



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021**

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Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

| | 3 months ended | | 9 months ended | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30/09/2021 RM'000 | 30/09/2020 RM'000 | 30/09/2021 RM'000 | 30/09/2020 RM'000 |
| Revenue | 71,412 | 72,754 | 207,975 | 221,019 |
| Cost of sales | (46,024) | (42,900) | (127,929) | (125,797) |
| Gross profit | 25,388 | 29,854 | 80,046 | 95,222 |
| Other income | 2,791 | 903 | 6,183 | 4,051 |
| Selling & Distribution expenses | (15,727) | (17,533) | (50,140) | (51,441) |
| Administrative expenses | (5,847) | (5,859) | (18,153) | (19,140) |
| Other expenses | (279) | (5,056) | (480) | (3,105) |
| Results from operating activities | 6,326 | 2,309 | 17,456 | 25,587 |
| Finance income | 211 | 255 | 582 | 967 |
| Finance cost | (510) | (550) | (1,676) | (1,610) |
| Share of result of associate | (12) | (47) | (8) | (207) |
| Profit before tax | 6,015 | 1,967 | 16,354 | 24,737 |
| Income tax expense | (1,737) | (1,365) | (4,781) | (6,750) |
| Profit for the period | 4,278 | 602 | 11,573 | 17,987 |
| Other comprehensive income, net of tax | | | | |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Foreign currency translation differences for foreign operations | (839) | 1,381 | (1,057) | 665 |
| Total other comprehensive income / (expenses) for the period | (839) | 1,381 | (1,057) | 665 |
| Total comprehensive income for the period | 3,439 | 1,983 | 10,516 | 18,652 |



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

| | 3 months ended | | 9 months ended | |
|---|----------------|--------------|----------------|---------------|
| | 30/09/2021 | 30/09/2020 | 30/09/2021 | 30/09/2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Attributable to: | | | | |
| Owners of the Company | 4,260 | 260 | 11,512 | 17,755 |
| Non-controlling interests | 18 | 342 | 61 | 232 |
| Profit for the period | 4,278 | 602 | 11,573 | 17,987 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 3,457 | 1,714 | 10,492 | 18,432 |
| Non-controlling interests | (18) | 269 | 24 | 220 |
| Total comprehensive income for the period | 3,439 | 1,983 | 10,516 | 18,652 |
| Earnings per share (EPS) attributable to owners of the Company (sen): | | | | |
| Basic EPS | 3.05 | 0.19 | 8.24 | 12.69 |
| Diluted EPS | 3.04 | 0.18 | 8.23 | 12.63 |

Included in the profit for the period are:

| | 3 months ended | | 9 months ended | |
|---|----------------|------------|----------------|------------|
| | 30/09/2021 | 30/09/2020 | 30/09/2021 | 30/09/2020 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| interest income | (211) | (254) | (582) | (967) |
| other income including investment income | (20) | (91) | (59) | (276) |
| interest expenses | 510 | 550 | 1,676 | 1,610 |
| depreciation and amortisation | 4,012 | 3,524 | 11,951 | 10,677 |
| provision for and (write back) / write off of receivables | (8) | (72) | (47) | 420 |
| writedown and (write back) / write off of inventories | (358) | 344 | (339) | 1,777 |
| foreign exchange loss or (gain) | (2,375) | 4,964 | (4,915) | 448 |

