

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

	As at 30-Sept-21 (Unaudited) RM'000	As at 31-Dec-20 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment ("PPE")	92,116	86,715
Investment properties	8,311	8,385
Right of use assets ("ROU")	23,969	26,254
Investment in associates	18,457	20,528
Investment securities	3,710	3,010
Intangible assets	156	175
Deferred tax assets	1,568	1,473
	<u>148,287</u>	<u>146,540</u>
Current assets		
Inventories	181,718	179,303
Trade and other receivables	104,558	94,782
Tax recoverable	294	384
Cash and bank balances	44,835	47,716
Non-current assets held for sale	-	1,819
	<u>331,405</u>	<u>324,004</u>
TOTAL ASSETS	<u>479,692</u>	<u>470,544</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	99,588	99,584
Treasury shares	(3,621)	(2,404)
Reserves	3,199	(2,167)
Retained earnings	188,870	176,404
Equity attributable to owners of the parent	<u>288,036</u>	<u>271,417</u>
Non-controlling interests	44,962	41,460
Total equity	<u>332,998</u>	<u>312,877</u>
Liabilities		
Non-Current Liabilities		
Bank borrowings	17,474	18,541
Lease liabilities	3,903	4,258
Deferred tax liabilities	541	475
	<u>21,918</u>	<u>23,274</u>
Current liabilities		
Trade and other payables	47,282	48,740
Bank borrowings	72,622	80,374
Lease liabilities	1,679	2,790
Tax payable	3,193	2,489
	<u>124,776</u>	<u>134,393</u>
Total liabilities	<u>146,694</u>	<u>157,667</u>
TOTAL EQUITY AND LIABILITIES	<u>479,692</u>	<u>470,544</u>

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Revenue	73,054	71,769	208,988	190,445
Operating expenses	(61,427)	(60,046)	(179,190)	(164,751)
Other income	688	1,134	2,105	3,205
Operating profit	12,315	12,857	31,903	28,899
Interest expense	(1,420)	(2,020)	(4,890)	(5,913)
Interest income	29	288	186	487
Share of results of associates	217	225	992	820
Profit before tax	11,141	11,350	28,191	24,293
Taxation	(3,323)	(3,887)	(8,861)	(7,687)
Profit for the period	7,818	7,463	19,330	16,606
Profit attributable to:				
Owners of the parent	5,954	5,881	15,420	12,975
Non-controlling interests	1,864	1,582	3,910	3,631
Profit for the period	7,818	7,463	19,330	16,606
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	4.03	3.95	10.43	8.70
Diluted EPS	N/A	N/A	N/A	N/A

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



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

	Current quarter 3 months ended 30 September		Cumulative quarter 9 months ended 30 September	
	2021 RM '000	2020 RM '000	2021 RM '000	2020 RM '000
Profit for the period	7,818	7,463	19,330	16,606
Other comprehensive income/(expenses), net of tax:				
Currency translation differences arising from consolidation	1,348	(5,088)	5,661	(1,930)
Fair value movements on available for sale investments	44	(324)	(295)	(2,333)
Total comprehensive income for the period	9,210	2,051	24,696	12,343
Total comprehensive income attributable to:				
Owners of the parent	7,346	469	20,786	8,712
Non-controlling interests	1,864	1,582	3,910	3,631
	9,210	2,051	24,696	12,343

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)**

	Cumulative quarter 9 months ended 30 September	
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	28,191	24,293
Adjustments for:		
Depreciation and amortisation	5,689	5,241
Other non-cash items and non-operating items	4,097	3,061
Operating profit before working capital changes	37,977	32,595
Inventories	(3,715)	8,543
Receivables	(9,776)	(861)
Payables	(1,458)	(6,407)
Cash generated from operating activities	23,028	33,870
Interest paid	(4,890)	(5,913)
Net of tax paid	(7,912)	(4,248)
Net cash from operating activities	10,226	23,709
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	475	87
Interest received	186	487
Net of changes of investment in subsidiaries and associates	675	-
Net of purchase and disposal of investment securities	(700)	75
Net of purchase and disposal of PPE and ROU	(3,152)	(6,612)
Net cash used in investing activities	(2,516)	(5,963)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,220)	(5,691)
Net of repurchase & resold of treasury shares	(1,213)	(592)
Net changes in bank borrowings	(8,819)	(4,720)
Net changes in lease liabilities	(1,466)	(319)
Net cash used in financing activities	(14,718)	(11,322)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,008)	6,424
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	43,349	34,929
Effect of foreign exchange rates changes	7,146	(4,840)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	43,487	36,513
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	44,835	40,279
Overdrafts	(1,348)	(3,766)
	43,487	36,513

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



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 2021 (UNAUDITED)

