

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023****CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	As at 30-Jun-23 (Unaudited) RM'000	As at 31-Dec-22 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment ("PPE")	117,045	98,526
Investment properties	7,823	7,877
Right of use assets ("ROU")	25,667	27,502
Investment in associates	25,075	22,820
Investment securities	2,224	1,851
Intangible assets	538	144
Other receivables	678	678
Deferred tax assets	952	831
	<u>180,002</u>	<u>160,229</u>
Current assets		
Inventories	201,832	196,129
Trade and other receivables	103,237	99,699
Tax recoverable	744	806
Cash and bank balances	54,815	51,355
	<u>360,628</u>	<u>347,989</u>
TOTAL ASSETS	<u>540,630</u>	<u>508,218</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	99,588	99,588
Treasury shares	(3,909)	(3,766)
Reserves	11,756	(3,373)
Retained earnings	233,423	218,485
Equity attributable to owners of the parent	<u>340,858</u>	<u>310,934</u>
Non-controlling interests	55,780	52,830
Total equity	<u>396,638</u>	<u>363,764</u>
Liabilities		
Non-Current Liabilities		
Bank borrowings	22,873	16,324
Lease liabilities	4,335	4,163
Deferred tax liabilities	674	501
	<u>27,882</u>	<u>20,988</u>
Current liabilities		
Trade and other payables	49,293	49,736
Bank borrowings	62,685	68,321
Lease liabilities	1,793	2,403
Tax payable	2,339	3,006
	<u>116,110</u>	<u>123,466</u>
Total liabilities	<u>143,992</u>	<u>144,454</u>
TOTAL EQUITY AND LIABILITIES	<u>540,630</u>	<u>508,218</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023****CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2023 RM '000	2022 RM '000	2023 RM '000	2022 RM '000
Revenue	82,009	84,752	160,968	160,133
Operating expenses	(70,543)	(71,854)	(138,154)	(136,334)
Other income	837	456	1,513	956
Operating profit	12,303	13,354	24,327	24,755
Interest expense	(1,881)	(1,983)	(3,497)	(3,414)
Interest income	117	111	220	175
Share of results of associates	1,050	484	1,922	1,084
Profit before tax	11,589	11,966	22,972	22,600
Taxation	(3,020)	(3,542)	(5,981)	(6,623)
Profit for the period	8,569	8,424	16,991	15,977
Profit attributable to:				
Owners of the parent	8,122	6,848	14,938	12,900
Non-controlling interests	447	1,576	2,053	3,077
Profit for the period	8,569	8,424	16,991	15,977
Earnings per share (“EPS”) attributable to owners of the parent (sen):				
Basic EPS	5.51	4.64	10.12	8.74
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 2022 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)

	Current quarter 3 months ended 30 June		Cumulative quarter 6 months ended 30 June	
	2023 RM '000	2022 RM '000	2023 RM '000	2022 RM '000
Profit for the period	8,569	8,424	16,991	15,977
Other comprehensive income/(expenses), net of tax:				
Currency translation differences arising from consolidation	7,281	1,096	15,506	5,101
Fair value movements on available for sale investments	(113)	575	(377)	214
Total comprehensive income for the period	15,737	10,095	32,120	21,292
Total comprehensive income attributable to:				
Owners of the parent	15,290	8,519	30,067	18,215
Non-controlling interests	447	1,576	2,053	3,077
	15,737	10,095	32,120	21,292

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Cumulative quarter 6 months ended 30 June	
	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	22,972	22,600
Adjustments for:		
Depreciation and amortisation	4,152	3,662
Other non-cash items and non-operating items	7,314	11,085
Operating profit before working capital changes	34,438	37,347
Inventories	(6,703)	(16,261)
Receivables	(3,538)	(5,946)
Payables	(443)	5,051
Cash generated from operating activities	23,754	20,191
Interest paid	(3,497)	(3,414)
Net of tax paid	(6,485)	(4,939)
Net cash from operating activities	13,772	11,838
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	10	12
Interest received	220	175
Issue of shares to non-controlling interests	602	100
Net of changes of investment in subsidiaries and associates	(731)	(1,553)
Net of purchase and disposal of investment securities	127	346
Net of purchase and disposal of PPE and ROU	(9,426)	(4,348)
Purchase of intangibles assets	-	(6)
Net cash used in investing activities	(9,198)	(5,274)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interests	(13)	(60)
Net of repurchase of treasury shares	(143)	(91)
Net changes in bank borrowings	913	(2,848)
Net changes in lease liabilities	(438)	(1,661)
Net cash from/(used in) financing activities	319	(4,660)
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,893	1,904
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	47,613	46,631
Effect of foreign exchange rates changes	1,494	4,283
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	54,000	52,818
CASH AND CASH EQUIVALENTS COMPRISED THE FOLLOWING:		
Cash and bank balances	54,815	53,638
Overdrafts	(815)	(820)
	54,000	52,818