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

| | As at 30/09/2021 RM'000 <i>Unaudited</i> | As at 31/12/2020 RM'000 <i>Audited</i> |
|--|---|---|
| ASSETS | | |
| Property, plant and equipment | 139,681 | 142,291 |
| Intangible assets | 4,765 | 4,819 |
| Investment in associates | 1,411 | 1,419 |
| Deferred tax assets | 178 | 176 |
| Non-current Assets | <u>146,035</u> | <u>148,705</u> |
| Inventories | 112,492 | 131,756 |
| Trade receivables | 65,086 | 58,228 |
| Other receivables | 24,001 | 21,482 |
| Amount due from affiliated companies | 496 | 151 |
| Amount due from an associate | 161 | 203 |
| Current tax assets | 3,408 | 1,330 |
| Cash & cash equivalents | 98,042 | 86,889 |
| Current Assets | <u>303,686</u> | <u>300,039</u> |
| TOTAL ASSETS | <u>449,721</u> | <u>448,744</u> |
| EQUITY AND LIABILITIES | | |
| Share capital | 151,963 | 151,641 |
| Other reserves | 2,643 | 3,724 |
| Retained earnings | 187,471 | 187,230 |
| Equity Attributable to Owners of the Company | <u>342,077</u> | <u>342,595</u> |
| Non-controlling interests | 5,500 | 5,596 |
| Total Equity | <u>347,577</u> | <u>348,191</u> |
| Deferred taxation | 9,608 | 9,389 |
| Loans and borrowings | 22,491 | 23,710 |
| Post-employment benefits | 524 | 512 |
| Lease liabilities | 1,991 | 3,886 |
| Non-current Liabilities | <u>34,614</u> | <u>37,497</u> |
| Trade payables | 19,441 | 11,920 |
| Other payables | 17,848 | 16,234 |
| Refund liability | 1,618 | 1,600 |
| Amount due to affiliated companies | 3,349 | 3,110 |
| Loans and borrowings | 21,998 | 26,739 |
| Current tax liabilities | 300 | 469 |
| Lease liabilities | 2,976 | 2,984 |
| Current Liabilities | <u>67,530</u> | <u>63,056</u> |
| Total Liabilities | <u>102,144</u> | <u>100,553</u> |
| TOTAL EQUITY AND LIABILITIES | <u>449,721</u> | <u>448,744</u> |
| Net assets per share attributable to owners of the Company (RM) | 2.43 | 2.43 |

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

| RM'000 | Attributable to owners of the Company | | | | | | Non-controlling interest | Total equity |
|---|---------------------------------------|------------------------------|----------------------|-------------------|----------|-------------------|--------------------------|--------------|
| | Share capital | Exchange fluctuation reserve | Share option reserve | Retained earnings | Total | Non-distributable | | |
| At 1 January 2020 | 148,912 | 82 | 2,756 | 176,437 | 328,187 | 5,408 | 333,595 | |
| Foreign currency translation differences for foreign operations | - | 677 | - | - | 677 | (12) | 665 | |
| Total other comprehensive income for the period | - | 677 | - | - | 677 | (12) | 665 | |
| Profit for the period | - | - | - | 17,755 | 17,755 | 232 | 17,987 | |
| Total comprehensive income for the period | - | 677 | - | 17,755 | 18,432 | 220 | 18,652 | |
| Dividends to owners of the Company | - | - | - | (11,246) | (11,246) | - | (11,246) | |
| Issuance of ordinary shares pursuant to ESOS | 2,090 | - | - | - | 2,090 | - | 2,090 | |
| Share based payment transaction | - | - | 610 | - | 610 | - | 610 | |
| Share options granted under ESOS forfeited | - | - | (21) | 21 | - | - | - | |
| Total transactions with owners of the Company | 2,090 | - | 589 | (11,225) | (8,546) | - | (8,546) | |
| Transfer to share capital for share options exercised | 468 | - | (468) | - | - | - | - | |
| At 30 September 2020 | 151,470 | 759 | 2,877 | 182,967 | 338,073 | 5,628 | 343,701 | |
| At 1 January 2021 | 151,641 | 927 | 2,797 | 187,231 | 342,596 | 5,596 | 348,192 | |
| Foreign currency translation differences for foreign operations | - | (1,020) | - | - | (1,020) | (37) | (1,057) | |
| Total other comprehensive income for the period | - | (1,020) | - | - | (1,020) | (37) | (1,057) | |
| Profit for the period | - | - | - | 11,512 | 11,512 | 61 | 11,573 | |
| Total comprehensive income for the period | - | (1,020) | - | 11,512 | 10,492 | 24 | 10,516 | |
| Dividends to owners of the Company | - | - | - | (11,272) | (11,272) | - | (11,272) | |
| Dividend to non-controlling interest | - | - | - | - | - | (120) | (120) | |
| Issuance of ordinary shares pursuant to ESOS | 261 | - | - | - | 261 | - | 261 | |
| Total transactions with owners of the Company | 261 | - | - | (11,272) | (11,011) | (120) | (11,131) | |
| Transfer to share capital for share options exercised | 61 | - | (61) | - | - | - | - | |
| At 30 September 2021 | 151,963 | (93) | 2,736 | 187,471 | 342,077 | 5,500 | 347,577 | |

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020.



Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2021

| | 9 months ended | |
|---|-------------------|-------------------|
| | 30/09/2021 | 30/09/2020 |
| | RM '000 | RM '000 |
| Cash flows from operating activities | | |
| Profit before tax | 16,354 | 24,737 |
| Other adjustments | 8,791 | 15,267 |
| Operating profit before changes in working capital | <u>25,145</u> | <u>40,004</u> |
| Net change in current assets | 13,266 | (43,022) |
| Net change in current liabilities | 7,235 | 10,718 |
| Cash generated from operations | <u>45,646</u> | <u>7,700</u> |
| Tax paid | (6,326) | (6,593) |
| Net cash generated from operating activities | <u>39,320</u> | <u>1,107</u> |
| Cash flows from investing activities | | |
| Interest received | 581 | 967 |
| Proceeds from disposal of property, plant and equipment | 10 | (176) |
| Purchase of property, plant and equipment | (3,545) | (6,970) |
| Net cash used in investing activities | <u>(2,954)</u> | <u>(6,179)</u> |
| Cash flows from financing activities | | |
| Interest paid | (1,676) | (1,387) |
| Dividends paid | (11,272) | (11,246) |
| Dividend to non-controlling interest | (120) | - |
| Proceeds from issuance of ordinary shares-ESOS, net of expenses | 294 | 2,090 |
| Drawdown of term loans / revolving credit | 10,265 | 16,814 |
| Repayment of term loans / hire purchase creditors | (20,738) | (4,968) |
| Payment of lease liabilities | (2,667) | (2,452) |
| Net cash (used in) / from financing activities | <u>(25,914)</u> | <u>(1,149)</u> |
| Net increase in cash and cash equivalents | 10,452 | (6,221) |
| Effect on foreign exchange rate changes | 701 | 1,305 |
| Cash and cash equivalents at 1 January | 86,889 | 90,083 |
| Cash and cash equivalents at 30 September | <u>98,042</u> | <u>85,167</u> |
| | 30/09/2021 | 30/09/2020 |
| | RM '000 | RM '000 |
| Composition of cash and cash equivalents | | |
| Cash and bank balances | 42,571 | 44,189 |
| Fixed deposits with licensed banks | 55,471 | 40,978 |
| | <u>98,042</u> | <u>85,167</u> |



**Y.S.P. SOUTHEAST ASIA HOLDING BHD. (Company no : 200101017024 (552781-X))
(Incorporated in Malaysia)**

NOTES TO THE INTERIM FINANCIAL REPORT - 30 SEPTEMBER 2021

A1 Basis of Preparation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 and IAS 34 "Interim Financial Reporting" and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

A2 Changes in Accounting Policies

The accounting policies and method of computation adopted for the condensed interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2020.

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 January 2021 are as follows:

- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement, MFRS 7, Financial Instruments: Disclosures, MFRS 4, Insurance Contracts and MFRS 16, Leases – Interest Rate Benchmark Reform – Phase 2

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 April 2021 are as follows:

- Amendment to MFRS 16, Leases – Covid-19-Related Rent Concessions beyond 30 September 2021

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 January 2022 are as follows:

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018–2020)
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on 1 January 2023 are as follows:

- MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Standards, Amendments and Annual Improvements to Standards that are applicable and effective to the Group beginning on or after a date yet to be confirmed are as follows:

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2021 for those amendments that are effective for annual periods beginning on or after 1 January 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021.
- from the annual period beginning on 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for amendments marked as ["*"] which are not applicable to the Group.
- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 which is not applicable to the Group.

