

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	As at 30-Jun-22 (Unaudited) RM'000	As at 31-Dec-21 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment ("PPE")	96,160	89,865
Investment properties	8,220	8,275
Right of use assets ("ROU")	26,267	27,799
Investment in associates	23,006	21,419
Investment securities	2,563	2,909
Intangible assets	158	152
Other receivables	763	763
Deferred tax assets	1,363	1,233
	<u>158,500</u>	<u>152,415</u>
Current assets		
Inventories	189,678	178,509
Trade and other receivables	108,729	102,783
Tax recoverable	172	587
Cash and bank balances	53,638	53,210
	<u>352,217</u>	<u>335,089</u>
TOTAL ASSETS	<u>510,717</u>	<u>487,504</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	99,588	99,588
Treasury shares	(3,745)	(3,654)
Reserves	3,204	(2,111)
Retained earnings	207,570	194,670
Equity attributable to owners of the parent	<u>306,617</u>	<u>288,493</u>
Non-controlling interests	52,432	49,051
Total equity	<u>359,049</u>	<u>337,544</u>
Liabilities		
Non-Current Liabilities		
Bank borrowings	16,732	17,475
Lease liabilities	4,041	4,508
Deferred tax liabilities	597	505
	<u>21,370</u>	<u>22,488</u>
Current liabilities		
Trade and other payables	54,435	49,384
Bank borrowings	70,226	72,331
Lease liabilities	1,662	2,855
Tax payable	3,975	2,902
	<u>130,298</u>	<u>127,472</u>
Total liabilities	<u>151,668</u>	<u>149,960</u>
TOTAL EQUITY AND LIABILITIES	<u>510,717</u>	<u>487,504</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022****CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2022 RM '000	2021 RM '000	2022 RM '000	2021 RM '000
Revenue	84,752	65,729	160,133	135,934
Operating expenses	(71,854)	(56,625)	(136,334)	(117,763)
Other income	456	526	956	1,417
Operating profit	13,354	9,630	24,755	19,588
Interest expense	(1,983)	(1,995)	(3,414)	(3,470)
Interest income	111	73	175	157
Share of results of associates	484	426	1,084	775
Profit before tax	11,966	8,134	22,600	17,050
Taxation	(3,542)	(2,674)	(6,623)	(5,538)
Profit for the period	8,424	5,460	15,977	11,512
Profit attributable to:				
Owners of the parent	6,848	4,735	12,900	9,466
Non-controlling interests	1,576	725	3,077	2,046
Profit for the period	8,424	5,460	15,977	11,512
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	4.64	3.21	8.74	6.40
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 2021 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2022 RM '000	2021 RM '000	2022 RM '000	2021 RM '000
Profit for the period	8,424	5,460	15,977	11,512
Other comprehensive income/(expenses), net of tax:				
Currency translation differences arising from consolidation	1,096	502	5,101	4,313
Fair value movements on available for sale investments	575	(622)	214	(339)
Total comprehensive income for the period	10,095	5,340	21,292	15,486
Total comprehensive income attributable to:				
Owners of the parent	8,519	4,615	18,215	13,440
Non-controlling interests	1,576	725	3,077	2,046
	10,095	5,340	21,292	15,486

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)**

	Cumulative quarter 6 months ended 30 June	
	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	22,600	17,050
Adjustments for:		
Depreciation and amortisation	3,662	3,678
Other non-cash items and non-operating items	11,085	4,376
Operating profit before working capital changes	37,347	25,104
Inventories	(16,261)	(634)
Receivables	(5,946)	(10,578)
Payables	5,051	1,083
Cash generated from operating activities	20,191	14,975
Interest paid	(3,414)	(3,470)
Net of tax paid	(4,939)	(3,595)
Net cash from operating activities	11,838	7,910
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	12	466
Interest received	175	157
Issue of shares to non-controlling interests	100	-
Net of changes of investment in subsidiaries and associates	(1,553)	3,311
Net of purchase and disposal of investment securities	346	(59)
Net of purchase and disposal of PPE and ROU	(4,348)	(2,438)
Purchase on intangible assets	(6)	-
Net cash (used in)/from investing activities	(5,274)	1,437
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interests	(60)	(88)
Net of repurchase & resold of treasury shares	(91)	(1,213)
Net changes in bank borrowings	(2,848)	(13,400)
Net changes in lease liabilities	(1,661)	(1,394)
Net cash used in financing activities	(4,660)	(16,095)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,904	(6,748)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	46,631	43,349
Effect of foreign exchange rates changes	4,283	4,648
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	52,818	41,249
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	53,638	42,438
Overdrafts	(820)	(1,189)
	52,818	41,249