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2023 (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 2022	99,588	(3,654)	892	1,363	(4,366)	194,670	288,493	49,051	337,544
Purchase of treasury shares	-	(91)	-	-	-	-	(91)	-	(91)
Changes in equity	-	-	-	-	-	-	-	364	364
Dividend paid	-	-	-	-	-	-	-	(60)	(60)
Total comprehensive income for the period	-	-	-	5,101	214	12,900	18,215	3,077	21,292
Balance as at 30 June 2022	99,588	(3,754)	892	6,464	(4,152)	207,570	306,617	52,432	359,049
Balance as at 1 January 2023	99,588	(3,766)	892	278	(4,543)	218,485	310,934	52,830	363,764
Purchase of treasury shares	-	(143)	-	-	-	-	(143)	-	(143)
Changes in equity	-	-	-	-	-	-	-	910	910
Dividend paid	-	-	-	-	-	-	-	(13)	(13)
Total comprehensive income/(loss) for the period	-	-	-	15,506	(377)	14,938	30,067	2,053	32,120
Balance as at 30 June 2023	99,588	(3,909)	892	15,784	(4,920)	233,423	340,858	55,780	396,638

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
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 2022. 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 2022.

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 2022 save for the following new MFRSs and amendments to MFRSs.

	Description	Effective dates for financial periods beginning on or after
MFRS 17	Insurance contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
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 SECOND QUARTER ENDED 30 JUNE 2023

A4 Unusual items due to their nature, size or incidence

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

A5 Changes in estimates

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

A6 Debt and equity securities

There were no issuances and repayments of debt and equity securities during financial period ended 30 June 2023 save for shares buy back.

At the Annual General Meeting held on 27 June 2023, the Company's shareholders approved the renewal of authority to repurchase its own shares. During the financial period ended 30 June 2023, the Company repurchased of 88,100 own shares.

As at 30 June 2023, a total of 3,252,310 treasury shares, representing 2.16% of the issued and paid-up share capital of the Company are being held as treasury shares and carried at cost at RM3.909 million.

A7 Dividend paid

No dividend had been paid under the financial period under review.

A8 Material post balance sheet event

There were no material events subsequent to the end of the financial period ended 30 June 2023 as at the date of this report.

A9 Changes in the composition of the Group

There were no changes in the composition of the Group during the financial year ended 30 June 2023 save for:

- i. On 6 January 2023, Unimech Capital Sdn. Bhd., a wholly owned subsidiary company of the Company together with M.E.T. Motion Holding Sdn. Bhd., a 51% owned subsidiary company of the Company had acquired 45% and 20% equity interests in Titanflex Industrial Supplies Sdn. Bhd. for purchase consideration of RM562,500 and RM250,000 respectively.
- ii. On 15 May 2023, Unimech Capital Sdn. Bhd., a wholly owned subsidiary company of the Company had subscribed for 70% equity interest in Unijin Manufacturing Sdn. Bhd. for a purchase consideration of RM70,000.
- iii. On 25 May 2023, Unimech Capital Sdn. Bhd., a wholly owned subsidiary of the Company had acquired for 20,000 ordinary shares representing 20% of the issued capital Tri-Axis Technology (M) Sdn. Bhd. for a total consideration of RM40,000.

A11 Capital commitments

No material capital commitments as at 30 June 2023.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
NOTES TO THE INTERIM FINANCIAL REPORT
- ADDITIONAL INFORMATION REQUIRED BY THE BURSA SECURITIES LISTING REQUIREMENTS
B1 Financial review for current quarter and financial period-to-date

	Individual Period			Cumulative Period		
	Current Period Quarter 30-Jun-23 RM'000	Preceding Year Corresponding Quarter 30-Jun-22 RM'000	Changes RM'000 / %	Current Period to Date 30-Jun-23 RM'000	Preceding Year Corresponding Period 30-Jun-22 RM'000	Changes RM'000 / %
Revenue	82,009	84,752	(2,743) / (3.2)	160,968	160,133	835 / 0.5
Profit before tax	11,589	11,966	(377) / (3.1)	22,972	22,600	372 / 1.7

Current quarter

For the second quarter ended 30 June 2023, the Group reported a revenue of RM82.009 million which was RM2.743 million or 3.2% lower as compared to the preceding year corresponding quarter ended 30 June 2022 of RM84.752 million. A lower revenue reported was due to lower demand in local market for all business segments.

