

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

|   | Note | INDIVIDUAL QUARTER<br>3 MONTHS                  |  | CUMULATIVE QUARTER<br>3 MONTHS                       |   |
|---|------|---|--|--|---|
|   |      | Current Year<br>Quarter<br>31.03.2021<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31.03.2020<br>RM'000 | Current<br>Period To<br>Date<br>31.03.2021<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31.03.2020<br>RM'000 |
| Revenue   | 8    | 46,022  | 34,127   | 46,022   | 34,127  |
| Profit from operations  |      | 7,769   | 4,891  | 7,769  | 4,891   |
| Finance income  |      | 154   | 316  | 154  | 316   |
| Finance costs   |      | -   | -  | -  | -   |
| Profit before tax   | 15   | 7,923   | 5,207  | 7,923  | 5,207   |
| Tax expense   | 19   | (1,896)   | (1,245)  | (1,896)  | (1,245)   |
| Profit for the period   |      | 6,027   | 3,962  | 6,027  | 3,962   |
| Other comprehensive income /<br>(expense), net of tax:                                |      |   |  |  |   |
| Fair value of available-for-sale<br>financial assets                                  |      | -   | -  | -  | -   |
| Foreign currency translation<br>differences   |      | 2,791   | 4,735  | 2,791  | 4,735   |
|   |      | 2,791   | 4,735  | 2,791  | 4,735   |
| Total comprehensive income<br>for the period attributable to<br>owners of the Company |      | 8,818   | 8,697  | 8,818  | 8,697   |
| Earnings per share  |      |   |  |  |   |
| Basic (Sen)   | 29   | 1.90  | 1.25   | 1.90   | 1.25  |
| Diluted (Sen)   |      | N/A   | N/A  | N/A  | N/A   |

**The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2020.**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**CONDENSED CONSOLIDATED STATEMENTS ON FINANCIAL POSITION AS AT 31 MARCH 2021**

|  | Note | As at End of<br>Current<br>Quarter<br>31.03.2021<br>RM'000 | Audited<br>As at End of<br>Preceding<br>Financial Year<br>31.12.2020<br>RM'000 |
|--|------|--|--|
| <b>ASSETS</b>  |      |  |  |
| <b>Non-current Assets</b>  |      |  |  |
| Property, plant and equipment  | 20   | 65,629   | 65,364   |
| Right-of-use assets  |      | 10,309   | 10,024   |
| Intangible assets  |      | 20   | 20   |
|  |      | <b>75,958</b>  | <b>75,408</b>  |
| <b>Current Assets</b>  |      |  |  |
| Inventories  |      | 31,600   | 36,377   |
| Trade and other receivables  | 24   | 35,908   | 29,719   |
| Current tax assets   |      | 558  | 558  |
| Cash and cash equivalents  |      | 71,966   | 74,369   |
|  |      | <b>140,032</b>   | <b>141,023</b>   |
| <b>TOTAL ASSETS</b>  |      | <b>215,990</b>   | <b>216,431</b>   |
| <b>EQUITY TO OWNERS OF THE COMPANY</b>   |      |  |  |
| Share capital  |      | 113,680  | 113,680  |
| Reserves   |      | 72,178   | 68,114   |
| <b>TOTAL EQUITY</b>  |      | <b>185,858</b>   | <b>181,794</b>   |
| <b>Non-current Liabilities</b>   |      |  |  |
| Deferred tax liabilities   |      | 8,639  | 8,222  |
| <b>Current Liabilities</b>   |      |  |  |
| Trade and other payables   |      | 15,406   | 20,425   |
| Current tax liabilities  |      | 1,230  | 1,154  |
| Derivative financial liabilities   | 25   | 103  | 81   |
| Dividend payable   |      | 4,754  | 4,754  |
|  |      | <b>21,493</b>  | <b>26,414</b>  |
| <b>TOTAL LIABILITIES</b>   |      | <b>30,132</b>  | <b>34,636</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b>215,990</b>   | <b>216,430</b>   |
| Net assets per ordinary share attributable to ordinary equity holders of the Company (Sen) |      | 58.6   | 57.4   |