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2022 (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			
Balance as at 1 January 2021	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
Balance as at 30 June 2021	99,588	(3,621)	892	5,526	(4,611)	185,870	283,644	42,624	326,920
Balance as at 1 January 2022	99,588	(3,654)	892	1,363	(4,366)	194,670	288,493	49,051	337,544
Purchase of treasury shares	-	(91)	-	-	-	-	(91)	-	(91)
Changes in equity	-	-	-	-	-	-	-	364	364
Dividend paid	-	-	-	-	-	-	-	(60)	(60)
Total comprehensive income for the period	-	-	-	5,101	214	12,900	18,215	3,077	21,292
Balance as at 30 June 2022	99,588	(3,745)	892	6,464	(4,152)	207,570	306,617	52,432	359,049

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022
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 2021. 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 2021.

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 2021 save for the following new MFRSs and amendments to MFRSs.

	Description	Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021	1 April 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
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 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	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.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 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 2022 save for shares buy back.

At the Annual General Meeting held on 29 June 2022, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 30 June 2022, the Company repurchased of 64,500 own shares.

As at 30 June 2022, a total of 3,150,110 treasury shares, representing 2.09% of the issued and paid-up share capital of the Company are being held as treasury shares and carried at cost at RM3.745 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 year ended 30 June 2022 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 30 June 2022 save for:

- i. On 4 January 2022, Arita Valve (Tianjin) Co. Ltd., a wholly owned subsidiary company of the Company had subscribed 30% equity interest in Arita Flow Control Equipment (Tianjin) Co. Ltd. for a purchase consideration of RMB300,000 (equivalent to RM196,410).
- ii. On 1 April 2022, M.E.T. Motion Holding Sdn. Bhd., a 51% owned subsidiary company of the Company had acquired 51% equity interest in Maju Edar Teknik Sdn. Bhd. for a purchase consideration of RM255,000.
- iii. On 9 June 2022, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company had subscribed for 150,000 ordinary shares representing 60% of the issued capital in Unimech Industrial Solutions Sdn. Bhd. for a total consideration of RM150,000.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 2021.

A11 Capital commitments

No material capital commitments as at 30 June 2022.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022
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-22 RM'000	Preceding Year Corresponding Quarter 30-Jun-21 RM'000	Changes RM'000 / %	Current Period to Date 30-Jun-22 RM'000	Preceding Year Corresponding Period 30-Jun-21 RM'000	Changes RM'000 / %
Revenue	84,752	65,729	19,023 / 28.9%	160,133	135,934	24,199 / 17.8%
Profit before tax	11,966	8,134	3,832 / 47.1%	22,600	17,050	5,550 / 32.5%

Current quarter

The Group reported a revenue of RM84.752 million for the current quarter ended 30 June 2022 which was RM19.023 million or 28.9% higher as compared to the preceding year corresponding quarter ended 30 June 2021 of RM65.729 million. A higher revenue reported in current quarter was due to higher demand in all business segments and increase in core business of valves, instruments and fittings particularly in Malaysia market.

The Group recorded a profit before tax of RM11.966 million for the current quarter which was RM3.832 million or 47.1% higher as compared to preceding year corresponding quarter of RM8.134 million. The increase in profit before tax was in line with the increase in revenue.

Financial period-to-date

The Group reported revenue of RM160.133 million for the financial period ended 30 June 2022, representing an increase of 17.8% as compared to previous financial period ended 30 June 2021 of RM135.934 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, profit before tax for financial period ended 30 June 2022 improved by 32.5% to RM22.600 million as compared to last financial period ended 30 June 2021 of RM17.050 million.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30-Jun-22 RM'000	Immediate Preceding Quarter 31-Mar-22 RM'000	Changes RM'000 / %
Revenue	84,752	75,381	9,371 / 12.4%
Profit before tax	11,966	10,634	1,332 / 12.5%

The Group reported RM84.752 million and 12.4% increase in revenue for the current quarter ended 30 June 2022 as compared to preceding quarter. Higher revenue reported in current quarter was due to strong demand in all business segments. Profit before tax in current quarter improved by RM1.332 million or 12.5%. Increase in profit before tax was in line with the increase in revenue.