(RM'000)	----- Non-Distributable -----				----- Distributable -----		Total	Non-controlling interests	Total equity
	----- Attributable to owners of the parent -----								
	Share capital	Treasury shares	Capital reserve	Currencies translation reserve	Fair value reserve	Retained earnings			
Balance as at 1 January 2020	107,891	(9,611)	892	3,233	(3,671)	167,284	266,018	37,843	303,861
Purchase of treasury shares	-	(592)	-	-	-	-	(592)	-	(592)
De-register of subsidiary	-	-	-	-	-	156	156	-	156
Dividend paid	-	-	-	-	-	(4,471)	(4,471)	(1,220)	(5,691)
Total comprehensive income/(loss) for the period	-	-	-	(1,930)	(2,333)	12,975	8,712	3,631	12,343
Balance as at 30 September 2020	107,891	(10,203)	892	1,303	(6,004)	175,944	269,823	40,254	310,077
Balance as at 1 January 2021	99,584	(2,404)	892	1,213	(4,272)	176,404	271,417	41,460	312,877
Purchase of treasury shares	-	(1,224)	-	-	-	-	(1,224)	-	(1,224)
Disposal of treasury shares	4	7	-	-	-	-	11	-	11
Changes in equity	-	-	-	-	-	-	-	(142)	(142)
Dividend paid	-	-	-	-	-	(2,954)	(2,954)	(266)	(3,220)
Total comprehensive income/(loss) for the period	-	-	-	5,661	(295)	15,420	20,786	3,910	24,696
Balance as at 30 September 2021	99,588	(3,621)	892	6,874	(4,567)	188,870	288,036	44,962	332,998

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
NOTES TO THE INTERIM FINANCIAL REPORT
- SELECTED EXPLANATORY NOTES UNDER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 – INTERIM FINANCIAL REPORTING
A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2020 save for the following new MFRSs and amendments to MFRSs.

	Description	Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs and amendments to MFRSs when they become effective.

The adoption of the above standards and interpretations do not have material impact to the financial statements of the Group upon their initial application.

A3 Seasonal or cyclical factors

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



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

A4 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial period-to-date.

A5 Changes in estimates

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

A6 Debt and equity securities

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

At the Annual General Meeting held on 30 June 2021, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 30 September 2021, the Company repurchased of 803,600 own shares. The details of resold shares are as follows: -

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

As at 30 September 2021, a total of 3,063,610 treasury shares, representing 2.03% of the issued and paid-up share capital of the Company are being held as treasury shares and carried at cost at RM3.621 million.

A7 Dividend paid

A final single tier dividend of 2.0 sen per share amounted RM2.954 million in respect of the financial year ended 31 December 2020 was paid on 16 July 2021.

A8 Material post balance sheet events

There were no material events subsequent to the end of the financial period ended 30 September 2021 as at the date of this report.

A9 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2021 save for:

- i. On 9 February 2021, Unimech Engineering (M) Sdn. Bhd. ("UME(M)"), a wholly-owned subsidiary of the Company has disposed 75% equity interest in Inventive Potentials Sdn. Bhd. ("IPSB") for total cash consideration of RM487,500 ("the Disposal"). After the Disposal, IPSB ceases to be a subsidiary company of UME(M).
- ii. On 20 April 2021, M.E.T. Motion Holding Sdn. Bhd., a 51% owned subsidiary company of the Company had subscribed for 80 ordinary shares representing 80% of the issued capital in M.E.T. Motion (KL) Sdn. Bhd. for a total consideration RM80 only.
- iii. On 21 September 2021, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company together with Icontronic Technology Sdn. Bhd., a 60% owned subsidiary of the Company had subscribed for 1,500,000 ordinary shares representing 60% of the issued capital in UP Solar Sdn. Bhd. for a total consideration of RM1,500,000 only.



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

A10 Changes in contingent liabilities or contingent assets

There were no material changes in the contingent liabilities for the Group since the last financial year ended 31 December 2020.

A11 Capital commitments

No material capital commitments as at 30 September 2021.

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

	Individual Period			Cumulative Period		
	Current Period Quarter 30-Sept-21 RM'000	Preceding Year Corresponding Quarter 30-Sept-20 RM'000	Changes RM'000 / %	Current Period to Date 30-Sept-21 RM'000	Preceding Year Corresponding Period 30-Sept-20 RM'000	Changes RM'000 / %
Revenue	73,054	71,769	1,285 / 1.8%	208,988	190,445	18,543 / 9.7%
Profit before tax	11,141	11,350	(209) / (1.8%)	28,191	24,293	3,898 / 16.0%

Current quarter

The Group reported a revenue of RM73.054 million for the current quarter ended 30 September 2021 which was RM1.285 million or 1.8% higher as compared to the preceding year corresponding quarter ended 30 September 2020 of RM71.769 million. However, the profit before tax for the current quarter of RM11.141 million was marginally lower than preceding year corresponding quarter of RM11.350 million.

