



SOUTHERN CABLE GROUP BERHAD

(Registration No. 201901011439 (1320767-M))
(Incorporated in Malaysia under the Companies Act 2016)

Interim Financial Report

For The Fourth Quarter Ended

31 December 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾

	Note	QUARTER ENDED		YEAR TO-DATE ENDED	
		Unaudited	Unaudited ⁽²⁾	Unaudited	Audited
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	170,081	N/A	562,727	656,687
Cost of sales		(154,974)	N/A	(506,831)	(589,465)
Gross profit		15,107	N/A	55,896	67,222
Other income		1,226	N/A	2,082	3,377
Distribution expenses		(2,872)	N/A	(9,499)	(10,888)
Administrative expenses		(5,282)	N/A	(12,060)	(12,688)
Other expenses		(6)	N/A	(9)	(330)
Operating profit	B12	8,173	N/A	36,410	46,693
Finance costs		(1,272)	N/A	(6,396)	(7,369)
Profit before tax		6,901	N/A	30,014	39,324
Income tax expense	B5	(2,122)	N/A	(8,752)	(10,775)
Profit/Total comprehensive income for the financial period/year⁽³⁾		4,779	N/A	21,262	28,549
Profit/Total comprehensive income for the financial period/year after taxation attributable to:					
Owners of the Company		4,779	N/A	21,262	28,549
		4,779	N/A	21,262	28,549
Earnings per Share					
Basic/Diluted (sen) ⁽⁴⁾⁽⁵⁾	B11	0.60	N/A	2.66	9.67 ⁽⁶⁾



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the prospectus of the Company dated 29 September 2020 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
 - (2) The interim financial report announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.
 - (3) The Group has included a one-off listing expenses of RM1.84 million in the profit/total comprehensive income for the financial period ended 31 December 2020.
 - (4) The diluted earnings per share of the Group for the quarter and financial year-to-date are equivalent to the basic earnings per share as the Group does not have any convertible securities as at the end of the reporting period.
 - (5) Computation on basic earnings per share is based on the Group's weighted average number of ordinary shares during the financial period/year-to-date.
 - (6) Earnings per share is calculated based on the share capital of 295,326,000 shares as the acquisitions of Southern Cable Sdn Bhd, Nextol Polymer Sdn Bhd and Daya Forwarding Sdn Bhd have been completed on 26 December 2019 and before the initial public offering ("**IPO**").
- N/A Not applicable.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited as at 31.12.2020 RM'000	Audited as at 31.12.2019 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	24,551	18,162
Right-of-use assets	46,572	53,275
Investment properties	530	536
	71,653	71,973
Current Assets		
Inventories	88,955	62,133
Current tax assets	82	97
Trade receivables and other receivable	158,142	180,303
Cash and short-term deposits	129,420	56,600
	376,599	299,133
TOTAL ASSETS	448,252	371,106
EQUITY AND LIABILITIES		
Equity		
Share capital	217,656	147,663
Retained earnings	170,552	149,290
Reserves	(120,947)	(120,947)
Total equity	267,261	176,006
Non-current Liabilities		
Loans and borrowings	14,311	18,818
Lease liabilities	5	43
Deferred tax liabilities	3,027	1,793
	17,343	20,654
Current Liabilities		
Loans and borrowing	110,623	135,815
Lease liabilities	51	66
Provisions	177	257
Current tax liabilities	445	2,997
Trade and other payables	52,203	35,227
Derivative financial liabilities	149	84
	163,648	174,446
Total liabilities	180,991	195,100
TOTAL EQUITY AND LIABILITIES	448,252	371,106
Number of issued shares ('000)	800,000	295,326
Net assets per share attributable to owners of the company (RM)	0.33	0.60

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾

	Attributable to owners of the Group			Total equity
	Non-Distributable		Distributable	
	Invested equity	Reorganisation reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2020 (Audited)	147,663	(120,947)	149,290	176,006
Profit for the financial year representing total comprehensive income for the financial year (Unaudited)	-	-	21,262	21,262
Transaction with owners				
Shares issued for the public issue	71,178	-	-	71,178
Shares issuance expenses	(1,185)	-	-	(1,185)
Balance as at 31 December 2020 (Unaudited)	217,656	(120,947)	170,552	267,261

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned.



UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	CURRENT YEAR TO-DATE 31.12.2020 Unaudited RM'000	PRECEDING YEAR TO-DATE 31.12.2019 Audited RM'000
Cash flows from operating activities		
Profit before tax	30,014	39,324
Adjustments for:		
Amortisation/depreciation of investment properties	6	92
Amortisation/depreciation of property, plant and equipment	3,394	2,746
Depreciation of right-of-use assets	3,297	3,465
Bad debts recovered	(20)	-
Fair value loss on derivative financial instruments	64	22
Gain on disposal of property, plant and equipment	(33)	(41)
Gain on disposal of assets held for sale	-	(987)
Gain on disposal of investment property	-	(85)
Interest expenses	6,396	7,369
Interest income	(1,554)	(1,564)
Provision for employee benefit (net)	(80)	27
Property, plant and equipment written off	1	33
Unrealised loss on foreign exchange	571	97
Operating profit before changes in working capital	42,056	50,498
Changes in working capital:		
Inventories	(26,821)	15,623
Trade and other receivables	20,421	(25,356)
Trade and other payable	16,980	(739)
Provision of liquidated ascertained damages	-	(849)
Net cash generated from operations	52,636	39,177
Income tax paid	(10,162)	(9,742)
Income tax refunded	107	-
Interest received	1,554	1,564
Interest paid	(186)	(208)
Net cash from operating activities	43,949	30,791

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾ (CONT'D)

	CURRENT YEAR TO-DATE 31.12.2020 Unaudited RM'000	PRECEDING YEAR TO-DATE 31.12.2019 Audited RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,425)	(2,114)
Purchase of right-of-use assets	(401)	(5,141)
Proceeds from disposal of property, plant and equipment	36	137
Proceeds from disposal of assets held for sale	-	2,201
Proceeds from disposal of investment property	-	5,191
Change in pledged deposits	(2,975)	(2,856)
Change in pledged bank balances	(683)	1,748
Net cash used in investing activities	(8,448)	(834)
Cash flows from financing activities		
Interest paid	(6,210)	(7,161)
Repayment of term loans	(1,468)	(5,014)
Repayment of finance lease liabilities	(5,789)	(4,377)
Repayment of lease liabilities	(92)	(49)
Drawdown of bankers' acceptance	510,601	565,184
Repayment of bankers' acceptance	(534,236)	(599,506)
Net change in amount owing to directors	-	(1,514)
Issuance of share capital	71,178	-
Net cash from/(used in) financing activities	33,984	(52,437)
Net increase/(decrease) in cash and cash equivalents	69,485	(22,480)
Cash and cash equivalents at the beginning of the financial year	13,204	35,684
Cash and cash equivalents at the end of the financial year	82,689	13,204

Notes:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountant's Report as disclosed in the Prospectus and the accompanying explanatory notes attached to the interim financial report.

N/A Not applicable.

A. NOTES TO THE INTERIM FINANCIAL REPORT

A1. Basis of Preparation

The interim financial report of Southern Cable Group Berhad (“**Southern Cable**” or “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRSs**”) 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Listing Requirements.

The interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited consolidated financial statements for the financial year ended 31 December 2019, except for the following amendments/improvements to MFRSs which are relevant and mandatory for the current financial period:

Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board on 5 June 2020

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

A3. Auditors’ Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2019.

A4. Seasonal or Cyclical Factors

The Group’s performance has not been materially affected by any seasonal or cyclical factors during the current quarter and financial year-to-date.



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A5. Items or Incidence of an Unusual Nature

Save as disclosed in Notes A10 and B9, there were no unusual items affecting the assets, liabilities, equity, net income and cash flows during the current quarter and financial year-to-date.

