

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2021**

	<b>As at 30-Jun-21 (Unaudited) RM'000</b>	<b>As at 31-Dec-20 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment ("PPE")	89,226	86,715
Investment properties	8,335	8,385
Right of use assets ("ROU")	24,730	26,254
Investment in associates	18,321	20,528
Investment securities	3,638	3,010
Intangible assets	162	175
Deferred tax assets	1,517	1,473
	<u>145,929</u>	<u>146,540</u>
<b>Current assets</b>		
Inventories	178,637	179,303
Trade and other receivables	105,360	94,782
Tax recoverable	75	384
Cash and bank balances	42,438	47,716
Non-current assets held for sale	-	1,819
	<u>326,510</u>	<u>324,004</u>
<b>TOTAL ASSETS</b>	<u>472,439</u>	<u>470,544</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	99,588	99,584
Treasury shares	(3,621)	(2,404)
Reserves	1,807	(2,167)
Retained earnings	185,870	176,404
<b>Equity attributable to owners of the parent</b>	<u>283,644</u>	<u>271,417</u>
<b>Non-controlling interests</b>	43,276	41,460
<b>Total equity</b>	<u>326,920</u>	<u>312,877</u>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Bank borrowings	17,832	18,541
Lease liabilities	3,795	4,258
Deferred tax liabilities	523	475
	<u>22,150</u>	<u>23,274</u>
<b>Current liabilities</b>		
Trade and other payables	49,823	48,740
Bank borrowings	67,683	80,374
Lease liabilities	1,859	2,790
Tax payable	4,004	2,489
	<u>123,369</u>	<u>134,393</u>
<b>Total liabilities</b>	<u>145,519</u>	<u>157,667</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>472,439</u>	<u>470,544</u>

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021****CONDENSED CONSOLIDATED INCOME STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

	<b>Current quarter 3 months ended 30 June</b>		<b>Cumulative quarter 6 months ended 30 June</b>	
	<b>2021 RM '000</b>	<b>2020 RM '000</b>	<b>2021 RM '000</b>	<b>2020 RM '000</b>
<b>Revenue</b>	65,729	53,002	135,934	118,676
Operating expenses	(56,625)	(47,123)	(117,763)	(104,705)
Other income	526	1,925	1,417	2,071
<b>Operating profit</b>	<b>9,630</b>	<b>7,804</b>	<b>19,588</b>	<b>16,042</b>
Interest expense	(1,995)	(2,322)	(3,470)	(3,893)
Interest income	73	108	157	199
Share of results of associates	426	72	775	595
<b>Profit before tax</b>	<b>8,134</b>	<b>5,662</b>	<b>17,050</b>	<b>12,943</b>
Taxation	(2,674)	(1,830)	(5,538)	(3,800)
<b>Profit for the period</b>	<b>5,460</b>	<b>3,832</b>	<b>11,512</b>	<b>9,143</b>
<b>Profit attributable to:</b>				
Owners of the parent	4,735	2,848	9,466	7,094
Non-controlling interests	725	984	2,046	2,049
<b>Profit for the period</b>	<b>5,460</b>	<b>3,832</b>	<b>11,512</b>	<b>9,143</b>
<b>Earnings per share (“EPS”) attributable to owners of the parent (sen):</b>				
Basic EPS	3.21	1.91	6.40	4.76
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 2020 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Profit for the period	5,460	3,832	11,512	9,143
<b>Other comprehensive income/(expenses), net of tax:</b>				
Currency translation differences arising from consolidation	502	9,221	4,313	3,158
Fair value movements on available for sale investments	(622)	294	(339)	(2,009)
<b>Total comprehensive income for the period</b>	<b>5,340</b>	<b>13,347</b>	<b>15,486</b>	<b>10,292</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	4,615	12,363	13,440	8,243
Non-controlling interests	725	984	2,046	2,049
	<b>5,340</b>	<b>13,347</b>	<b>15,486</b>	<b>10,292</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