**The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2020.**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

|  | <-----Attributable to owners of the Company-----> |   |                                 |                                |                 |
|--|---|---|---------------------------------|--------------------------------|-----------------|
|  | <----- Non- Distributable ----->                  |   |                                 | Distributable                  |                 |
|  | Share capital<br>RM'000                           | Foreign<br>currency<br>translation<br>reserve<br>RM'000 | Fair value<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000 |
| <b>At 1 January 2021</b>                           | 113,680   | (5,052)   | (106)                           | 73,272                         | <b>181,794</b>  |
| Net profit for the period                          | -   | -   | -                               | 6,027                          | <b>6,027</b>    |
| Other comprehensive income / (loss) for the period | -   | 2,791   | -                               | -                              | <b>2,791</b>    |
| Total comprehensive income / (loss) for the period | -   | 2,791   | -                               | 6,027                          | <b>8,818</b>    |
| Dividend   | -   | -   | -                               | (4,754)                        | <b>(4,754)</b>  |
| <b>At 31 March 2021</b>                            | <b>113,680</b>                                    | <b>(2,261)</b>  | <b>(106)</b>                    | <b>74,545</b>                  | <b>185,858</b>  |
| <b>At 1 January 2020</b>                           | <b>113,680</b>                                    | <b>(3,499)</b>  | <b>(60)</b>                     | <b>74,185</b>                  | <b>184,306</b>  |
| Net profit for the period                          | -   | -   | -                               | 3,962                          | <b>3,962</b>    |
| Other comprehensive income for the period          | -   | 4,735   | -                               | -                              | <b>4,735</b>    |
| Total comprehensive income for the period          | -   | 4,735   | -                               | 3,962                          | <b>8,697</b>    |
| Dividend   | -   | -   | -                               | (4,754)                        | <b>(4,754)</b>  |
| <b>At 31 March 2020</b>                            | <b>113,680</b>                                    | <b>1,236</b>  | <b>(60)</b>                     | <b>73,393</b>                  | <b>188,249</b>  |

**The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2020.**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

|   | <b>PERIOD ENDED</b> |                   |
|---|---------------------|-------------------|
|   | <b>31.03.2021</b>   | <b>31.03.2020</b> |
|   | <b>RM'000</b>       | <b>RM'000</b>     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |                     |                   |
| Profit before tax   | 7,923               | 5,207             |
| Adjustments:  |                     |                   |
| Depreciation of property, plant and equipment                     | 1,551               | 1,708             |
| Depreciation of right-of-use assets                               | 37                  | 38                |
| Gain on disposal of property, plant and equipment                 | (37)                | -                 |
| Dividend income   | -                   | (1)               |
| Finance income  | (154)               | (316)             |
| (Reversal) / Impairment loss on trade receivables                 | (6)                 | 12                |
| Operating profit before changes in working capital                | <b>9,314</b>        | <b>6,648</b>      |
| Changes in working capital:                                       |                     |                   |
| Inventories   | 5,263               | 1,297             |
| Trade and other receivables                                       | (5,963)             | (1,267)           |
| Trade and other payables  | (4,958)             | 350               |
| Cash generated from operations                                    | 3,656               | 7,028             |
| Income tax paid   | (1,403)             | 443               |
| Net cash generated from operating activities                      | <b>2,253</b>        | <b>7,471</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                       |                     |                   |
| Acquisition of property, plant and equipment                      | (229)               | (325)             |
| Proceeds from disposal of property, plant and equipment           | 45                  | -                 |
| Dividend received   | -                   | 1                 |
| Interest received   | 154                 | 316               |
| Net cash generated from / (used in) investing activities          | <b>(30)</b>         | <b>(8)</b>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                       |                     |                   |
| Dividends paid  | (4,754)             | (4,754)           |
| Net cash used in financing activities                             | <b>(4,754)</b>      | <b>(4,754)</b>    |
| <b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>     | <b>(2,531)</b>      | <b>2,709</b>      |
| Effects of foreign exchange rate differences                      | 128                 | (36)              |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b> | <b>74,369</b>       | <b>74,176</b>     |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>       | <b>71,966</b>       | <b>76,849</b>     |

