



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	As at 31-Dec-20 (Unaudited) RM'000	As at 31-Dec-19 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	83,046	87,628
Investment properties	2,748	2,507
Right of use assets	37,708	25,868
Investment in associates	20,859	22,567
Investment securities	3,776	5,332
Intangible assets	175	346
Deferred tax assets	1,780	1,563
	<u>150,092</u>	<u>145,811</u>
Current assets		
Inventories	177,912	189,178
Trade and other receivables	93,048	97,586
Tax recoverable	270	318
Cash and bank balances	48,898	40,364
	<u>320,128</u>	<u>327,446</u>
TOTAL ASSETS	<u>470,220</u>	<u>473,257</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	99,584	107,891
Treasury shares	(2,405)	(9,611)
Reserves	435	454
Retained earnings	177,998	167,284
Equity attributable to owners of the parent	<u>275,612</u>	<u>266,018</u>
Non-controlling interests	<u>40,844</u>	<u>37,843</u>
Total equity	<u>316,456</u>	<u>303,861</u>
Liabilities		
Non-Current Liabilities		
Bank borrowings	18,205	17,295
Lease liabilities	4,586	4,699
Deferred tax liabilities	794	621
	<u>23,585</u>	<u>22,615</u>
Current liabilities		
Trade and other payables	43,727	52,109
Bank borrowings	81,048	90,240
Lease liabilities	2,017	2,362
Tax payable	3,387	2,070
	<u>130,179</u>	<u>146,781</u>
Total liabilities	<u>153,764</u>	<u>169,396</u>
TOTAL EQUITY AND LIABILITIES	<u>470,220</u>	<u>473,257</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 (UNAUDITED)

	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
	2020 RM '000	2019 RM '000	2020 RM '000	2019 RM '000
Revenue	72,027	73,644	262,472	277,334
Operating expenses	(65,489)	(64,001)	(230,240)	(239,143)
Other income	842	1,968	4,047	2,808
Operating profit	7,380	11,611	36,279	40,999
Interest expense	(2,239)	(3,049)	(8,152)	(9,266)
Interest income	126	74	613	259
Share of results of associates	401	1,070	1,221	4,457
Profit before tax	5,668	9,706	29,961	36,449
Taxation	(904)	(692)	(8,591)	(9,032)
Profit for the year	4,764	9,014	21,370	27,417
Profit attributable to:				
Owners of the parent	4,243	8,398	17,218	23,500
Non-controlling interests	521	616	4,152	3,917
Profit for the year	4,764	9,014	21,370	27,417
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	2.85	5.64	11.56	15.73
Diluted EPS	N/A	N/A	N/A	N/A

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2020 (UNAUDITED)**

	Current quarter 3 months ended 31 December		Cumulative quarter 12 months ended 31 December	
	2020 RM '000	2019 RM '000	2020 RM '000	2019 RM '000
Profit for the year	4,764	9,014	21,370	27,417
Other comprehensive income/(expenses), net of tax:				
Currency translation differences arising from consolidation	3,461	(532)	1,531	2,725
Fair value movements on available for sale investments	783	(392)	(1,550)	770
Total comprehensive income for the year	9,008	8,090	21,351	30,912
Total comprehensive income attributable to:				
Owners of the parent	8,487	7,474	17,199	26,995
Non-controlling interests	521	616	4,152	3,917
	9,008	8,090	21,351	30,912

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR TWELVE MONTHS ENDED 31 DECEMBER 2020 (UNAUDITED)**