The initial application of the amendments to standards does not have any material financial impact to the current period and prior period financial statements of the Group.

A3 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the year ended 31 December 2020 was not qualified.

A4 Seasonal or Cyclical Factors

The Group's operations are not materially affected by any seasonal or cyclical factors.

A5 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 quarter and nine months ended 30 September 2021.

A6 Material Changes in Estimates

There were no changes in estimates that have any material effect on the quarter and nine months ended 30 September 2021.

A7 Debt and Equity Securities

During the quarter and nine months ended 30 September 2021, the Company has issued 140,000 new ordinary shares pursuant to the exercise of Company's ESOS as follows:

| Exercise Price RM | No. of Shares Issued | Cash Proceeds RM |
|----------------------|-------------------------|---------------------|
| 1.82 | 90,000 | 163,800 |
| 1.89 | 45,000 | 85,050 |
| 2.55 | 5,000 | 12,750 |

A8 Dividends Paid

At the 20th Annual General Meeting held on 25 May 2021, the shareholders have approved the payment of a final single-tier ordinary dividend of 7.0 sen per ordinary share and a final single-tier special dividend of 1.0 sen per ordinary share in respect of financial year ended 31 December 2020, which was paid on 12 August 2021.

A9 Segment Information

The Group is organised based on three major business segments as described below. The basis of segmentation was based on information reported internally to the Managing Director of the Group.

Performance is measured based on segment profit before tax and the total of segment assets are measured based on all assets (including goodwill) of a segment that are reviewed by the Group. Segment total asset is used to measure the return of assets of each segment.

There are no changes in the segment reported in the last audited financial statements.

| Year-to-date ended 30 September 2021 | Investment | Trading | Manufacturing | Inter-company | Total |
|---|-------------------|---------------|----------------|-----------------------|----------------|
| | holding RM'000 | RM'000 | RM'000 | Elimination RM'000 | RM'000 |
| Revenue from external customer | - | 32,295 | 175,680 | - | 207,975 |
| Inter-segment revenue | 12,186 | 727 | 26,021 | (38,934) | - |
| Total revenue | <u>12,186</u> | <u>33,022</u> | <u>201,701</u> | <u>(38,934)</u> | <u>207,975</u> |
| Segment profit before tax | 14,404 | 1,575 | 15,069 | (14,694) | 16,354 |
| Segment assets | <u>208,327</u> | <u>62,977</u> | <u>405,931</u> | <u>(227,514)</u> | <u>449,721</u> |
| Segment liabilities | <u>7,581</u> | <u>36,469</u> | <u>207,213</u> | <u>(149,119)</u> | <u>102,144</u> |

| Year-to-date ended 30 September 2020 | Investment | Trading | Manufacturing | Inter-company | Total |
|---|-------------------|---------------|----------------|-----------------------|----------------|
| | holding RM'000 | RM'000 | RM'000 | Elimination RM'000 | RM'000 |
| Revenue from external customer | - | 33,849 | 187,170 | - | 221,019 |
| Inter-segment revenue | 16,621 | 798 | 34,985 | (52,404) | - |
| Total revenue | <u>16,621</u> | <u>34,647</u> | <u>222,155</u> | <u>(52,404)</u> | <u>221,019</u> |
| Segment profit / (loss) before tax | 18,380 | 2,507 | 21,882 | (18,032) | 24,737 |
| Segment assets | <u>212,450</u> | <u>63,008</u> | <u>418,153</u> | <u>(229,675)</u> | <u>463,936</u> |
| Segment liabilities | <u>10,495</u> | <u>35,663</u> | <u>218,955</u> | <u>(146,878)</u> | <u>118,235</u> |

| Geographical segments | Total revenue | |
|-----------------------|----------------------|----------------------|
| | 30/09/2021 RM'000 | 30/09/2020 RM'000 |
| Malaysia | 151,401 | 152,539 |
| Singapore | 19,519 | 20,601 |
| Vietnam | 15,304 | 15,770 |
| Philippines | 2,017 | 2,263 |
| Cambodia | 3,801 | 4,682 |
| Myanmar | 462 | 2,093 |
| Brunei | 2,338 | 2,388 |
| Indonesia | 4,164 | 3,954 |
| Thailand | 637 | 4,730 |
| Africa | 3,259 | 8,141 |
| Other countries | 5,073 | 3,858 |
| | <u>207,975</u> | <u>221,019</u> |

