

**GE-SHEN CORPORATION BERHAD**  
(Incorporated in Malaysia)

**Interim Financial Statements**

**First Quarter Results**  
**Period ended**  
**31 March 2022**

**GE-SHEN CORPORATION BERHAD**Company No. 633814-X  
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		<u>3 Months</u>	<u>3 Months</u>	<u>3 Months</u>	<u>3 Months</u>
		<u>Ended</u>	<u>Ended</u>	<u>Ended</u>	<u>Ended</u>
		<u>31 Mar 2022</u>	<u>31 Mar 2021</u>	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue		64,956	65,062	64,956	65,062
Other income		968	1,737	968	1,737
Share of results in associate		-	73	-	73
Changes in inventories of finished goods and work-in-progress		(2,418)	(633)	(2,418)	(633)
Raw materials used		(35,231)	(40,540)	(35,231)	(40,540)
Employee benefits		(13,083)	(12,801)	(13,083)	(12,801)
Depreciation and amortisation		(2,923)	(3,003)	(2,923)	(3,003)
Other operating expenses		(8,150)	(5,406)	(8,150)	(5,406)
Finance costs		(1,140)	(1,079)	(1,140)	(1,079)
Profit before tax		2,979	3,410	2,979	3,410
Tax (expenses)	B6	(632)	(552)	(632)	(552)
Profit for the period		2,347	2,858	2,347	2,858
<b>Other Comprehensive Income:</b>					
Exchange differences on translating foreign operations		51	490	51	490
Share of other comprehensive income of associate		-	-	-	-
Total Comprehensive Income for the period		2,398	3,348	2,398	3,348
<b>Profit after tax attributable to:</b>					
Owners of the Company		2,343	2,688	2,343	2,688
Non-Controlling Interest		4	170	4	170
		2,347	2,858	2,347	2,858
<b>Total Comprehensive Income</b>					
<b>attributable to:</b>					
Owners of the Company		2,394	3,178	2,394	3,178
Non-Controlling Interest		4	170	4	170
		2,398	3,348	2,398	3,348
<b>Earnings per share (Sen)</b>					
Basic	B14	2.13	2.45	2.13	2.45
Diluted	B14	2.13	2.45	2.13	2.45

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 accompanying explanatory notes attached to the interim financial statements.

**GE-SHEN CORPORATION BERHAD**

Company No. 633814-X  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2022**

	Notes	<u>Unaudited</u> As at 31 Mar 2022 RM'000	<u>Audited</u> As at 31 Dec 2021 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		101,114	103,143
Right-of-use assets		25,826	26,197
Goodwill on consolidation		31,195	31,195
		<u>158,135</u>	<u>160,535</u>
<b>Current Assets</b>			
Inventories		37,623	48,143
Trade receivables		46,501	48,429
Other receivables, deposits and prepayments		6,868	5,051
Current tax assets		1,684	1,712
Fixed deposits with licensed banks		4,537	4,341
Cash and bank balances		10,830	6,523
		<u>108,043</u>	<u>114,199</u>
<b>Total Assets</b>		<u>266,178</u>	<u>274,734</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		61,855	61,855
Reserves		53,530	51,136
<b>Total Equity Attributable to Owners of the Company</b>		<u>115,385</u>	<u>112,991</u>
Non-controlling interests		5,516	5,512
		<u>120,901</u>	<u>118,503</u>
<b>Non-Current Liabilities</b>			
Long-term borrowings	B10	49,300	48,785
Deferred taxation		3,469	3,471
		<u>52,769</u>	<u>52,256</u>
<b>Current Liabilities</b>			
Trade payables		19,470	25,678
Other payables and accruals		18,584	22,181
Tax payables		531	209
Short-term borrowings	B10	43,458	45,717
Bank overdrafts		10,465	10,190
		<u>92,508</u>	<u>103,975</u>
<b>Total Liabilities</b>		<u>145,277</u>	<u>156,231</u>
<b>Total Equity and Liabilities</b>		<u>266,178</u>	<u>274,734</u>
Net Assets per Ordinary Share Attributable to Owners of the Company (RM)		1.05	1.03

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 accompanying explanatory notes attached to the interim financial statements.