	<b>Cumulative quarter 6 months ended 30 June</b>	
	<b>2021 RM'000</b>	<b>2020 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	17,050	12,943
Adjustments for:		
Depreciation and amortisation	3,678	3,525
Other non-cash items and non-operating items	4,376	3,819
Operating profit before working capital changes	25,104	20,287
Inventories	(634)	3,641
Receivables	(10,578)	8,382
Payables	1,083	(4,644)
Cash generated from operating activities	14,975	27,666
Interest paid	(3,470)	(3,893)
Net of tax paid	(3,595)	(3,478)
<b>Net cash from operating activities</b>	<b>7,910</b>	<b>20,295</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	466	87
Interest received	157	199
Net of changes of investment in subsidiaries and associates	3,311	-
Net of purchase and disposal of investment securities	(59)	(154)
Net of purchase and disposal of PPE and ROU	(2,438)	(5,963)
<b>Net cash from/(used in) investing activities</b>	<b>1,437</b>	<b>(5,831)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(88)	(14)
Net of repurchase & resold of treasury shares	(1,213)	(407)
Net changes in bank borrowings	(13,400)	(3,332)
Net changes in lease liabilities	(1,394)	(92)
<b>Net cash used in financing activities</b>	<b>(16,095)</b>	<b>(3,845)</b>
<b>NET (DECREASED)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,748)</b>	<b>10,616</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>43,349</b>	<b>34,929</b>
Effect of foreign exchange rates changes	4,648	(4,389)
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>41,249</b>	<b>41,156</b>
<b>CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:</b>		
Cash and bank balances	42,438	43,701
Overdrafts	(1,189)	(2,545)
	<b>41,249</b>	<b>41,156</b>

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



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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2021 (UNAUDITED)**

(RM'000)	----- Non-Distributable -----				----- Distributable -----		Total	Non-controlling interests	Total equity
	----- Attributable to owners of the parent -----								
	Share capital	Treasury shares	Capital reserve	Currencies translation reserve	Fair value reserve	Retained earnings			
<b>Balance as at 1 January 2020</b>	107,891	(9,611)	892	3,233	(3,671)	167,284	266,018	37,843	303,861
Purchase of treasury shares	-	(407)	-	-	-	-	(407)	-	(407)
Dividend paid	-	-	-	-	-	-	-	(14)	(14)
Total comprehensive income/(loss) for the period	-	-	-	3,158	(2,009)	7,094	8,243	2,049	10,292
<b>Balance as at 30 June 2020</b>	107,891	(10,018)	892	6,391	(5,680)	174,378	273,854	39,878	313,732
<b>Balance as at 1 January 2021</b>	99,584	(2,404)	892	1,213	(4,272)	176,404	271,417	41,460	312,877
Purchase of treasury shares	-	(1,224)	-	-	-	-	(1,224)	-	(1,224)
Disposal of treasury shares	4	7	-	-	-	-	11	-	11
Changes in equity	-	-	-	-	-	-	-	(142)	(142)
Dividend paid	-	-	-	-	-	-	-	(88)	(88)
Total comprehensive income/(loss) for the period	-	-	-	4,313	(339)	9,466	13,440	2,046	15,486
<b>Balance as at 30 June 2021</b>	99,588	(3,621)	892	5,526	(4,611)	185,870	283,644	43,276	326,920

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**
**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 2020. 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 2020.

**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 2020 save for the following new MFRSs and amendments to MFRSs.

	<b>Description</b>	<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
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 MFRSs	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
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.

**A3 Seasonal or cyclical factors**

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



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

**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 period-to-date.

**A5 Changes in estimates**

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

**A6 Debt and equity securities**

There were no issuances and repayments of debt and equity securities during financial period ended 30 June 2021 save for shares buy back and resold of treasury shares.

At the Annual General Meeting held on 30 June 2021, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 30 June 2021, the Company repurchased of 802,600 own shares. The details of resold shares are as follows: -

	<b>RM'000</b>
Disposal value	11
Cost of shares	<u>(7)</u>
Gain on disposal	<u>4</u>

As at 30 June 2021, a total of 3,062,610 treasury shares, representing 2.03% of the issued and paid-up share capital of the Company are being held as treasury shares and carried at cost at RM3.621 million.

**A7 Dividend paid**

No dividend had been paid under the financial period under review.

**A8 Material post balance sheet events**

There were no material events subsequent to the end of the financial period ended 30 June 2021 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 period ended 30 June 2021 save for on 9 February 2021, Unimech Engineering (M) Sdn. Bhd. ("UME(M)"), a wholly-owned subsidiary of the Company has disposed 75% equity interest in Inventive Potentials Sdn. Bhd. ("IPSB") for total cash consideration of RM487,500 ("the Disposal"). After the Disposal, IPSB ceases to be a subsidiary company of UME(M).