Investment holding 9M21 vs 9M20

Investment holding segment reported a lower profit before tax at RM14.4 million in 9M21 compared to RM18.4 million in 9M20 mainly due to lower dividend received from the subsidiaries as compared to the same period last year.

Trading 9M21 vs 9M20

Trading segment reported a lower profit before tax of RM1.6 million in 9M21 compared to a profit before tax of RM2.5 million in 9M20 resulting from higher cost of goods sold in product mix during the quarter under review.

Manufacturing 9M21 vs 9M20

Manufacturing segment recorded revenue of RM201.7 million in 9M21, 9.2% lower than the revenue of RM222.2 million recorded in 9M20. The profit before tax for 9M21 posted lower at RM15.1 million compared to RM21.9 million in 9M20. This was mainly due to decrease in sales revenue from export market during the period under review.

A10 Valuations of Property, Plant and Equipment

Property, plant and equipment of the Group are stated at cost less accumulated depreciation and any accumulated impairment losses where applicable.

There is no revaluation of property, plant and equipment during the period under review.

A11 Subsequent Events

There were no material events subsequent to the end of the current quarter.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the quarter and nine months ended 30 September 2021.

A13 Contingent Liabilities

There were no significant changes in contingent liabilities since 31 December 2020.

A14 Capital Commitment

Capital commitment expenditure not provided for in the condensed report as at the end of the financial period were as follows:

| | |
|------------------------------------|---|
| | Contracted but not provided for RM'000 |
| Plant & machinery and other assets | <u>1,931</u> |

A15 Related Party Transactions

Significant related party transactions are as follows:

| | 9 months ended | |
|---|----------------------|----------------------|
| | 30/09/2021 RM'000 | 30/09/2020 RM'000 |
| <u>Corporation related to substantial shareholder</u> | | |
| Purchase of pharmaceutical products | 1,714 | 9,888 |
| Consultancy fees payable | 23 | 5 |
| Rental payable | - | 53 |
| | <u>-</u> | <u>53</u> |
| <u>Companies in which certain Directors have interest</u> | | |
| Purchase of raw materials | 6,213 | 12,901 |
| Sales of pharmaceutical products | (510) | (612) |
| | <u>(510)</u> | <u>(612)</u> |

A16 Financial Instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short-term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The fair values of other financial assets and liabilities not carried at fair value, together with the carrying amounts shown in the statements of financial position, are as follows:

| | As at 30/09/2021 | | As at 31/12/2020 | |
|-----------------------------------|------------------------------|----------------------|------------------------------|----------------------|
| | Carrying amount RM'000 | Fair value RM'000 | Carrying amount RM'000 | Fair value RM'000 |
| Long term loans and borrowings | 19,814 | 18,593 | 21,929 | 21,095 |
| Long term hire purchase creditors | <u>2,677</u> | <u>2,572</u> | <u>1,781</u> | <u>1,677</u> |