	Cumulative quarter 12 months ended 31 December	
	2020	2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	29,961	36,449
Adjustments for:		
Depreciation and amortisation	7,424	7,424
Other non-cash items and non-operating items	5,782	16,810
Operating profit before working capital changes	43,167	60,683
Inventories	11,266	(12,939)
Receivables	4,538	(4,576)
Payables	(8,382)	4,357
Cash generated from operating activities	50,589	47,525
Interest paid	(8,152)	(8,930)
Net of tax paid	(6,880)	(9,111)
Net cash from operating activities	35,557	29,484
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional of intangible assets	-	(66)
Dividend received	47	63
Interest received	618	300
Net of changes of investment in subsidiaries and associates	2,712	(4,520)
Net of purchase and disposal of investment securities	800	231
Net of purchase and disposal of property, plant and equipment	(8,445)	(5,986)
Net cash used in investing activities	(4,268)	(9,978)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(7,910)	(6,076)
Net of repurchase of treasury shares	(1,101)	(758)
Net changes in bank borrowings	(8,282)	(2,138)
Net changes in lease liabilities	(458)	(7,576)
Net cash used in financing activities	(17,751)	(16,548)
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,538	2,958
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	34,929	28,177
Effect of foreign exchange rates changes	(3,259)	3,794
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	45,208	34,929
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	48,898	40,364
Overdrafts	(3,690)	(5,435)
	45,208	34,929

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR TWELVE MONTHS ENDED 31 DECEMBER 2020 (UNAUDITED)

(RM'000)	----- Non-Distributable -----				----- Distributable -----		Total	Non-controlling interests	Total equity
	----- Attributable to owners of the parent -----				Currencies translation reserve	Fair value reserve			
	Share capital	Treasury shares	Capital reserve	Currencies translation reserve	Fair value reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at 1 January 2019	107,859	(8,821)	892	1,747	(4,966)	149,992	246,703	32,871	279,574
Purchase of treasury shares	-	(1,034)	-	-	-	-	(1,034)	-	(1,034)
Resold of treasury shares	32	244	-	-	-	-	276	-	276
Changes in equity	-	-	-	-	-	-	-	209	209
Dividend paid	-	-	-	-	-	(5,682)	(5,682)	(394)	(6,076)
Total comprehensive income for the year	-	-	-	1,486	1,295	22,974	25,755	5,157	30,912
Balance as at 31 December 2019	107,891	(9,611)	892	3,233	(3,671)	167,284	266,018	37,843	303,861
Balance as at 1 January 2020	107,891	(9,611)	892	3,233	(3,671)	167,284	266,018	37,843	303,861
Purchase of treasury shares	-	(1,101)	-	-	-	-	(1,101)	-	(1,101)
Cancellation of treasury shares	(8,307)	8,307	-	-	-	-	-	-	-
Changes in equity	-	-	-	-	-	196	196	59	255
Dividend paid	-	-	-	-	-	(6,700)	(6,700)	(1,210)	(7,910)
Total comprehensive income/(loss) for the year	-	-	-	1,531	(1,550)	17,218	17,199	4,152	21,351
Balance as at 31 December 2020	99,584	(2,405)	892	4,764	(5,221)	177,998	275,612	40,844	316,456

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
NOTES TO THE INTERIM FINANCIAL REPORT
- SELECTED EXPLANATORY NOTES UNDER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 – INTERIM FINANCIAL REPORTING
A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019. These explanatory notes attached to the 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 2019.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2019 save for the following new MFRSs and amendments to MFRSs.

Description	Effective dates for financial periods beginning on or after
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 16 Covid-19-Related Rent Concessions	1 June 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 101 Classification of Liabilities as Current or Non-Current	1 January 2022
Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018-2020”	1 January 2022
Amendments to MFRS 3 Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs and amendments to MFRSs when they become effective.

The adoption of the above standards and interpretations do not have material impact to the financial statements of the Group upon their initial application.



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A3 Seasonal or cyclical factors

The Group performance is not materially affected by seasonal or cyclical factors.

A4 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year-to-date.

A5 Changes in estimates

There were no changes in estimates that have material effect in the current quarter and financial year-to-date results.

A6 Debt and equity securities

There were no issuances and repayments of debt and equity securities during financial year ended 31 December 2020 save for shares buy back and cancellation of treasury shares.

At the Annual General Meeting held on 28 July 2020, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial year ended 31 December 2020, the Company repurchased of 879,100 own shares.

On 3 December 2020, the Company had cancelled 8,000,000 treasury shares.