**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 2020.

**A11 Capital commitments**

No material capital commitments as at 30 June 2021.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**
**NOTES TO THE INTERIM FINANCIAL REPORT**
**- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS**
**B1 Financial review for current quarter and financial period-to-date**

	Individual Period			Cumulative Period		
	Current Period Quarter 30-Jun-21 RM'000	Preceding Year Corresponding Quarter 30-Jun-20 RM'000	Changes RM'000 / %	Current Period to Date 30-Jun-21 RM'000	Preceding Year Corresponding Period 30 Jun-20 RM'000	Changes RM'000 / %
Revenue	65,729	53,002	12,727 / 24.0%	135,934	118,676	17,258 / 14.5%
Profit before tax	8,134	5,662	2,472 / 43.7%	17,050	12,943	4,107 / 31.7%

**Current quarter**

The Group reported a revenue of RM65.729 million for the current quarter ended 30 June 2021 which was RM12.727 million or 24.0% higher as compared to the preceding year corresponding quarter ended 30 June 2020 of RM53.002 million. A higher revenue reported in current quarter was due to higher demand in core business of valves, instruments and fittings particularly in Malaysia market. Malaysian market was slow in demand in the preceding year corresponding quarter period ended 30 June 2020 as it was caused by Movement Control Order as a result of Covid-19 pandemic.

The Group recorded a profit before tax of RM8.134 million for the current quarter which was RM2.472 million or 43.7% higher as compared to preceding year corresponding quarter of RM5.662 million. The increase in profit before tax was in line with the increase in revenue.

**Financial period-to-date**

The Group reported revenue of RM135.934 million for the financial period ended 30 June 2021, representing an increase of 14.5% as compared to previous financial period ended 30 June 2020 of RM118.676 million. The increase in revenue was due principally to higher demand from all business segments and major geographical markets.

In tandem with the increase in revenue, the profit before tax for financial period ended 30 June 2021 improved by 31.7% to RM17.050 million as compared to last financial period ended 30 June 2020 of RM12.943 million.

**B2 Financial review for current quarter compared with immediate preceding quarter**

	Current Quarter 30-Jun-21 RM'000	Immediate Preceding Quarter 31-Mar-21 RM'000	Changes RM'000 / %
Revenue	65,729	70,205	(4,476) / (6.4%)
Profit before tax	8,134	8,916	(782) / (8.8%)

The Group reported RM4.476 million or 6.4% decrease in the revenue for the current quarter ended 30 June 2021 as compared to preceding quarter due to soft demand from valves, instruments and fittings and pumps businesses. The profit before tax in current quarter decreased by 8.8% or RM0.782 million. The decrease in profit before tax was due mainly to the decrease in revenue in 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 30 June 2021 compared to preceding year corresponding year ended 30 June 2020.



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**
**B4 Segment information**
**By business segment as at 30 June 2021**

	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	106,481	7,112	13,998	8,343	-	135,934
Inter-segment revenue	19,948	6,268	2,672	18	(28,906)	-
<b>Total revenue</b>	<b>126,429</b>	<b>13,380</b>	<b>16,670</b>	<b>8,361</b>	<b>(28,906)</b>	<b>135,934</b>
<b>Segment results</b>	<b>17,427</b>	<b>711</b>	<b>1,087</b>	<b>563</b>	<b>(200)</b>	<b>19,588</b>
Interest expense						(3,470)
Interest income						157
Share of results of associates						775
Profit before tax						17,050
Tax expense						(5,538)
Profit after tax						11,512
Non-controlling interests						(2,046)
Profit attributable to owners of the parent for financial period ended 30 June 2021						<u>9,466</u>
Segment assets	532,599	17,007	33,773	98,392	(209,332)	472,439
Segment liabilities	147,419	22,776	18,935	49,016	(92,627)	145,519

**By business segment as at 30 June 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	96,042	6,360	8,742	7,532	-	118,676
Inter-segment revenue	12,382	3,460	1,457	18	(17,317)	-
<b>Total revenue</b>	<b>108,424</b>	<b>9,820</b>	<b>10,199</b>	<b>7,550</b>	<b>(17,317)</b>	<b>118,676</b>
<b>Segment results</b>	<b>14,549</b>	<b>389</b>	<b>550</b>	<b>704</b>	<b>(150)</b>	<b>16,042</b>
Interest expense						(3,893)
Interest income						199
Share of results of associates						595
Profit before tax						12,943
Tax expense						(3,800)
Profit after tax						9,143
Non-controlling interests						(2,049)
Profit attributable to owners of the parent for financial period ended 30 June 2020						<u>7,094</u>
Segment assets	521,796	17,340	28,662	95,026	(209,176)	453,648
Segment liabilities	161,910	23,062	14,636	86,272	(132,631)	153,249



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

**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**

	<b>Current quarter 3 months ended 30-Jun-21 RM'000</b>	<b>Cumulative quarters 6 months ended 30-Jun-21 RM'000</b>
Current period provision	2,682	5,534
Deferred tax	<u>(8)</u>	<u>4</u>
	<u>2,674</u>	<u>5,538</u>

The effective tax rate for current quarter and 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 period under review.