**GE-SHEN CORPORATION BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	<b>3 Months Ended 31 Mar 2022 RM'000</b>	<b>3 Months Ended 31 Mar 2021 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	2,979	3,410
Adjustments for:		
Depreciation of property, plant and equipment	2,253	2,127
Depreciation of right-of-use asset	670	876
Interest expense	179	1,079
Other interest expense	961	-
Gain on foreign exchange - unrealised	(552)	(760)
Share of results of an associate	-	(73)
Gain on disposal of property, plant and equipment	(8)	(146)
Gain on disposal of right-of-use asset	(78)	-
Loss on foreign exchange - unrealised	112	-
Interest income	(24)	(17)
(Reversal of inventories)/ Inventories written down	243	143
Operating profit before working capital changes	6,735	6,639
Net changes in inventories	10,277	2,691
Net changes in trade and other receivables	397	(2,410)
Net changes in trade and other payables	(9,649)	(5,626)
<b>CASH FLOWS FROM OPERATIONS</b>	<b>7,760</b>	<b>1,294</b>
Tax paid	(317)	(273)
Tax refunded	32	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>7,475</b>	<b>1,021</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	24	17
Increase in pledged of fixed deposits with licensed banks	(195)	(705)
Proceeds from disposal of property, plant and equipment	8	155
Proceeds from disposal of right-of-use asset	78	-
Purchase of property, plant and equipment	(188)	(6,895)
Purchase of right-of-use asset	-	(41)
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(273)</b>	<b>(7,469)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 - CONTINUED**

	<b>3 Months Ended 31 Mar 2022 RM'000</b>	<b>3 Months Ended 31 Mar 2021 RM'000</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Interest paid	(1,140)	(1,079)
Net drawdown/ (repayment) of term loan	967	(2,597)
Net drawdown of multi currency trade loan	1,220	143
Net drawdown of invoice financing	(1,087)	2,374
Drawdown of bankers' acceptance	10,688	9,903
Repayment of bankers' acceptance	(12,629)	(8,608)
Net repayment of revolving credits	(127)	(1,288)
Repayment of lease liabilities	(1,183)	(1,270)
Proceeds from sales of treasury shares	-	3,621
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(3,291)</b>	<b>1,199</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,911</b>	<b>(5,249)</b>
Effect of changes in exchange rates	121	224
<b>CASH AND CASH EQUIVALENT AS AT BEGINNING OF PERIOD</b>	<b>(3,667)</b>	<b>1,451</b>
<b>CASH AND CASH EQUIVALENT AS AT END OF PERIOD</b>	<b>365</b>	<b>(3,574)</b>

Cash and cash equivalents included in the cash flows statement comprise of the followings:

	<b>31 Mar 2022 RM'000</b>	<b>31 Mar 2021 RM'000</b>
Fixed deposits with licensed banks	4,537	3,552
Cash and bank balances	10,830	7,827
Less: Bank overdrafts	(10,465)	(11,401)
Less: FD pledged to licensed banks	(4,537)	(3,552)
	<b>365</b>	<b>(3,574)</b>

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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	← Non-Distributable				→ Distributable				
	Share Capital	Treasury Shares	Employee Share Option Reserve	Redeemable Convertible Preference Share ("RCPS")	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2022</b>	61,855	-	2,450	-	2,006	46,680	112,991	5,512	118,503
<b>Profit after tax for the financial year</b>	-	-	-	-	-	2,343	2,343	4	2,347
<b>Other comprehensive income for the financial year</b>									
- Foreign currency translation differences	-	-	-	-	51	-	51	-	51
<b>Total comprehensive income for the financial year</b>	-	-	-	-	51	2,343	2,394	4	2,398
<b>Contributions by and distributions to owners of the Company:</b>									
- Resale of treasury shares	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2022</b>	61,855	-	2,450	-	2,057	49,023	115,385	5,516	120,901