Financial period-to-date

The Group reported revenue of RM208.988 million for the financial period ended 30 September 2021, representing an increase of 9.7% as compared to previous financial period ended 30 September 2020 of RM190.445 million. The increase in revenue was due principally to higher demand from main business segments and major geographical markets.

In tandem with the increase in revenue, the profit before tax for financial period ended 30 September 2021 improved by 16.0% to RM28.191 million as compared to last financial period ended 30 September 2020 of RM24.293 million.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30-Sept-21 RM'000	Immediate Preceding Quarter 30-Jun-21 RM'000	Changes RM'000 / %
Revenue	73,054	65,729	7,325 / 11.1%
Profit before tax	11,141	8,134	3,007 / 37.0%

The Group reported RM7.325 million or 11.1% increase in revenue for the current quarter ended 30 September 2021 as compared to preceding quarter due to higher demand in valves, instruments and fittings business. Profit before tax in current quarter improved by 37.0% or RM3.007 million. The increase in profit before tax was in line with the increase in revenue in current quarter.

B3 Overall review of group's financial performance

No material changes of the major components of the statement of profit and loss and other comprehensive income, statement of financial position as well as statement of cash flow reported by the Group for the year ended 30 September 2021 compared to preceding year corresponding year ended 30 September 2020.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
B4 Segment information
By business segment as at 30 September 2021

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	165,601	11,527	19,482	12,378		208,988
Inter-segment revenue	32,775	1,459	3,564	19	(37,817)	-
Total revenue	198,376	12,986	23,046	12,397	(37,817)	208,988
Segment results	27,964	1,686	1,670	783	(200)	31,903
Interest expense						(4,890)
Interest income						186
Share of results of associates						992
Profit before tax						28,191
Tax expense						(8,861)
Profit after tax						19,330
Non-controlling interests						(3,910)
Profit attributable to owners of the parent for financial period ended 30 September 2021						15,420
Segment assets	529,785	17,859	33,511	99,542	(201,005)	479,692
Segment liabilities	145,810	22,604	18,527	43,596	(83,843)	146,694

By business segment as at 30 September 2020

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	150,311	9,800	16,486	13,848	-	190,445
Inter-segment revenue	23,313	4,926	2,436	37	(30,712)	-
Total revenue	173,624	14,726	18,922	13,885	(30,712)	190,445
Segment results	25,592	94	1,544	1,819	(150)	28,899
Interest expense						(5,913)
Interest income						487
Share of results of associates						820
Profit before tax						24,293
Tax expense						(7,687)
Profit after tax						16,606
Non-controlling interests						(3,631)
Profit attributable to owners of the parent for financial period ended 30 September 2020						12,975
Segment assets	535,022	16,841	30,371	100,012	(211,187)	471,059
Segment liabilities	168,233	22,642	16,283	87,264	(133,440)	160,982



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B5 Commentary on prospects for 2021

The business activities and economy in Malaysia and countries that the Group has operation are expected to be impacted by the Covid-19 pandemic for year 2021. Amid the challenges faced, the Group remains focused to meet market demand for the valves, instruments and fittings. At the same time, the Group will continue with its competitive strategies to strengthen and grow further on its own brands to enhance its market positioning and concentrate on improving its operations efficiency and expand the products range.

Barring any unforeseen circumstances, the Board of Directors is of the view that the Group shall report an improved performance for the financial year ending 31 December 2021.

B6 Profit forecast

Not applicable as no profit forecast was published.

B7 Income tax expense

	Current quarter 3 months ended 30-Sept-21 RM'000	Cumulative quarters 9 months ended 30-Sept-21 RM'000
Current period provision	3,356	8,890
Deferred tax	<u>(33)</u>	<u>(29)</u>
	<u>3,323</u>	<u>8,861</u>

The effective tax rate for current quarter and cumulative quarters are higher than the statutory tax rate was due to non-tax allowable expenses and losses of certain subsidiary companies cannot be used to offset against profit of other companies in the Group.