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

**B9 Group borrowings and debt securities**

**Total borrowings as at 30 June 2021**

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
<b>Secured</b>						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	1,189	-	1,189
Revolving credits	-	-	-	18,100	-	18,100
Term loans	-	17,070	-	2,244	-	19,314
Trade lines	-	-	-	11,858	-	11,858
	-	17,070	-	33,391	-	50,461
<i>Indonesia Rupiah @ 0.000286</i>						
Term loans	2,294,321	762	1,108,224	317	3,402,545	1,079
Revolving credits	-	-	106,495,422	30,458	106,495,422	30,458
	2,294,321	762	107,603,646	30,775	109,897,967	31,537
<b>Total secured</b>		<b>17,832</b>		<b>64,166</b>		<b>81,998</b>
<b>Unsecured</b>						
<i>Indonesia Rupiah @ 0.000286</i>						
Revolving credits	-	-	10,147,200	2,902	10,147,200	2,902
<i>Thai Baht @ 0.129507</i>						
Trade lines	-	-	4,752	615	4,752	615
<b>Total unsecured</b>		<b>-</b>		<b>3,517</b>		<b>3,517</b>
<b>Total borrowings</b>		<b>17,832</b>		<b>67,683</b>		<b>85,515</b>

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021**
**B9 Group borrowings and debt securities (continue)**
**Total borrowings as at 30 June 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
<b>Secured</b>						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	2,545	-	2,545
Revolving credits	-	-	-	29,760	-	29,760
Term loans	-	18,338	-	1,775	-	20,113
Trade lines	-	-	-	14,332	-	14,332
	-	18,338	-	48,412	-	66,750
<i>Indonesia Rupiah @ 0.0003</i>						
Term loans	860,370	258	361,928	108	1,222,298	366
Revolving credits	-	-	112,913,234	33,874	112,913,234	33,874
	860,370	258	113,275,162	33,982	114,251,660	34,240
<b>Total secured</b>		<b>18,596</b>		<b>82,394</b>		<b>100,990</b>
<b>Unsecured</b>						
<i>Indonesia Rupiah @ 0.0003</i>						
Revolving credits	-	-	10,011,400	3,003	10,011,400	3,003
<i>Thai Baht @ 0.138727</i>						
Trade lines	-	-	1,511	210	1,511	210
<b>Total unsecured</b>		-		<b>3,213</b>		<b>3,213</b>
<b>Total borrowings</b>		<b>18,596</b>		<b>85,607</b>		<b>104,203</b>

**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**

No interim dividend has been declared for the financial period ended 30 June 2021.

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

	<b>Current quarter 3 months ended 30-Jun-21</b>	<b>Cumulative quarters 6 months ended 30-Jun-21</b>
Profit for the period (RM’000)	5,460	11,512
Profit attributable to non-controlling interests (RM’000)	(725)	(2,046)
<b>Profit attributable to owners of the parent (RM’000)</b>	<b>4,735</b>	<b>9,466</b>
<b>Weighted average number of ordinary shares in issue (’000)</b>	<b>147,718</b>	<b>147,941</b>
<b>Basic EPS (sen)</b>	<b>3.21</b>	<b>6.40</b>

**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 2020 was not subject to any qualification.

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

	<b>Current quarter 3 months ended 30-Jun-21 RM’000</b>	<b>Cumulative quarter 6 months ended 30-Jun-21 RM’000</b>
<b>Profit before tax is arrived at after charging/(crediting):-</b>		
Allowance for impairment of inventories	900	1,300
Depreciation & amortisation	1,918	3,678
Dividend income	6	466
Gain on disposal of property, plant & equipment	-	27
Interest expense	1,995	3,470
Interest income	73	157
Loss on foreign exchange – realised	185	481
Rental income	193	419



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**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, Singapore Dollar, Thai Bath, Chinese Renminbi, 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:

	<b>As at 30-Jun-21 (Unaudited) RM'000</b>	<b>As at 31-Dec-20 (Audited) RM'000</b>
Neither past due nor impaired	40,393	39,327
<u>Pass due but not impaired</u>		
Less than 30 days	17,590	17,126
31 days to 60 days	13,704	13,343
More than 61 days	8,984	8,747
	<u>40,278</u>	<u>39,216</u>
Impaired	80,671	78,543
	<u>4,986</u>	<u>4,986</u>
	<u>85,657</u>	<u>83,529</u>

As at 30 June 2021, trade receivables of RM40.278 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 impairment in trade receivables was recognised during the financial period ended 30 June 2021.

**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 period ended 30 June 2021.

By order of the Board

Dato' Seri Lim Cheah Chooi  
Chief Executive Director

**Dated this 15 September 2021**