A6. Material Changes in Estimates

There were no material changes in estimates for the current quarter and financial year-to-date.

A7. Debt and Equity Securities

Save as disclosed in Note B6, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellation, share held as treasury shares and resale of treasury shares during the current quarter and financial year-to-date.

A8. Dividend Paid

There were no dividends paid for the current quarter and financial year-to-date.



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A9. Segmental Reporting

The Group is principally a manufacturer of cables and wires that are used for power distribution and transmission, communications as well as control and instrumentation applications. The Group's segmental revenue for the current quarter and financial year-to-date is as follows:

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter 31 December 2020						
Revenue:						
Revenue from external customers	145,132	3,773	6,919	14,257	-	170,081
Inter-segment revenue	-	-	-	7,343	(7,343)	-
	<u>145,132</u>	<u>3,773</u>	<u>6,919</u>	<u>21,600</u>	<u>(7,343)</u>	<u>170,081</u>
Segment profit	13,031	581	857	613	25	15,107
Other income						1,226
Unallocated expenses						(8,160)
Finance costs						(1,272)
Income tax expenses						(2,122)
Profit for the financial period						<u>4,779</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						8,044
Depreciation and amortisation						1,684



A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

	Power cables and wires	Communication cables and wires	Control and instrumentation cables and wires	Others	Adjustment and eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Year-to-date 31 December 2020						
Revenue:						
Revenue from external customers	458,424	21,708	28,154	54,441	-	562,727
Inter-segment revenue				26,111	(26,111)	-
	<u>458,424</u>	<u>21,708</u>	<u>28,154</u>	<u>80,552</u>	<u>(26,111)</u>	<u>562,727</u>
Segment profit	46,026	3,405	3,554	2,856	55	55,896
Other income						2,082
Unallocated expenses						(21,568)
Finance costs						(6,396)
Income tax expenses						(8,752)
Profit for the financial year						<u>21,262</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						26,042
Depreciation and amortisation						6,697

There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned.

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)
A10. Material Events Subsequent to the End of the Current Quarter

Save as disclosed in Note B6 "Status of Corporate Proposals", there are no other material events during the current quarter and financial year-to-date.

A11. Changes in Composition of the Group

Save as disclosed in Note B6, there were no changes in the composition of the Group during the current quarter and financial year-to-date.

A12. Contingent Assets and Contingent Liabilities

Save as disclosed below, there were no other contingent assets or contingent liabilities as at the date of this interim financial report.

	Unaudited as at 31.12.2020 RM'000	Audited as at 31.12.2019 RM'000
Bank guarantee		
- Trade facilities	20,433	26,479
- Contract financing for performance bonds and guarantee	20,384	7,842
	<u>40,817</u>	<u>34,321</u>

A13. Capital Commitments

Save as disclosed below, there were no other material capital commitments incurred or known to be incurred.

	Unaudited as at 31.12.2020 RM'000	Audited as at 31.12.2019 RM'000
Capital expenditures contracted but not provided for:		
- Construction of building	-	45
- Purchase of plant and machineries	7,150	111
Capital expenditures not contracted and not provided for:		
- Purchase of plant and machineries	21,051	30,000

A. NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)
A14. Related Party Transactions

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.12.2020 RM'000	Unaudited ⁽¹⁾ 31.12.2019 RM'000	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Rental expenses charged by a person connected to a director	13	N/A	54	54
Disposal of assets held for sale to persons connected to a director	-	N/A	-	2,300
Disposal of investment property to a director and a person connected to a director	-	N/A	-	5,200

Notes:

(1) There are no comparative figures for the preceding corresponding quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A Not Applicable.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
B1. Review of Group Performance

In the current quarter ended 31 December 2020 and financial year-to-date, the Group recorded revenue of RM170.08 million and RM562.73 million, gross profit of RM15.11 million and RM55.90 million and profit before tax of RM6.90 million and 30.01 million respectively.