B8 Status of corporate proposals and status of utilisation of proceeds raised

There was no corporate proposal being carried out during the period under review.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
B9 Group borrowings and debt securities
Total borrowings as at 30 September 2021

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
Secured						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	1,348	-	1,348
Revolving credits	-	-	-	18,101	-	18,101
Term loans	-	16,776	-	2,861	-	19,637
Trade lines	-	-	-	15,592	-	15,592
	-	16,776	-	37,902	-	54,678
<i>Indonesia Rupiah @ 0.000293</i>						
Term loans	2,380,965	698	1,115,427	327	3,496,392	1,025
Revolving credits	-	-	106,495,422	31,204	106,495,422	31,204
	2,380,965	698	107,610,849	31,531	109,991,814	32,229
Total secured		17,474		69,433		86,907
Unsecured						
<i>Indonesia Rupiah @ 0.000293</i>						
Revolving credits	-	-	10,014,907	2,934	10,014,907	2,934
<i>Thai Baht @ 0.123656</i>						
Trade lines	-	-	2,062	255	2,062	255
Total unsecured		-		3,189		3,189
Total borrowings		17,474		72,622		90,096

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021
B9 Group borrowings and debt securities (continue)
Total borrowings as at 30 September 2020

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
Secured						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	3,766	-	3,766
Revolving credits	-	-	-	29,854	-	29,854
Term loans	-	18,283	-	1,892	-	20,175
Trade lines	-	-	-	13,683	-	13,683
	-	18,283	-	49,195	-	67,478
<i>Indonesia Rupiah @ 0.000279</i>						
Term loans	774,976	216	361,928	101	1,136,904	317
Revolving credits	-	-	114,113,252	31,838	114,113,252	31,838
	774,976	216	114,475,180	31,939	115,250,156	32,155
Total secured		18,499		81,134		99,633
Unsecured						
<i>Indonesia Rupiah @ 0.000279</i>						
Revolving credits	-	-	10,442,600	2,913	10,442,600	2,913
<i>Thai Baht @ 0.131213</i>						
Trade lines	-	-	2,052	269	2,052	269
Total unsecured				3,182		3,182
Total borrowings		18,499		84,316		102,815

B10 Off balance sheet financial instruments

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

B11 Changes in material litigation

The Group is not engaged in any material litigation as at the date of this report.

B12 Dividend

The Board of Directors proposed an interim single tier dividend of 1.5 sen per share in respect of the financial year ending 31 December 2021. The proposed dividend payment is amounting to RM2.215 million based on issued and paid-up capital as at 16 November 2021 of 147,693,900 shares (excluding treasury shares held by the Company).



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B13 Earnings per share (“EPS”)

Basic EPS

The basic EPS had been calculated by dividing the Group’s profit for the year attributable to owner of the parent by the weighted average number of shares in issue.

	Current quarter 3 months ended 30-Sept-21	Cumulative quarters 9 months ended 30-Sept-21
Profit for the period (RM’000)	7,818	19,330
Profit attributable to non-controlling interests (RM’000)	(1,864)	(3,910)
Profit attributable to owners of the parent (RM’000)	<u>5,964</u>	<u>15,420</u>
Weighted average number of ordinary shares in issue (’000)	<u>147,705</u>	<u>147,861</u>
Basic EPS (sen)	4.03	10.43

Diluted EPS

Not applicable as there are no dilutive potential ordinary shares.

B14 Auditors’ report on preceding annual financial statements

The auditors’ report of the annual financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

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

	Current quarter 3 months ended 30-Sept-21 RM’000	Cumulative quarter 9 months ended 30-Sept-21 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Allowance for impairment of inventories	-	1,300
Depreciation & amortisation	2,011	5,689
Dividend income	9	475
Gain on disposal of property, plant & equipment	-	(27)
Interest expense	1,420	4,890
Interest income	29	186
Loss/(Gain) on foreign exchange – realised	(180)	301
Rental income	<u>240</u>	<u>659</u>



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

B16 Foreign Exchange Exposure

The Group incurs foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar, Singapore Dollar, Thai Bath, Chinese Renminbi, and Euro. The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply nature hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by the Management.

B17 Trade Receivables

- i. Trade receivables are non-interest bearing and are generally on 30 days to 120 days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- ii. Analysis of the trade receivables ageing is as follow:

	As at 30-Sept-21 (Unaudited) RM'000	As at 31-Dec-20 (Audited) RM'000
Neither past due nor impaired	39,846	39,327
<u>Pass due but not impaired</u>		
Less than 30 days	17,352	17,126
31 days to 60 days	13,519	13,343
More than 61 days	8,862	8,747
	<u>39,733</u>	<u>39,216</u>
	79,579	78,543
Impaired	4,986	4,986
	<u>84,565</u>	<u>83,529</u>

As at 30 September 2021, trade receivables of RM39.733 million were past due but not impaired. These related to a number of independent customers from whom there is no recent history of default. The management is in an opinion that all the trade receivables are collectible. Thus, no further impairment is required.

- iii. No material impairment in trade receivables was recognised during the financial period ended 30 September 2021.

B18 Impairment of Assets

No material impairment of assets recognised as a loss in the statement of profit and loss and other comprehensive income for the financial period ended 30 September 2021.

By order of the Board

Dato' Seri Lim Cheah Chooi
Chief Executive Director

Dated this 24 November 2021