u>45,789</u>
Deferred tax				
- relating to origination and reversal of temporary differences	(2,589)	(1,098)	(2,260)	(2,020)
- under provision in prior years	-	494	195	495
	<u>(2,589)</u>	<u>(604)</u>	<u>(2,065)</u>	<u>(1,525)</u>
Tax expense	30,417	20,648	76,308	44,264
Effective tax rate	<u>27.0%</u>	<u>26.6%</u>	<u>26.9%</u>	<u>27.7%</u>

The tax charge for the Group reflects an effective tax rate which is higher than the statutory tax rate of 24% mainly due to certain expenses which are not deductible for tax purposes.

**24. Borrowings**

	As at	As at
	30/06/2021	31/12/2020
	RM'000	RM'000
<b>Non-current liabilities</b>		
<b>Secured</b>		
Hire purchase creditors	2,715	2,349
Term loans	16,021	18,412
	<u>18,736</u>	<u>20,761</u>
<b>Current liabilities</b>		
<b>Secured</b>		
Bank overdraft	27,650	26,112
Revolving credits	165,164	211,666
Hire purchase creditors	567	500
Term loans	4,630	4,545
	<u>198,011</u>	<u>242,823</u>
<b>Total borrowings</b>		
Bank overdraft	27,650	26,112
Revolving credits	165,164	211,666
Hire purchase creditors	3,282	2,849
Term loans	20,651	22,957
	<u>216,747</u>	<u>263,584</u>

The above borrowings are denominated in Ringgit Malaysia.

**25. Derivatives**

There was no derivatives in the current quarter and financial period under review.

**NOTES TO INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**26. Material Litigation**

There is no material litigation for the current financial period to date.

**27. Earnings Per Share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
Profit attributable to owners of the Company (RM'000)	82,134	56,981	206,924	115,443
Weighted average number of ordinary shares in issue ('000)	6,276,600	1,000 <sup>(1)</sup>	6,276,600	1,000 <sup>(1)</sup>
Basic earnings per ordinary share (sen)	1.31	5,698.08	3.30	11,544.31
Weighted average number of ordinary shares in issue ('000)	6,276,600	1,000 <sup>(1)</sup>	6,276,600	1,000 <sup>(1)</sup>
Effect of dilution of share options ('000)	27,698	-	26,567	-
Weighted average number of ordinary shares in issue (Diluted) ('000)	6,304,298	1,000	6,303,167	1,000
Diluted earnings per ordinary share (sen)	1.30	5,698.08	3.28	11,544.31

**Note:**

- (1) For comparative purpose, the earnings per share for individual and cumulative quarter ended 30 June 2020 had been adjusted retrospectively to reflect the subdivision of ordinary shares which was completed on 23 September 2020.