As at 31 December 2020, a total of 2,267,010 treasury shares, representing 1.50% of the issued and paid-up share capital of the Company are being held as treasury shares and carried at cost at RM2.405 million.

A7 Dividend paid

A final single tier dividend of 3.0 sen per share amounted RM4.471 million in respect of the financial year ended 31 December 2019 was paid on 18 August 2020.

An interim single tier dividend of 1.5 sen per share amounted RM2.229 million in respect of the financial year ended 31 December 2020 was paid on 29 December 2020.

A8 Material post balance sheet events

There were no material events subsequent to the end of the financial year ended 31 December 2020 as at the date of this report.

A9 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial year ended 31 December 2020 save for on 25 June 2020, Unimech Engineering (J.B.) Sdn. Bhd., a wholly-owned subsidiary of the Company has acquired 14.45% of equity interest in Unimech Engineering Group (Thailand) Co. Ltd. ("UEG") for total consideration of THB5,000,000 (equivalent to RM693,500) ("the Acquisition"). Subsequent to the Acquisition, the total indirect equity interest owned by the Group in UEG shall be 49.0%.



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

A10 Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities for the Group since the last financial year ended 31 December 2019.

A11 Capital commitments

No material capital commitments as at 31 December 2020.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
NOTES TO THE INTERIM FINANCIAL REPORT
- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS
B1 Financial review for current quarter and financial year-to-date

	Individual Period			Cumulative Period		
	Current Period Quarter 31-Dec-20 RM'000	Preceding Year Corresponding Quarter 31-Dec-19 RM'000	Changes RM'000 / %	Current Period to Date 31-Dec-20 RM'000	Preceding Year Corresponding Period 31-Dec-19 RM'000	Changes RM'000 / %
Revenue	72,027	73,644	(1,617) / (2.2%)	262,472	277,334	(14,862) / (5.4%)
Profit before tax	5,668	9,706	(4,038) / (41.6%)	29,961	36,449	(6,448) / (17.8%)

Current quarter

The Group reported a revenue of RM72.027 million for the current quarter ended 31 December 2020 which was marginally of RM1.617 million or 2.2% lower as compared to the preceding year corresponding quarter ended 31 December 2019 of RM73.644 million.

The Group recorded a profit before tax of RM5.668 million for the current quarter which was RM4.038 million or 41.6% lower as compared to the preceding year corresponding quarter of RM9.706 million. The decrease in profit before tax was due mainly to impairment of assets and lower other income received on the current quarter as compared to the preceding year corresponding quarter.

Financial year-to-date

The Group reported revenue of RM262.472 million for the financial year ended 31 December 2020, representing a decrease of 5.4% as compared to previous financial year ended 31 December 2019 of RM277.334 million. The decrease in revenue was due principally to soft demand in VIF in Malaysia, Thailand, Singapore and Australia markets which were due to slow economic activities as a result of Covid-19 pandemic. The drop in these markets nevertheless have been mitigated by higher demand in Indonesia market.

In tandem with the decrease in revenue, the profit before tax for financial year ended 31 December 2020 reduced by 17.8% to RM29.961 million as compared to last financial year ended 31 December 2019 of RM36.449 million. The decrease in profit before tax was in line with the decrease in revenue coupled with lower share of results of associates in current financial year.



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 31-Dec-20 RM'000	Immediate Preceding Quarter 30-Sept-20 RM'000	Changes RM'000 / %
Revenue	72,027	71,769	258 / 0.4%
Profit before tax	5,668	11,350	(5,682) / (50%)

No significant change in the revenue for the current quarter ended 31 December 2020 as compared to preceding quarter but the profit before tax in current quarter decreased by 50% or RM5.682 million. The significant drop in profit before tax was due mainly to the decrease in gross profit margin coupled with higher expenses incurred and higher impairment in assets during current quarter.