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONT'D)**

|  | <b>PERIOD ENDED</b> |                   |
|--|---------------------|-------------------|
|  | <b>31.03.2021</b>   | <b>31.03.2020</b> |
|  | <b>RM'000</b>       | <b>RM'000</b>     |
| Cash and cash equivalents included in the consolidated statements of cash flows comprise the following statements of financial position amounts:   |                     |                   |
| Short-term placements in money market with a licensed bank (including Islamic short term placement of RM18.8 million (31.03.2020: RM18.0 million)) | 39,480              | 29,420            |
| Short-term deposits with licensed banks  | 7,500               | 24,340            |
| Cash and bank balances   | 24,986              | 23,089            |
|  | <b>71,966</b>       | <b>76,849</b>     |

**The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2020.**

## **QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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### **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

#### **PART A : EXPLANATORY NOTES PURSUANT TO MFRS 134**

##### **1 Basis of preparation**

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting in Malaysia and Paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2020.

The accounting policies and presentation adopted by the Group for the quarterly financial statements are consistent with those adopted in the Group’s consolidated audited financial statements for the financial year ended 31 December 2020, except for the adoption of the following Amendments effective 1 January 2021:

- 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

The Group has adopted the Amendments that are relevant and effective for accounting periods beginning on or after 1 January, 2021. The adoption of these Amendments has not resulted in any material impact on the financial statements of the Group.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been applied by the Group:

- 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

##### **2 Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2020 were not subject to any qualification.

##### **3 Seasonal or Cyclical Factors**

The operations of the Group during the current quarter under review have not been materially affected by any seasonal or cyclical factors.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**4 Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review.

**5 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior interim period or financial year that have a material effect in the current quarter under review.

**6 Changes in Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter under review.

**7 Dividends Paid**

A third interim single-tier tax exempt dividend of 1.5 sen per share in respect of financial year ended 31 December 2020 was declared by the Board on 6 November 2020 and subsequently paid on 6 January 2021

A fourth interim single-tier tax exempt dividend of 1.5 sen per share in respect of financial year ended 31 December 2020 was declared by the Board on 24 February 2021 and subsequently paid on 13 April 2021.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**8 Operating segments**

The Group is principally involved in the manufacturing and sale of plastic packaging and its related products and trading of polymer products. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before tax are mainly confined to one operating segment.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers as follows:

|                       | INDIVIDUAL QUARTER<br>3 MONTHS |             |  |             | CUMULATIVE QUARTER<br>3 MONTHS |             |                                       |             |
|-----------------------|--------------------------------|-------------|--|-------------|--------------------------------|-------------|---------------------------------------|-------------|
|                       | Current Year                   |             | Preceding Year                         |             | Current Period To              |             | Preceding Year                        |             |
|                       | Quarter<br>31.03.2021          | %           | Corresponding<br>Quarter<br>31.03.2020 | %           | Date<br>31.03.2021             | %           | Corresponding<br>Period<br>31.03.2020 | %           |
|                       | RM'000                         | %           | RM'000                                 | %           | RM'000                         | %           | RM'000                                | %           |
| Malaysia              | 25,637                         | 56%         | 17,052                                 | 50%         | 25,637                         | 56%         | 17,052                                | 50%         |
| Japan                 | 16,375                         | 36%         | 13,565                                 | 39%         | 16,375                         | 36%         | 13,565                                | 39%         |
| European<br>countries | -                              | -           | 133                                    | *0%         | -                              | -           | 133                                   | *0%         |
| Australia             | 2,131                          | 5%          | 1,310                                  | 4%          | 2,131                          | 5%          | 1,310                                 | 4%          |
| Other countries       | 1,879                          | 3%          | 2,067                                  | 7%          | 1,879                          | 3%          | 2,067                                 | 7%          |
| <b>Total</b>          | <b>46,022</b>                  | <b>100%</b> | <b>34,127</b>                          | <b>100%</b> | <b>46,022</b>                  | <b>100%</b> | <b>34,127</b>                         | <b>100%</b> |

*\*Negligible*

**9 Valuation of Property, Plant and Equipment**

The valuations of land and building have been brought forward, without amendment from the annual financial statements for the year ended 31 December 2020. There were no valuations of property, plant and equipment during the current quarter under review.

**10 Events Subsequent to the Balance Sheet Date**

There were no material events subsequent to the end of the current quarter that have not been reflected in the interim financial statements as at date of this report.