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2022 - CONTINUED**

	← Non-Distributable				Distributable →				
	Share Capital	Treasury Shares	Employee Share Option Reserve	Redeemable Convertible Preference Share ("RCPS")	Foreign Exchange Translation Reserve	Retained Profits	Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 January 2021</b>	59,381	(1,843)	2,450	-	1,830	33,528	95,346	4,696	100,042
<b>Profit after tax for the financial year</b>	-	-	-	-	-	2,688	2,688	170	2,858
<b>Other comprehensive income for the financial year</b>									
- Foreign currency translation differences	-	-	-	-	490	-	490	-	490
- Share of an associate's other comprehensive income	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the financial year</b>	-	-	-	-	490	2,688	3,178	170	3,348
<b>Contributions by and distributions to owners of the Company:</b>									
- Resale of treasury shares	2,040	1,581	-	-	-	-	3,621	-	3,621
<b>As at 31 March 2021</b>	61,421	(262)	2,450	-	2,320	36,216	102,145	4,866	107,011

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

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**PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134****A1. Basis of Preparation****Statement of compliance**

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

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 financial year ended 31 December 2021.

**Significant accounting policies**

- (a) The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the preparation of the financial statements of the Group for the financial year ended 31 December 2021.
- (b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

<b>MFRSs and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
MFRS 17: Insurance Contracts	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
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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

**A2. Seasonality or Cyclical Factors**

The Group's operations experience certain seasonality or cyclical factors that is common in the industry of which the Group operates in.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

During the quarter, there were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.



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**PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)****A4. Change in Estimates**

There were no significant changes in estimates that have a material effect on the results for the quarter.

**A5. Issuance, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

During the quarter, there were no issuance and repayment of debts and equity securities, share buy-backs, shares cancellation, shares held as treasury shares and resale of treasury shares for the quarter under review.

**A6. Dividend Paid**

There was no dividend paid during the quarter under review.

**A7. Segmental Reporting**

The Group is organised into the two main geographical segments and operating in manufacturing of plastic moulded products, metal stamping products and components. The segmental information has been presented as follows:-

**(a) By Geographical Segment****Current Quarter**

	<b>Malaysia &amp; Singapore</b>	<b>Vietnam</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 March 2022</b>				
Revenue				
- sales to external parties	58,042	6,914	-	64,956
- inter-segment sales	64	-	(64)	-
Total revenue	58,106	6,914	(64)	64,956
Segment results	3,018	1,115	(14)	4,119
Finance costs				(1,140)
Profit before taxation				2,979

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**PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)****A7. Segmental Reporting - continued****(a) By Geographical Segment - continued****Preceding Quarter**

	<b>Malaysia &amp; Singapore RM'000</b>	<b>Vietnam RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>As at 31 December 2021</b>				
Revenue				
- sales to external parties	50,534	7,363	-	57,897
- inter-segment sales	89	-	(89)	-
Total revenue	50,623	7,363	(89)	57,897
Segment results	5,457	838	43	6,338
Finance costs				(1,122)
Profit before taxation				5,216

**Preceding Year Corresponding Quarter**

	<b>Malaysia RM'000</b>	<b>Vietnam RM'000</b>	<b>Elimination RM'000</b>	<b>Consolidated RM'000</b>
<b>As at 31 March 2021</b>				
Revenue				
- sales to external parties	59,243	5,819	-	65,062
- inter-segment sales	124	-	(124)	-
Total revenue	59,367	5,819	(124)	65,062
Segment results	4,671	(168)	(14)	4,489
Finance costs				(1,079)
Profit before taxation				3,410

**(b) By Industry Segment**

Industrial segmental information is not applicable.

**A8. Material Events Subsequent to the End of the Quarter Under Review**

There was no material event subsequent to the end of the quarter that require disclosure or adjustments to the unaudited interim financial statements.

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**PART A - EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134 (CONTINUED)****A9. Changes in the Composition of the Group**

There are no material changes in the composition of the Group for the current financial period ended 31 March 2022 except for the subscription of 99.99% equity interest in Senja Emas Sdn. Bhd. by Polyplas Sdn. Bhd., a subsidiary of the company on 25 March 2022.