The decrease in revenue correspondingly decreased the profit before tax by 3.1% or RM0.377 million to RM11.589 million from RM11.966 million reported in preceding year corresponding quarter.

Financial period-to date

The Group reported revenue of RM160.968 million for the financial period ended 30 June 2023, representing marginal increase of RM0.835 million or 0.5% as compared to previous financial period ended 30 June 2022 of RM160.133 million. The increase of the revenue was principally driven by the increase in demand in the core business particularly in overseas market in Indonesia, Australia and Vietnam but was mitigated by lower demand in local market.

In tandem with the increase in revenue coupled with higher share of results of associates, the profit before tax for financial period ended 30 June 2023 improved by 1.7% to RM22.972 million as compared to last financial period ended 30 June 2022 of RM22.600 million.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30-Jun-23 RM'000	Immediate Preceding Quarter 31-Mar-23 RM'000	Changes RM'000 / %
Revenue	82,009	78,959	3,050 / 3.9
Profit before tax	11,589	11,383	206 / 1.8

The Group reported RM3.050 million or 3.9% increase in revenue for the current quarter ended 30 June 2023 as compared to preceding quarter of 31 March 2023. Higher revenue reported in current quarter was due to strong demand from core business of valves, instruments and fittings segment in current quarter. Increase in profit before tax in current quarter of RM0.206 million or 1.8% was in line with the increase in revenue.

B3 Overall review of group's financial performance

No material changes of the major components of the statement of profit and loss and other comprehensive income, statement of financial position as well as statement of cash flow reported by the Group for the period ended 30 June 2023 compared to preceding year corresponding period ended 30 June 2022.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
B4 Segment information
By business segment as at 30 June 2023

	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	131,029	5,859	15,887	8,193	-	160,968
Inter-segment revenue	26,082	352	3,024	116	(29,574)	-
Total revenue	157,111	6,211	18,911	8,309	(29,574)	160,968
Segment results	21,263	1,295	1,606	263	(100)	24,327
Interest expense						(3,497)
Interest income						220
Share of results of associates						1,922
Profit before tax						22,972
Tax expense						(5,981)
Profit after tax						16,991
Non-controlling interests						(2,053)
Profit attributable to owners of the parent for financial period ended 30 June 2023						<u>14,938</u>
Segment assets	582,978	21,284	39,297	107,994	(210,923)	540,630
Segment liabilities	140,571	20,202	22,444	32,202	(71,427)	143,992

By business segment as at 30 June 2022

	Valves, instruments and fittings RM'000	Electronic RM'000	Pumps RM'000	All others RM'000	Elimination RM'000	Total RM'000
Revenue from external customers	123,673	7,664	15,244	13,552	-	160,133
Inter-segment revenue	28,177	1,093	2,559	15	(31,844)	-
Total revenue	151,850	8,757	17,803	13,567	(31,844)	160,133
Segment results	20,321	1,434	1,423	1,677	(100)	24,755
Interest expense						(3,414)
Interest income						175
Share of results of associates						1,084
Profit before tax						22,600
Tax expense						(6,623)
Profit after tax						15,977
Non-controlling interests						(3,077)
Profit attributable to owners of the parent for financial period ended 30 June 2022						<u>12,900</u>
Segment assets	560,362	18,621	35,286	105,326	(208,878)	510,717
Segment liabilities	155,798	20,589	18,523	28,250	(71,492)	151,668



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B5 Commentary on prospects for the year 2023

The world economy is expected to be impacted by geopolitical tension, war, supply chain disruptions and inflation in the year of 2023. Nevertheless, the Group will remain focus and continue with its competitive strategies to strengthen and grow further on its own brands to enhance its market positioning and improving its operations efficiency to further improve its competitiveness. With strong fundamental and well established in the countries where the Group has operation, and barring any unforeseen circumstances, the Board of Directors is of the view that the Group shall report a satisfactory performance for the financial year ending 31 December 2023.

B6 Profit forecast

Not applicable as no profit forecast was published.