**11 Changes in the Composition of the Group**

There were no changes in the composition of the Group for the current quarter under review. In streamlining the Group's corporate structure, on 16 February 2021, the Company decided to proceed with a voluntary winding up of its wholly owned subsidiary, Sinliplas Sdn Bhd, a dormant subsidiary.



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**12 Changes in contingent liabilities or contingent assets**

The Company has provided corporate guarantees to financial institutions for banking facilities granted to its subsidiaries collectively up to limits of RM44 million as at 31 March 2021, of which, approximately RM2.4 million of the total banking facilities was utilised as at 31 March 2021. The Company has also issued corporate guarantees to non-financial institutions for the supply of goods and services provided to subsidiaries collectively amounting to RM5.7 million as at 31 March 2021.

**13 Capital Commitments**

Capital commitments for the purchase of property, plant and equipment as at the end of the current quarter was as follows:

|                               | <b>Total<br/>RM'000</b> |
|-------------------------------|-------------------------|
| Approved and contracted for:  |                         |
| Property, plant and equipment | <b>279</b>              |
|                               | =====                   |

**14 Significant related party transactions**

There were no significant transactions entered into between the Group and other related parties during the current year under review except the following:

|   | <b>Current<br/>Year-To-Date<br/>RM'000</b> |
|---|--|
| Sales of plastic films and plastic bags to a company controlled by a Director | <b>205</b>                                 |
|   | _____                                      |

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**PART B : EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**

**15 Review of Performance**

|                          | INDIVIDUAL QUARTER<br>3 MONTHS                     |  |               | CUMULATIVE QUARTER<br>3 MONTHS                       |   |               |
|--------------------------|--|--|---------------|--|---|---------------|
|                          | Current<br>Year<br>Quarter<br>31.03.2021<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31.03.2020<br>RM'000 | Variance<br>% | Current<br>Period To<br>Date<br>31.03.2021<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31.03.2020<br>RM'000 | Variance<br>% |
| Revenue                  | 46,022   | 34,127   | 34.9%         | 46,022   | 34,127  | 34.9%         |
| Profit Before Tax        | 7,923  | 5,207  | 52.2%         | 7,923  | 5,207   | 52.2%         |
| Profit After Tax         | 6,027  | 3,962  | 52.1%         | 6,027  | 3,962   | 52.1%         |
| Profit Before Tax Margin | 17.2%  | 15.3%  | 1.9%          | 17.2%  | 15.3%   | 1.9%          |
| Profit After Tax Margin  | 13.1%  | 11.6%  | 1.5%          | 13.1%  | 11.6%   | 1.5%          |

For the current quarter ended 31 March 2021, the Group recorded revenue of RM46.0 million, an increase of 34.9% from RM34.1 million recorded in the corresponding quarter last year. This was due to increase in sales and sales volume for plastic flexible packaging products and plastic resins for local market.

In tandem with higher revenue, the Group posted higher Profit Before Tax (PBT) of RM7.9 million, an increase of RM2.7 million or 52.2% from RM5.2 million of PBT recorded in the corresponding quarter last year.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**16 Comment on material change in profit before tax**

|                          | <b>Current<br/>Quarter<br/>31.03.2021<br/>RM'000</b> | <b>Preceding<br/>Quarter<br/>31.12.2020<br/>RM'000</b> | <b>Variance</b> |          |
|--------------------------|--|--|-----------------|----------|
|                          |  |  | <b>RM'000</b>   | <b>%</b> |
| Revenue                  | 46,022   | 40,949   | 5,073           | 12.4%    |
| Profit Before Tax        | 7,923  | 5,581  | 2,342           | 42.0%    |
| Profit After Tax         | 6,027  | 3,990  | 2,037           | 51.1%    |
| Profit Before Tax Margin | 17.2%  | 13.6%  | -               | 3.6%     |
| Profit After Tax Margin  | 13.1%  | 9.7%   | -               | 3.4%     |

For the current quarter ended 31 March 2021, the Group recorded revenue of RM46.0 million, an increase of 12.4% when compared to RM40.9 million recorded in the preceding quarter due to increase in sales and sales volume of flexible plastic packaging products and plastic resins for local market. As a result, the Group posted higher PBT of RM7.9 million as compared to RM5.6 million recorded in the preceding quarter.