**A10. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter.

**A11. Capital Commitments**

The amount of capital commitments not provided for in the interim financial statements are as follows:

	<u>Unaudited</u> 31 Mar 2022 RM'000	<u>Audited</u> 31 Dec 2021 RM'000
<b>Approved and contracted for:</b>		
Purchase of property, plant and equipment	9,892	3,858

**A12. Related Party Transactions**

Significant transactions between the Company and related parties are as follows:

	Individual Quarter ended		Cumulative Quarter ended	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Transaction with related parties:				
Purchase of components	365	463	365	463
Rental of hostels	-	7	-	7
Rental of premises	38	45	38	45
Research and development	-	73	-	73
Sales of goods	735	528	735	528

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS****B1. Review of Group's Results for the Quarter Ended 31 March 2022**

	<b>INDIVIDUAL QUARTER</b>			<b>CUMULATIVE QUARTER</b>		
	<b>3 Months Ended 31 Mar 2022 RM'000</b>	<b>3 Months Ended 31 Mar 2021 RM'000</b>	<b>Changes %</b>	<b>3 Months Ended 31 Mar 2022 RM'000</b>	<b>3 Months Ended 31 Mar 2021 RM'000</b>	<b>Changes %</b>
Revenue	64,956	65,062	(0.2)	64,956	65,062	(0.2)
Operating Profit	4,119	4,416	(6.7)	4,119	4,416	(6.7)
Profit Before Interest and Tax	4,119	4,489	(8.2)	4,119	4,489	(8.2)
Profit Before Tax	2,979	3,410	(12.6)	2,979	3,410	(12.6)
Profit After Tax	2,347	2,858	(17.9)	2,347	2,858	(17.9)
Profit Attributable to Owners of the Company	2,343	2,688	(12.8)	2,343	2,688	(12.8)
EBITDAF	6,734	6,496	3.7	6,734	6,496	3.7

i. Quarter Ended 31 March 2022 compared to Quarter Ended 31 March 2021

The operating environment for our business over the first quarter is pretty much dominated by costs escalation, worker shortage and supply chain disruptions. On the revenue side, the Group had a small negative variance against that of the comparable quarter of the past year – RM64.96 million to RM65.06 million, a negative variance of one hundred and six thousand only. The Group could have recorded higher sales volume as our customers have forecasted higher requirements from our side but then the actual sales recorded were lower than forecast as supply chain disruptions prevented us from shipping more goods out to the customers. Supply side disruptions were experienced by both our side as well as the customer side making planning and production scheduling a particularly challenging task. The usual supply side constraints were further compounded by the Russia/Ukraine conflict as the globalised supply chain is impacted by the rise in energy prices as well as specialist components which are made in Europe. Cost inflation is another issue that is particularly challenging as inflation have now started to take hold on the global economies as prices of energy, raw materials and shortage of manpower is escalating the cost of production and inevitably this will lead to a margin squeeze. The deterioration in gross margin is the significant driver behind the lower profits as the Group's profit before tax declined 13% from RM3.41 million to RM2.98 million.

There was good news from the Vietnam facility as it turned around and recorded three consecutive months of profitability due to a better product mix as well as active cost control. In the comparable period last year, the Vietnam plant recorded three consecutive months of losses, quite a good turnaround. Customer demand was stable, and production was better executed, and a better managed banking relationship all works to allow the improved contribution from Vietnam. The Penang facility managed to record improved profitability despite lower sales revenue from the comparable period of the past year as the management managed to drive some efficiency gains through better production planning and costs control. However, the two Johor Bahru ("JB") factories did not do as well as the past year as the lack of workers were very disruptive towards a smooth operation of the plastic plant, and it was hit disproportionately by the rise in material prices. The metal facility in JB was also negatively impacted by the higher cost of materials and manpower.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
(CONTINUED)****B2. Variation of Results Against Preceding Quarter**