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

B1 Review of Performance

| | 3 months ended | | Variance | | 9 months ended | | Variance | |
|--|----------------------|----------------------|----------|---------|----------------------|----------------------|----------|--------|
| | 30/09/2021 RM'000 | 30/09/2020 RM'000 | RM'000 | % | 30/09/2021 RM'000 | 30/09/2020 RM'000 | RM'000 | % |
| Revenue | 71,412 | 72,754 | (1,342) | (1.8) | 207,975 | 221,019 | (13,044) | (5.9) |
| Operating profit | 6,326 | 2,309 | 4,017 | 173.9 | 17,456 | 25,587 | (8,131) | (31.8) |
| Profit before interest and tax | 6,314 | 2,262 | 4,052 | 179.1 | 17,448 | 25,380 | (7,932) | (31.3) |
| Profit before tax | 6,015 | 1,967 | 4,048 | 205.7 | 16,354 | 24,737 | (8,383) | (33.9) |
| Profit after tax | 4,278 | 602 | 3,676 | 610.2 | 11,573 | 17,987 | (6,414) | (35.7) |
| Profit attributable to owners of the Company | 4,260 | 260 | 4,000 | 1,538.5 | 11,512 | 17,755 | (6,243) | (35.2) |

The Group's 9M21 revenue decreased by 5.9% to RM208.0 million from RM221.0 million when compared to the same period last year as a result of decrease in demand from export market.

For the nine months ended 30 September 2021, the Group recorded a lower profit before tax of RM16.4 million compared to RM24.7 million in the same period last year which was attributed to higher cost of goods sold for the product mix and decrease in demand from export market.

B2 Comparison with the Preceding quarter's Results

| | Qtr 3 (30/09/2021) RM'000 | Qtr 2 (30/06/2021) RM'000 | Variance | |
|--|---------------------------------|---------------------------------|----------|-------|
| | | | RM'000 | % |
| Revenue | 71,412 | 65,362 | 6,050 | 9.3 |
| Operating profit | 6,326 | 6,369 | (43) | (0.7) |
| Profit before interest and tax | 6,314 | 6,371 | (57) | (0.9) |
| Profit before tax | 6,015 | 5,976 | 39 | 0.7 |
| Profit after tax | 4,278 | 4,524 | (246) | (5.4) |
| Profit attributable to owners of the Company | 4,260 | 4,460 | (200) | (4.5) |

The Group's revenue increased by 9.3% to RM71.4 million for the current quarter as compared to RM65.4 million for the immediate preceding quarter ("2Q21") which was mainly attributed to increase in demand from export market.

The Group's profit before tax reported at RM6.0 million even though the revenue increased by 9.3%, this was due to increase in cost of goods sold and lower productivity during the quarter under review .

B3 Prospects of the Group

Even with the high vaccination coverage rates in the country, the COVID-19 pandemic continues to create challenges to the business although there was significant improvement in the first half of 2021. The high vaccination coverage rates appeared to contribute to a dramatic reduction in COVID-19 infections in the country. However, the 'pandemic' mindset is still firmly entrenched which could create some concerns for economic growth going forward.

For the nine months ended 30 September 2021, the Group's revenue has dropped 5.9% as compared to the same period last year which was due to decrease in demand from local and export market. The Group recorded a 33.9% drop in profit before tax to RM16.4 million from RM24.7 million in the same period last year which was due to the lower productivity, increase in cost of goods sold and a drop in demand from local and export market.

Despite many constantly moving variables and uncertainties, the Group will continue its efforts to improve operational efficiency and increase product offerings to be in line with changing market trends.

B4 Profit Forecast or Profit Guarantee

There were no profit forecast or profit guarantee issued by the Group.

B5 Taxation

Details of taxation are as follows :-

| | 3 months ended | | 9 months ended | |
|--------------|----------------------|----------------------|----------------------|----------------------|
| | 30/09/2021 RM'000 | 30/09/2020 RM'000 | 30/09/2021 RM'000 | 30/09/2020 RM'000 |
| Current tax | 1,677 | 1,333 | 4,617 | 6,533 |
| Deferred tax | 60 | 32 | 164 | 217 |
| | <u>1,737</u> | <u>1,365</u> | <u>4,781</u> | <u>6,750</u> |

Income tax is calculated at the Malaysian statutory tax rate of 24%. (2020: 24%)

The Group's effective tax rate for the current quarter was higher than the statutory tax rate principally due to certain expenses which were not deductible for tax purposes.

B6 Corporate Proposals

There were no corporate proposals announced by the Company as at the reporting date.