**17 Current year prospects**

Despite a commendable achievement to begin with in FY2021, the Group is still taking cautious business approaches to address the potential worsening pandemic situations regionally. Additionally, logistics cost, labour shortages and materials costs among others, could post challenges to the Group's performance. While the capacity expenditures have resumed in stages from this year for new projects and products, the Group will continue to maintain a healthy balance sheet in the interest of its stakeholders.

**18 Variance between Actual Profit and Forecast Profit**

Not applicable.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**19 Taxation**

|              | INDIVIDUAL QUARTER<br>3 MONTHS                  |  | CUMULATIVE QUARTER<br>3 MONTHS                       |   |
|--------------|---|--|--|---|
|              | Current Year<br>Quarter<br>31.03.2021<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31.03.2020<br>RM'000 | Current<br>Period To<br>Date<br>31.03.2021<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31.03.2020<br>RM'000 |
| Income tax   |   |  |  |   |
| Current year | 1,479   | 1,116  | 1,479  | 1,116   |
| Prior year   | -   | -  | -  | -   |
|              | <b>1,479</b>                                    | <b>1,116</b>   | <b>1,479</b>   | <b>1,116</b>  |
| Deferred tax |   |  |  |   |
| Current year | 417   | 129  | 417  | 129   |
| Prior year   | -   | -  | -  | -   |
|              | <b>1,896</b>                                    | <b>1,245</b>   | <b>1,896</b>   | <b>1,245</b>  |

Effective tax rate in the current year quarter and financial year-to-date is 24%.

**20 Property, plant and equipment**

During the financial period ended 31 March 2021, the Group has acquired / disposed the following assets:

|  | 31.03.2021                         |                                 |
|--|------------------------------------|---------------------------------|
|  | Acquisition<br>of assets<br>RM'000 | Disposal<br>of assets<br>RM'000 |
| Plant, machinery and factory equipment | 191                                | (8)                             |
| Motor Vehicle                          | 38                                 | -                               |
| Office furniture and equipment         | -                                  | -                               |
|  | <b>229</b>                         | <b>(8)</b>                      |

**21 Unquoted investments and properties**

There were no purchases or sale of unquoted investment or properties for the current quarter under review.

**22 Quoted securities**

There were no acquisitions or disposals of quoted securities for the current quarter under review and the financial year-to-date.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**23 Borrowings and debt Securities**

Other than banker guarantee facilities, there were no outstanding bank loans and borrowings.

**24 Trade and other receivables**

|  | <b>31.03.2021</b> | <b>31.12.2020</b> |
|--|-------------------|-------------------|
|  | <b>RM'000</b>     | <b>RM'000</b>     |
| <b>Trade</b>                                       |                   |                   |
| Trade receivables (net of impairment)              | 31,960            | 27,866            |
| Amount due from a company controlled by a Director | 154               | 650               |
| <b>Non-trade</b>                                   |                   |                   |
| Other receivables                                  | 1,266             | 867               |
| Deposits   | 61                | 60                |
| Prepayments  | 2,467             | 276               |
|  | <b>35,908</b>     | <b>29,719</b>     |

Included in other receivables of the Group are tax refundables amounting to RM Nil million (31.03.2020: RM0.4 million).

Included in prepayments of the Group are RM 0.2 million and RM 0.9 million (31.12.2020: RM Nil million and RM Nil million) representing advance payments to suppliers for purchases of plant and machinery and raw materials respectively.

The ageing analysis of the Group's trade receivables as at 31 March 2021 is as follows:

|                             | <b>Gross Carrying</b> |                       | <b>Net Balance</b> |
|-----------------------------|-----------------------|-----------------------|--------------------|
|                             | <b>Amount</b>         | <b>Loss Allowance</b> | <b>RM'000</b>      |
|                             | <b>RM'000</b>         | <b>RM'000</b>         | <b>RM'000</b>      |
| Not past due                | 22,553                | (56)                  | 22,497             |
| Past due 0 – 30 days        | 8,035                 | (21)                  | 8,014              |
| Past due 31 – 120 days      | 1,604                 | (1)                   | 1,603              |
| Past due more than 120 days | 38                    | (38)                  | -                  |
|                             | <b>32,230</b>         | <b>(116)</b>          | <b>32,114</b>      |