	<b>INDIVIDUAL QUARTER</b>		<b>Changes %</b>
	<b>3 Months Ended 31 Mar 2022 RM'000</b>	<b>3 Months Ended 31 Dec 2021 RM'000</b>	
Revenue	64,956	57,897	12.2
Operating Profit	4,119	6,307	(34.7)
Profit Before Interest and Tax	4,119	6,338	(35.0)
Profit Before Tax	2,979	5,216	(42.9)
Profit After Tax	2,347	5,723	(59.0)
Profit Attributable to Owners of the Company	2,343	5,414	(56.7)
EBITDAF	6,734	9,276	(27.4)

In terms of comparison with the preceding quarter the have been a deterioration in the profit margins as well as cashflow notwithstanding the improvement in sales revenue. Some of this can be explained by the price inflation of inputs from raw materials to manpower and utilities. The holiday shortened first quarter usually compares unfavourable with the fourth quarter of every year due to a decrease in number of working days. One other element to note when making the quarter on quarter comparison is that the accrual for tax expenses for each quarter is based on management's estimate tax rate which is calculated at the Malaysian statutory tax rate of 24% of the estimated profit for the quarter under consideration. However the effective tax rate of the Group for the fourth quarter of the previous year is usually lower than that of the current quarter due to the reversal of the income tax expenses previously accrued throughout the year upon final adjustments of deferred tax assets and deferred tax liability after taking into account all forms of reinvestment allowance and other incentives as well as non-deductible expenses.

Besides the above narrative on the quarter on quarter comparison, the management wishes to highlight that the balance sheet of the Group continues to improve with gearing ratio coming down to 0.85X compared to 0.88X as at 31Dec2021 and 0.93X 31Dec2020. This is notwithstanding the fact that the Group continues to make regular capex in the upgrading of our plants and machinery. The balance sheet have also been better managed as the inventory levels have been brought down by over RM 10mil over the past quarter while accounts payable have also been significantly reduced. The management believes that this improvement in balance sheet is a vindication of the policy of planting up over the past years in order to have the capacity to be a viable solution provider or a manufacturing partner to product owners.

**B3. Prospects of the Group**

The prospects of the Group remain mixed as in the short term the negative impediments continued to exert some downward pressure on the businesses. The manpower issue is one of the more pressing issues which is now compounded by the rise in minimum wage in Malaysia. Not just the manpower is unavailable, there is also an increase in the unit cost as well. While investments can be made in cost control and process improvement, it is highly unlikely that these improvements can move the needle on the cost of employment in the short term. The Management hopes that the price inflation in the cost of materials have been priced in already and the coming months will see some moderation on this issue. There is also uncertainty in the profile of the demand pattern as the adjustment to higher inflation and consumer sentiment have yet to fully filter through the supply chain. The critical components shortage is still a challenge that has to be overcome as well, unless the supply side is able to rectify these shortages through improvements in deliveries. Balanced against these negative outlooks is the longer-term optimism that manufacturing in South East Asia remains an attractive alternative in China. The disruption from the zero Covid-19 policies in China is causing some element of distress amongst international procurement houses. This is further compounded by a rush of companies trying to have a viable second source away from China. It means that there are more opportunities to manufacturers in the South East Asia and the Group is working hard to get more jobs. Already there have been a steady increase in enquires and also projects been actively discussed for all our facilities which will result in a meaningful increase in turnover if some of these enquires turn into project awards. In concluding the Group have been diligently seeking future opportunities while trying to tie over the short terms challenges.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
(CONTINUED)****B4. Profit Forecast**

The Group did not publish any profit forecast during the quarter.

**B5. Explanation Note on Profit Forecast**

Not Applicable.

**B6. Tax Expense**

Tax expense comprises of the followings:

	Individual Quarter ended		Cumulative Quarter ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
In respect of the current period :				
Income tax	635	555	635	555
Deferred tax	(3)	(3)	(3)	(3)
Tax expenses	<u>632</u>	<u>552</u>	<u>632</u>	<u>552</u>

**B7. Sale of Unquoted Investments, or Properties**

There was no disposal of unquoted investments, or properties during the quarter.

**B8. Purchase or Disposal of Quoted and Marketable Securities**

There was no purchase or disposal of quoted and marketable securities during the quarter.