B7 Income tax expense

	Current quarter 3 months ended 30-Jun-23 RM'000	Cumulative quarters 6 months ended 30-Jun-23 RM'000
Current period provision	2,973	5,929
Deferred tax	47	52
	<u>3,020</u>	<u>5,981</u>

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

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

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



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B9 Group borrowings and debt securities

Total borrowings as at 30 June 2023

	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	-	-	-	815	-	815
Revolving credits	-	-	-	11,541	-	11,541
Term loans	-	21,202	-	1,954	-	23,156
Trade lines	-	-	-	9,196	-	9,196
	-	21,202	-	23,506	-	44,708
<i>Vietnam Dong @ 0.000198</i>						
Trade lines	-	-	11,000,514	2,178	11,000,514	2,178
<i>Indonesia Rupiah @ 0.000311</i>						
Term loans	5,373,767	1,671	2,028,279	631	7,402,046	2,302
Revolving credits	-	-	93,742,365	29,154	93,742,365	29,154
	5,373,767	1,671	95,770,644	29,785	101,144,411	31,456
Total secured		22,873		55,469		78,342
Unsecured						
<i>Indonesia Rupiah @ 0.000311</i>						
Revolving credits	-	-	10,518,200	3,271	10,518,200	3,271
<i>Thai Baht @ 0.131427</i>						
Trade lines	-	-	30,019	3,945	30,019	3,945
Total unsecured		-		7,216		7,216
Total borrowings		22,873		62,685		85,558

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
B9 Group borrowings and debt securities (continued)
Total borrowings as at 30 June 2022

	Long term		Short term		Total borrowings	
	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000	Foreign Currencies '000	Ringgit Malaysia '000
Secured						
<i>Ringgit Malaysia @ 1.000</i>						
Bank overdrafts	-	-	-	820	-	820
Revolving credits	-	-	-	13,880	-	13,880
Term loans	-	15,799	-	2,172	-	17,971
Trade lines	-	-	-	15,967	-	15,967
	-	15,799	-	32,839	-	48,638
<i>Vietnam Dong @ 0.000189</i>						
Trade lines	-	-	4,386,514	829	4,386,514	829
<i>Indonesia Rupiah @ 0.000296</i>						
Term loans	3,153,265	933	1,685,279	499	4,838,544	1,432
Revolving credits	-	-	110,028,600	32,568	110,028,600	32,568
	3,153,265	933	111,713,879	33,067	114,867,144	34,000
Total secured		16,732		66,735		83,467
Unsecured						
<i>Indonesia Rupiah @ 0.000296</i>						
Revolving credits	-	-	10,393,600	3,077	10,393,600	3,077
<i>Thai Baht @ 0.124961</i>						
Trade lines	-	-	3,313	414	3,313	414
Total unsecured		-		3,491		3,491
Total borrowings		16,732		70,226		86,958

B10 Off balance sheet financial instruments

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

B11 Changes in material litigation

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

B12 Dividend

No interim dividend has been declared for the financial period ended 30 June 2023.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023
B13 Earnings per share (“EPS”)
Basic EPS

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

	Current quarter 3 months ended 30-Jun-23	Cumulative quarters 3 months ended 30-Jun-23
Profit for the period (RM’000)	8,569	16,991
Profit attributable to non-controlling interests (RM’000)	(447)	(2,053)
Profit attributable to owners of the parent (RM’000)	8,122	14,938
Weighted average number of ordinary shares in issue (’000)	147,519	147,556
Basic EPS (sen)	5.51	10.12

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 2022 was not subject to any qualification.

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

	Current quarter 3 months ended 30-Jun-23 RM’000	Cumulative quarter 6 months ended 30-Jun-23 RM’000
Profit before tax is arrived at after charging/(crediting):-		
Allowance for impairment of inventories	500	1,000
Depreciation & amortisation	2,284	4,152
Dividend income	6	10
Gain on disposal of property, plant & equipment	(233)	(375)
Interest expense	1,881	3,497
Interest income	(117)	(220)
Gain on foreign exchange – realised	(72)	(125)
Rental income	(368)	(471)



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

B16 Foreign Exchange Exposure

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

B17 Trade Receivables

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

	As at 30-Jun-23 (Unaudited) RM'000	As at 31-Dec-22 (Audited) RM'000
Neither past due nor impaired	41,896	46,019
<u>Pass due but not impaired</u>		
Less than 30 days	15,299	16,805
31 days to 60 days	7,587	8,334
More than 61 days	7,936	8,716
	30,822	33,855
Impaired	72,718	79,874
	5,230	5,230
	77,948	85,104

As at 30 June 2023, trade receivables of RM30.822 million were past due but not impaired. These related to several independent customers from whom there is no recent history of default. The management is in an opinion that all the trade receivables are collectible. Thus, no further impairment is required.

- iii. No material impairment in trade receivables was recognised during the financial period ended 30 June 2023.

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 June 2023.

By order of the Board

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

Dated this 21 August 2023