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**25 Derivative financial instruments**

Forward foreign exchange contracts are entered into by the Group in currencies other than functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Group's policy is to hedge excess amounts of receivables in foreign currencies after netting off the amounts of payables in the same foreign currencies. As at 31 March 2021 the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

| <b>Derivatives</b>                             | <b>Contract or<br/>Notional Amount<br/>RM'000</b> | <b>Fair Value<br/>Net loss<br/>RM'000</b> |
|--|---|---|
| Currency forward contract:<br>Less than 1 year | 13,475  | (103)                                     |

Derivatives financial instruments that are not designated or do not qualify for hedge accounting are categorised as fair value through profit or loss account and measured at their fair value with the gain or loss recognized in the profit or loss account. The Group will fund the requirements of these derivatives from its net cash flow from operating activities when payments fall due.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk. There is no change in the significant policy for mitigating or controlling the interest rate risk, credit risk, liquidity risk and foreign currency risk for the Group nor the related accounting policies for the financial period ended 31 March 2021. Other related information associated with the financial instruments are consistent with the disclosures in the audited financial statements for the financial year ended 31 December 2020.

**26 Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at the end of current quarter to the date of this quarterly report.

**27 Material Litigation**

There was no pending material litigation against the Group as at the date of this quarterly report.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**28 Proposed Dividend**

Details of the dividends under the single-tier system approved and declared by the Board of Directors are as follows:

**31.03.2021**

**First Interim Dividend**

|  |                  |
|--|------------------|
| Dividend for the financial year ending       | 31 December 2021 |
| Declared on                                  | 7 May 2021       |
| Dividend per share                           | 1.0 sen          |
| Entitlements to dividends based on record of |                  |
| Depositors as at                             | 10 June 2021     |
| Date payable                                 | 8 July 2021      |

**29 Earnings Per Share**

|  | Individual Quarter<br>3 MONTHS        |  | Cumulative Quarter<br>3 MONTHS             |   |
|--|---------------------------------------|--|--|---|
|  | Current Year<br>Quarter<br>31.03.2021 | Preceding Year<br>Corresponding<br>Quarter<br>31.03.2020 | Current<br>Period To<br>Date<br>31.03.2021 | Preceding Year<br>Corresponding<br>Period<br>31.03.2020 |
| <b>BASIC EARNINGS PER SHARE</b>                            |                                       |  |  |   |
| Profit attributable to owners of the Company (RM'000)      | 6,027                                 | 3,962  | 6,027                                      | 3,962   |
| Weighted average number of ordinary shares in issue ('000) | 316,960                               | 316,960  | 316,960                                    | 316,960   |
| Basic Earnings per Share (sen)                             | 1.90                                  | 1.25   | 1.90                                       | 1.25  |

There was no dilution in the earning per share as there was no potential diluted ordinary share outstanding as at the end of the current quarter under review.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**30 Notes to the Statement of Comprehensive Income**

|   | Individual Quarter<br>3 MONTHS                  |  | Cumulative Quarter<br>3 MONTHS                       |   |
|---|---|--|--|---|
|   | Current Year<br>Quarter<br>31.03.2021<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>31.03.2020<br>RM'000 | Current<br>Period To<br>Date<br>31.03.2021<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>31.03.2020<br>RM'000 |
| Profit from operations for the year is arrived at after charging the following items: |   |  |  |   |
| Depreciation and amortisation   | 1,551   | 1,708  | 1,551  | 1,708   |
| Depreciation of right-of-use assets   | 37  | 38   | 37   | 38  |
| Impairment loss on trade receivables  | -   | 12   | -  | 12  |
| Loss on derivative – unrealised   | 20  | -  | 20   | -   |
| Net foreign exchange loss   | 50  | 159  | 50   | 159   |
| and after crediting the following items:  |   |  |  |   |
| Dividend income   | -   | 1  | -  | 1   |
| Interest income   | 154   | 316  | 154  | 316   |
| Gain on disposal of property, plant and equipment                                     | 37  | -  | 37   | -   |
| Reversal of impairment loss on trade receivables                                      | 6   | -  | 6  | -   |

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

**31 Authorisation for issue**

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the Board.