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 period ended 30 June 2022 compared to preceding year corresponding period ended 30 June 2021.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022
B4 Segment information
By business segment as at 30 June 2022

	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	123,673	7,664	15,244	13,552	-	160,133
Inter-segment revenue	28,177	1,093	2,559	15	(31,844)	-
Total revenue	151,850	8,757	17,803	13,567	(31,844)	160,133
Segment results	20,321	1,434	1,423	1,677	(100)	24,755
Interest expense						(3,414)
Interest income						175
Share of results of associates						1,084
Profit before tax						22,600
Tax expense						(6,623)
Profit after tax						15,977
Non-controlling interests						(3,077)
Profit attributable to owners of the parent for financial period ended 30 June 2022						<u>12,900</u>
Segment assets	560,362	18,621	35,286	105,326	(208,878)	510,717
Segment liabilities	155,798	20,589	18,523	28,250	(71,492)	151,668

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)	-
Total revenue	126,429	13,380	16,670	8,361	(28,906)	135,934
Segment results	17,427	711	1,087	563	(200)	19,588
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



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

B5 Commentary on prospects for 2022

The business activities and economy in Malaysia and countries that the Group has operation are expected to be minor impacted by the Covid-19 pandemic for year 2022. 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 a satisfactory performance for the financial year ending 31 December 2022.

B6 Profit forecast

Not applicable as no profit forecast was published.

B7 Income tax expense

	Current quarter 3 months ended 30-Jun-22 RM'000	Cumulative quarters 6 months ended 30-Jun-22 RM'000
Current period provision	3,543	6,661
Deferred tax	<u>(1)</u>	<u>(38)</u>
	<u>3,542</u>	<u>6,623</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 2022

B9 Group borrowings and debt securities

Total borrowings as at 30 June 2022

	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	-	-	-	820	-	820
Revolving credits	-	-	-	13,880	-	13,880
Term loans	-	15,799	-	2,172	-	17,971
Trade lines	-	-	-	15,967	-	15,967
	-	15,799	-	32,839	-	48,638
<i>Vietnam Dong @ 0.000189</i>						
Trade lines	-	-	4,386,514	829	4,386,514	829
<i>Indonesia Rupiah @ 0.000296</i>						
Term loans	3,153,265	933	1,685,279	499	4,838,544	1,432
Revolving credits	-	-	110,028,600	32,568	110,028,600	32,568
	3,153,265	933	111,713,879	33,067	114,867,144	34,000
Total secured		16,732		66,735		83,467
Unsecured						
<i>Indonesia Rupiah @ 0.000296</i>						
Revolving credits	-	-	10,393,600	3,077	10,393,600	3,077
<i>Thai Baht @ 0.124961</i>						
Trade lines	-	-	3,313	414	3,313	414
Total unsecured		-		3,491		3,491
Total borrowings		16,732		70,226		86,958

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022
B9 Group borrowings and debt securities (continue)
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
Secured						
<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
Total secured		17,832		64,166		81,998
Unsecured						
<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
Total unsecured		-		3,517		3,517
Total borrowings		17,832		67,683		85,515

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 2022.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 30-Jun-22	Cumulative quarters 6 months ended 30-Jun-22
Profit for the period (RM’000)	8,424	15,977
Profit attributable to non-controlling interests (RM’000)	(1,576)	(3,077)
Profit attributable to owners of the parent (RM’000)	6,848	12,900
Weighted average number of ordinary shares in issue (’000)	147,662	147,642
Basic EPS (sen)	4.64	8.74

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 2021 was not subject to any qualification.

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

	Current quarter 3 months ended 30-Jun-22 RM’000	Cumulative quarter 6 months ended 30-Jun-22 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Allowance for impairment of inventories	1,500	2,092
Depreciation & amortisation	1,837	3,662
Dividend income	7	12
Gain disposal of property, plant & equipment	-	(15)
Interest expense	1,983	3,414
Interest income	(111)	(175)
Loss on foreign exchange – realised	540	582
Rental income	(156)	(418)



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 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 30-Jun-22 (Unaudited) RM'000	As at 31-Dec-21 (Audited) RM'000
Neither past due nor impaired	47,013	50,781
<u>Pass due but not impaired</u>		
Less than 30 days	15,645	16,899
31 days to 60 days	6,908	7,462
More than 61 days	9,366	10,116
	<u>31,919</u>	<u>34,477</u>
	78,932	85,258
Impaired	4,534	4,534
	<u>83,466</u>	<u>89,792</u>

As at 30 June 2022, trade receivables of RM31.919 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 2022.

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 30 June 2022.

By order of the Board

Dato' Seri Lim Cheah Chooi
Chief Executive Officer / Executive Director

Dated this 25 August 2022