B3 Overall review of group's financial performance

No material changes of the major components of the statement of profit and loss and other comprehensive income, statement of financial position as well as statement of cash flow reported by the Group for the year ended 31 December 2020 compared to preceding year corresponding year ended 31 December 2019.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
B4 Segment information
By business segment as at 31 December 2020

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	206,547	12,824	25,034	18,067	-	262,472
Inter-segment revenue	39,093	6,786	3,543	37	(49,459)	-
Total revenue	245,640	19,610	28,577	18,104	(49,459)	262,472
Segment results	44,616	430	1,977	353	(11,097)	36,279
Interest expense						(8,152)
Interest income						613
Share of results of associates						1,221
Profit before tax						29,961
Tax expense						(8,591)
Profit after tax						21,370
Non-controlling interests						(4,152)
Profit attributable to owners of the parent for financial year ended 31 December 2020						<u>17,218</u>
Segment assets	531,229	17,975	31,528	100,535	(211,047)	470,220
Segment liabilities	159,734	23,543	17,249	51,205	(97,967)	153,764

By business segment as at 31 December 2019

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	219,152	13,066	25,434	19,682	-	277,334
Inter-segment revenue	71,438	561	3,427	174	(75,600)	-
Total revenue	290,590	13,627	28,861	19,856	(75,600)	277,334
Segment results	48,504	(393)	2,034	2,212	(11,358)	40,999
Interest expense						(9,266)
Interest income						259
Share of results of associates						4,457
Profit before tax						36,449
Tax expense						(9,032)
Profit after tax						27,417
Non-controlling interests						(3,917)
Profit attributable to owners of the parent for financial year ended 31 December 2019						<u>23,500</u>
Segment assets	546,675	16,820	29,600	91,260	(211,098)	473,257
Segment liabilities	181,273	22,203	15,718	82,002	(131,800)	169,396



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B5 Commentary on prospects for 2021

The business activities and economy in Malaysia and countries that the Group has operation are expected to be impacted by the Covid-19 pandemic for year 2021. Amid the challenges faced, the Group remains focused to meet market demand for the valves, instruments and fittings. At the same time, the Group will continue with its competitive strategies to strengthen and grow further on its own brands to enhance its market positioning and concentrate on improving its operations efficiency and expand the products range.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group shall report an improved performance for the financial year ending 31 December 2021.

B6 Profit forecast

Not applicable as no profit forecast was published.

B7 Income tax expense

	Current quarter 3 months ended 31-Dec-20 RM'000	Cumulative quarters 12 months ended 31-Dec-20 RM'000
Current period provision	874	8,418
Deferred tax	<u>30</u>	<u>173</u>
	<u>904</u>	<u>8,591</u>

The effective tax rate for the current quarter and the cumulative quarters are higher than the statutory tax rate was due to non-tax allowable expenses and losses of certain subsidiary companies cannot be used to offset against profit of other companies in the Group.

B8 Status of corporate proposals and status of utilisation of proceeds raised

There was no corporate proposal being carried out during the year under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
B9 Group borrowings and debt securities
Total borrowings as at 31 December 2020

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
Secured						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	3,690	-	3,690
Revolving credits	-	-	-	27,535	-	27,535
Term loans	-	17,983	-	2,764	-	20,747
Trade lines	-	-	-	12,320	-	12,320
	-	17,983	-	46,309	-	64,292
<i>Indonesia Rupiah @ 0.000286</i>						
Term loans	774,976	222	374,984	107	1,149,960	329
Revolving credits	-	-	109,615,429	31,350	109,615,429	31,350
	774,976	222	109,990,413	31,457	110,765,389	31,679
Total secured		18,205		77,766		95,971
Unsecured						
<i>Indonesia Rupiah @ 0.000286</i>						
Revolving credits	-	-	9,873,500	2,824	9,873,500	2,824
<i>Thai Baht @ 0.134124</i>						
Trade lines	-	-	3,418	458	3,418	458
Total unsecured		-		3,282		3,282
Total borrowings		18,205		81,048		99,253

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020
B9 Group borrowings and debt securities (continue)
Total borrowings as at 31 December 2019