The Group's revenue for the current quarter and financial year-to-date is mainly attributed to its power cables and wires segment which accounted for RM145.13 million and RM458.42 million or 85.33% and 81.46% of the total revenue respectively. The revenue attributed to the power cables and wires was mainly contributed by low and medium voltage power cables and wires from utility companies.

The Group's gross profit for the current quarter and financial year-to-date is mainly attributed to the power cables and wires segment which contributed RM13.03 million and RM46.03 million or 86.26% and 82.34% of the gross profit respectively.

The Group recognised profit before tax of RM6.90 million for current quarter and RM30.01 million for financial year-to-date after deducting expenses which are mainly attributed to distribution expenses and administrative expenses amounting to RM8.15 million and RM21.56 million for the current quarter and financial year-to-date respectively. The distribution expenses and administrative expenses mainly consists of outward transport charges, depreciation, bonus, salaries and directors' remuneration as well as listing expenses.

There are no comparative figures for the preceding corresponding period as no interim financial report was prepared for the comparative financial period concerned announced by the Group in compliance with the Listing Requirements.

B2. Comparison with the Immediate Preceding Quarter Result

	INDIVIDUAL QUARTER		Variance	
	Current Quarter 31.12.2020 RM'000	Preceding Quarter 30.09.2020 RM'000	RM'000	%
Revenue	170,081	151,560	18,521	12.22
Profit before tax	6,901	9,675	(2,774)	(28.67)

The Group's revenue for the current quarter increased by 12.22% to RM170.08 million from RM151.56 million recorded in the preceding quarter. The increase in revenue was mainly contributed by an increase in sales of low and medium voltage power cables and wires.

The Group recorded a 28.67% decrease in profit before tax from RM9.675 million in the preceding quarter to RM6.901 million in the current quarter. The decrease in the profit before tax was mainly due to the declaration of bonus to employees of RM1.16 million and also the listing expenses of RM1.84 million in the current quarter.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B3. Commentary on Prospects

As disclosed in Section 5.8 of the Prospectus, the Group has the following future plans:

- (a) to expand the Group's production facilities;
- (b) to expand the Group's product range; and
- (c) to purchase and upgrade machinery and equipment to support the Group's expansion plans.

The Group believes that its prospects in the production facilities are favourable in view of the following factors, details of which are disclosed in Section 5.8 of the Prospectus:

- (i) the Group's current on-going projects and order book; and
- (ii) competitive strengths of the Group.

Please refer to Section 5.5.13 of the Prospectus for further details on the interruptions to business and operations pursuant to the COVID-19 pandemic and the movement control order conditions.

Premised on the above and barring unforeseen circumstances, the Board of Directors expects the Group's financial performance for the current financial year to be satisfactory.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current quarter and financial year-to-date.

B5. Tax Expense

QUARTER ENDED		YEAR-TO-DATE ENDED	
Unaudited 31.12.2020 RM'000	Unaudited ⁽¹⁾ 31.12.2019 RM'000	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000

In respect of current period:

Income tax	2,122	N/A	8,752	10,775
Effective tax rate (%)	30.75	N/A	29.16	27.40
Statutory tax rate (%)	24.00	N/A	24.00	24.00

The effective tax rate of the Group for the current quarter and financial year-to-date was higher than the statutory tax rate mainly due to non-deductible expenses and adjustment of deferred tax.

Notes:

- (1) There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative financial quarter concerned.

N/A Not applicable.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B6. Status of Corporate Proposals

During the financial quarter, the Company successfully listed its entire enlarged issued share capital of RM218.84 million comprising 800,000,000 shares on the ACE Market of Bursa Securities on 16 October 2020.