**B9. Corporate Proposals**

There were no corporate proposals during the quarter.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
(CONTINUED)****B10. Borrowings (Secured)**

The Group's borrowings, all are repayable in Ringgit Malaysia, United States Dollar and Vietnamese Dong secured, as of the end of the quarter are as follows:

	<b>Unaudited</b>	<b>Audited</b>
	<b>31 Mar 2022</b>	<b>31 Dec 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings:</b>		
Bankers' acceptance	12,197	14,138
Term loans	5,585	5,812
Revolving credits	9,476	9,604
Multi currency trade loan	8,920	7,700
Invoice Financing	2,790	3,877
	<u>38,968</u>	<u>41,131</u>
<b>Long term borrowings:</b>		
Term loans	42,582	41,387
	<u>42,582</u>	<u>41,387</u>
<b>Lease liabilities:</b>		
Current liabilities	4,490	4,586
Non-Current Liabilities	6,718	7,398
	<u>11,208</u>	<u>11,984</u>
	<u>92,758</u>	<u>94,502</u>

**B11. Off Balance Sheet Financial Instrument**

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

**B12. Material Litigation**

The directors do not have any knowledge of any material proceedings pending or threatened against the Group as the date of this report.

**B13. Dividend Proposed**

There was no dividend declared or proposed by the company for the current quarter ended 31 March 2022.

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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
(CONTINUED)****B14. Earnings per share (Sen)****Basic earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
Profit attributable to ordinary shareholders (RM'000)	2,343	2,688	2,343	2,688
	<u>2,343</u>	<u>2,688</u>	<u>2,343</u>	<u>2,688</u>
Weighted average number of shares in issue ('000)*	110,019	109,579	110,019	109,579
	<u>110,019</u>	<u>109,579</u>	<u>110,019</u>	<u>109,579</u>
Basic EPS (Sen)	<u>2.13</u>	<u>2.45</u>	<u>2.13</u>	<u>2.45</u>

**Diluted earnings earnings per share**

	<u>Individual Quarter ended</u>		<u>Cumulative Quarter ended</u>	
	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>	<u>31 Mar 2022</u>	<u>31 Mar 2021</u>
Profit attributable to ordinary shareholders (RM'000)	2,343	2,688	2,343	2,688
	<u>2,343</u>	<u>2,688</u>	<u>2,343</u>	<u>2,688</u>
Weighted average number of shares in issue ('000)*	110,019	109,579	110,019	109,579
	<u>110,019</u>	<u>109,579</u>	<u>110,019</u>	<u>109,579</u>
Diluted EPS (Sen)	<u>2.13</u>	<u>2.45</u>	<u>2.13</u>	<u>2.45</u>

\* The potential conversion of ESOS are anti-dilutive as the exercise price is higher than the average market price of the Company's ordinary shares during the current financial year. Accordingly, the exercise of ESOS has been ignored in the calculation of dilutive EPS.



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**PART B - ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES LISTING REQUIREMENTS  
(CONTINUED)****B15. Audit Report**

The auditors' report of the company for the financial year ended 31 December 2021 was not subject to any qualification.

**B16. Notes to the Statement of Comprehensive Income**

	Individual Quarter ended		Cumulative Quarter ended	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after crediting:				
Interest income	(24)	(17)	(24)	(17)
Gain on foreign exchange				
- realised	(164)	(8)	(164)	(8)
- unrealised	(552)	(938)	(552)	(938)
Gain on disposal of property, plant and equipment	(8)	(146)	(8)	(146)
Gain on disposal of right-of-use asset	(78)	-	(78)	-
and after charging:				
Depreciation and amortisation	2,923	3,003	2,923	3,003
Interest expenses	1,140	1,079	1,140	1,079
Loss on foreign exchange				
- realised	427	199	427	199
- unrealised	112	178	112	178
Property, plant and equipment written off	-	-	-	-
Inventories written down	243	143	243	143

Save as disclosed in the above, there were no gain/(loss) on disposal of quoted/unquoted investments, exceptional items, and other items required to be disclosed under the additional disclosure requirement for public listed companies that are listed on Main or Ace Markets of the Bursa Malaysia Securities Berhad.