B7 Borrowings and Debt Securities

The details of the Group borrowings as at 30 September 2021 are as follows :

30 September 2021

| | Denominated in Foreign Currency | | RM Equivalent |
|--------------------------------|------------------------------------|------------|------------------|
| | USD'000 | SGD'000 | RM'000 |
| Current | | | |
| Secured revolving credit | - | - | 14,500 |
| <u>Secured bank loans:</u> | | | |
| - Domestic | - | - | 3,908 |
| - Foreign | 2 | 7 | 30 |
| <u>Hire purchase creditor:</u> | | | |
| - Domestic | - | - | 3,523 |
| - Foreign | - | 12 | 37 |
| | <u>2</u> | <u>19</u> | <u>21,998</u> |
| Non-current | | | |
| <u>Secured bank loans:</u> | | | |
| - Domestic | - | - | 15,338 |
| - Foreign | 1,000 | 94 | 4,476 |
| <u>Hire purchase creditor:</u> | | | |
| - Domestic | - | - | 2,677 |
| - Foreign | - | - | - |
| | <u>1,000</u> | <u>94</u> | <u>22,491</u> |
| Total borrowings | <u>1,002</u> | <u>113</u> | <u>44,489</u> |

31 December 2020

| | Denominated in Foreign Currency | | RM Equivalent |
|--------------------------------|------------------------------------|------------|------------------|
| | USD'000 | SGD'000 | RM'000 |
| Current | | | |
| Secured revolving credit | - | - | 14,500 |
| <u>Secured bank loans:</u> | | | |
| - Domestic | - | - | 5,625 |
| - Foreign | 700 | 34 | 2,945 |
| <u>Hire purchase creditor:</u> | | | |
| - Domestic | - | - | 3,633 |
| - Foreign | - | 12 | 36 |
| | <u>700</u> | <u>46</u> | <u>26,739</u> |
| Non-current | | | |
| <u>Secured bank loans:</u> | | | |
| - Domestic | - | - | 17,605 |
| - Foreign | 1,000 | 94 | 4,324 |
| <u>Hire purchase creditor:</u> | | | |
| - Domestic | - | - | 1,750 |
| - Foreign | - | 10 | 31 |
| | <u>1,000</u> | <u>104</u> | <u>23,710</u> |
| Total borrowings | <u>1,700</u> | <u>150</u> | <u>50,449</u> |

As at the reporting date, the Group had not issued any debt securities.

B8 Material Litigation

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

B9 Proposed Dividend

No dividend was proposed during the quarter ended 30 September 2021.

B10 Earnings Per Share

| | 3 months ended | | 9 months ended | |
|---|----------------|----------------|----------------|----------------|
| | 30/09/2021 | 30/09/2020 | 30/09/2021 | 30/09/2020 |
| i) Basic Earnings Per Share | | | | |
| Profit attributable to owners of the Company (RM'000) | 4,260 | 260 | 11,512 | 17,755 |
| Weighted average number of ordinary shares in issue ('000) | <u>139,715</u> | <u>140,458</u> | <u>139,648</u> | <u>139,940</u> |
| Basic Earnings Per Share (sen) | <u>3.05</u> | <u>0.19</u> | <u>8.24</u> | <u>12.69</u> |
| ii) Diluted Earnings Per Share | | | | |
| Profit attributable to owners of the Company (RM'000) | 4,260 | 260 | 11,512 | 17,755 |
| Weighted average number of ordinary shares in issue ('000) | 139,715 | 140,458 | 139,648 | 139,940 |
| Effect of dilution-Share options ('000) | <u>193</u> | <u>737</u> | <u>242</u> | <u>683</u> |
| Adjusted weighted average number of ordinary shares in issue ('000) | <u>139,908</u> | <u>141,195</u> | <u>139,890</u> | <u>140,623</u> |
| Diluted Earnings Per Share (sen) | <u>3.04</u> | <u>0.18</u> | <u>8.23</u> | <u>12.63</u> |

The basic and diluted earnings per share are calculated by dividing profit for the period attributable to owners of the Company over the weighted average number of ordinary shares in issue.