Save as disclosed above, there are no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B7. Use of Proceeds Raised from Public Issue

The gross proceeds of approximately RM71.18 million from the Public Issue is intended to be utilised in the following manner:

Detail of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended timeframe for utilisation from the date of listing
Capital expenditure and expansion				Within 36 months
- Purchase and upgrade of new machinery and equipment	18,500	2,569	15,931	
- Construction of factories	7,500	-	7,500	
- Purchase and installation of Enterprise Resource Planning information technology system	4,000	-	4,000	
	30,000	2,569	27,431	
Repayment of bank borrowings	9,188	1,992	7,196	Within 6 months
Working capital	27,490	10,743	16,747	Within 6 months
Estimated listing expenses	4,500	4,500	-	Within 3 months
Total	71,178	19,804	51,374	

The use of proceeds as disclosed above should be read together with the Prospectus.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B8. Borrowings

The details of the Group's borrowings are as follows: -

	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Non-current		
Term loans	9,046	10,553
Finance lease liabilities	5,265	8,265
	14,311	18,818
Current		
Term loans	1,722	1,684
Finance lease liabilities	2,574	3,846
Bankers' acceptance	106,327	129,961
Bank overdraft	-	324
	110,623	135,815
Total	124,934	154,633

All the borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

As at the date of this report, the Group is not engaged in any material litigation.

B10. Dividends

The Board of Directors have proposed a final single tier dividend of 0.40 sen per ordinary share, amounting to approximately RM3.20 million for the financial year ended 31 December 2020. The proposed dividend is subject to shareholders' approval at the forthcoming Annual General Meeting.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B11. Basic and Diluted Earnings per Share

The basic and diluted earnings per share (“EPS”) for the current quarter and financial year-to-date are computed as follows:

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.12.2020	Unaudited ⁽¹⁾ 31.12.2019	Unaudited 31.12.2020	Audited 31.12.2019
Profit attributable to owner of the Company (RM'000)	4,779	N/A	21,262	28,549
Weighted average number of shares after IPO ('000)	800,000	N/A	800,000	295,326 ⁽⁴⁾
Basic/Diluted EPS (sen) ⁽²⁾⁽³⁾	0.60	N/A	2.66	9.67 ⁽⁴⁾

Notes:

- (1) There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.
 - (2) The diluted earnings per share of the Group for the quarter and financial year-to-date are equivalent to the basic earnings per share as the Group does not have any convertible securities as at the end of the reporting period.
 - (3) Computation on basic earnings per share is based on the Group's weighted average number of ordinary shares during the quarter and financial period/year-to-date.
 - (4) Earnings per share is calculated based on the share capital of 295,326,000 shares as the acquisitions of Southern Cable Sdn Bhd, Nextol Polymer Sdn Bhd and Daya Forwarding Sdn Bhd have been completed on 26 December 2019 and before the IPO.
- N/A Not applicable.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 31.12.2020 RM'000	Unaudited ⁽¹⁾ 31.12.2019 RM'000	Unaudited 31.12.2020 RM'000	Audited 31.12.2019 RM'000
Interest income	(1,106)	N/A	(1,554)	(1,564)
Interest expenses	1,272	N/A	6,396	7,369
Bad debts recovered	-	N/A	(20)	-
Amortisation/depreciation of investment properties	1	N/A	6	92
Amortisation/depreciation of property, plant and equipment	940	N/A	3,394	2,746
Depreciation of right-of-use assets	743	N/A	3,297	3,465

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

N/A Not Applicable

Save as disclosed above, the other disclosure items as required under Rule 16 of Appendix 9B of the Listing Requirements are not applicable.

B13. Derivative Financial Instruments

The Group has entered into forward foreign exchange contracts in current quarter to manage the foreign currency exposures arising from the Group's receivables and payables denominated in United States Dollar (USD). Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity. The notional principal amounts of the Group's outstanding forward foreign exchange contracts as at 31 December 2020 was RM25.59 million. The derivative financial liability of RM0.15 million which measured at fair value has been recognised in the Unaudited Condensed Consolidated Statement of Financial Position as at the date of this interim financial report.