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
Secured						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	5,435	-	5,435
Revolving credits	-	-	-	29,766	-	29,766
Term loans	-	16,980	-	1,394	-	18,374
Trade lines	-	-	-	16,501	-	16,501
	-	16,980	-	53,096	-	70,076
<i>Indonesia Rupiah @ 0.000295</i>						
Term loans	1,067,772	315	320,877	95	1,388,649	410
Revolving credits	-	-	108,100,000	31,890	108,100,000	31,890
	1,067,772	315	108,420,877	31,985	109,488,649	32,300
Total secured		17,295		85,081		102,376
Unsecured						
<i>Indonesia Rupiah @ 0.000295</i>						
Revolving credits	-	-	12,510,908	3,691	12,510,908	3,691
<i>Thai Baht @ 0.136844</i>						
Trade lines	-	-	21,358	1,468	21,358	1,468
Total unsecured		-		5,159		5,159
Total borrowings		17,295		90,240		107,535

B10 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

B11 Changes in material litigation

The Group is not engaged in any material litigation as at the date of this report.

B12 Dividend

The Board of Directors proposed a final single tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2020. The proposed dividend payment is amounting to RM2.970 million if based on the issued and paid-up capital as at 31 December 2020 of 148,501,500 ordinary shares (excluding treasury shares held by the Company). The proposed dividend is subject to the shareholders' approval at the forthcoming Annual General Meeting.



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B13 Earnings per share (“EPS”)

Basic EPS

The basic EPS had been calculated by dividing the Group’s profit for the year attributable to owner of the parent by the weighted average number of shares in issue.

	Current quarter 3 months ended 31-Dec-20	Cumulative quarters 12 months ended 31-Dec-20
Profit for the period/year (RM’000)	4,764	21,370
Profit attributable to non-controlling interests (RM’000)	(521)	(4,152)
Profit attributable to owners of the parent (RM’000)	4,243	17,218
Weighted average number of ordinary shares in issue (’000)	148,739	149,007
Basic EPS (sen)	2.85	11.56

Diluted EPS

Not applicable as there are no dilutive potential ordinary shares.

B14 Auditors’ report on preceding annual financial statements

The auditors’ report of the annual financial statements for the financial year ended 31 December 2019 was not subject to any qualification.

B15 Notes to Condensed Consolidated Income Statements on Other Income/Expenses

	Current quarter 3 months ended 31-Dec-20 RM’000	Cumulative quarter 12 months ended 31-Dec-20 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Allowance for impairment of inventories	900	1,800
Allowance for impairment of investment in associate	878	878
Depreciation & amortisation	2,183	7,424
Dividend income	-	(47)
Gain on disposal of property, plant & equipment	-	(40)
Interest expense	2,239	8,152
Interest income	(126)	(613)
Loss/(Gain) on foreign exchange – realised	(85)	637
Rental income	(224)	(670)
	(224)	(670)



INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

B16 Foreign Exchange Exposure

The Group incurs foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar, Chinese Renmimbi, and Euro. The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply nature hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the Management.

B17 Trade Receivables

- i. Trade receivables are non-interest bearing and are generally on 30 days to 120 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- ii. Analysis of the trade receivables ageing is as follow:

	As at 31-Dec-20 (Unaudited) RM'000	As at 31-Dec-19 (Audited) RM'000
Neither past due nor impaired	34,094	39,982
<u>Pass due but not impaired</u>		
Less than 30 days	11,806	13,845
31 days to 60 days	10,847	12,721
More than 61 days	7,871	9,230
	<u>30,524</u>	<u>35,796</u>
Impaired	64,618	75,778
	<u>5,114</u>	<u>5,114</u>
	<u>69,732</u>	<u>80,892</u>

As at 31 December 2020, trade receivables of RM30.524 million were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default. The management is in an opinion that all the trade receivables are collectible. Thus, no further impairment is required.

- iii. No material of impairment in trade receivables was recognised during the financial year ended 31 December 2020.

B18 Impairment of Assets

No material impairment of assets recognised as a loss in the statement of profit and loss and other comprehensive income for the financial year ended 31 December 2020.

By order of the Board

Dato' Seri Lim Cheah Chooi
Chief Executive Director

Dated this 03 March 2021