



SOUTHERN CABLE GROUP BERHAD

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

Interim Financial Report

For The Second Quarter Ended

30 June 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME⁽¹⁾

	Note	QUARTER ENDED		YEAR TO-DATE ENDED	
		Unaudited	Unaudited	Unaudited	Unaudited
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	214,550	156,429	399,691	328,717
Cost of sales		(202,907)	(146,385)	(378,597)	(308,970)
Gross profit		11,643	10,044	21,094	19,747
Other income		840	569	1,869	1,583
Distribution expenses		(3,472)	(2,415)	(6,226)	(5,041)
Administrative expenses		(2,304)	(2,803)	(4,723)	(4,856)
Other expenses		-	(1)	(3)	(1)
Operating profit	B12	6,707	5,394	12,011	11,432
Finance costs		(1,889)	(1,223)	(3,712)	(2,448)
Profit before tax		4,818	4,171	8,299	8,984
Income tax expense	B5	(1,210)	(1,107)	(2,080)	(2,309)
Profit/Total comprehensive income for the financial period		3,608	3,064	6,219	6,675
Profit/Total comprehensive income for the financial period after taxation attributable to:					
Owners of the Company		3,608	3,064	6,219	6,675
		3,608	3,064	6,219	6,675
Earnings per Share					
Basic/Diluted (sen) ⁽²⁾⁽³⁾	B11	0.45	0.38	0.78	0.83



**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 are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (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 financial period-to-date.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited as at 30.06.2022 RM'000	Audited as at 31.12.2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	48,820	43,559
Right-of-use assets	41,524	43,375
Investment properties	520	523
Total non-current assets	90,864	87,457
Current Assets		
Inventories	182,239	182,529
Current tax assets	6,787	5,985
Trade and other receivables	207,201	199,325
Derivative financial assets	248	-
Cash and short-term deposits	22,866	35,411
Total current assets	419,341	423,250
TOTAL ASSETS	510,205	510,707
EQUITY AND LIABILITIES		
Equity		
Share capital	217,656	217,656
Retained earnings	182,797	178,258
Reserves	(120,947)	(120,947)
Total equity	279,506	274,967
Non-current Liabilities		
Loans and borrowings	6,889	8,629
Deferred tax liabilities	5,514	5,490
Total non-current liabilities	12,403	14,119
Current Liabilities		
Loans and borrowing	169,907	158,101
Provisions	281	387
Current tax liabilities	355	239
Trade and other payables	47,753	62,287
Derivative financial liabilities	-	607
Total current liabilities	218,296	221,621
TOTAL LIABILITIES	230,699	235,740
TOTAL EQUITY AND LIABILITIES	510,205	510,707
Number of issued shares ('000)	800,000	800,000
Net assets per share attributable to owners of the company (RM)	0.35	0.34



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾ (CONT'D)

Notes:

- (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 Company's audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2022 (Audited)	217,656	(120,947)	178,258	274,967
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)	-	-	6,219	6,219
Transaction with owners: Dividend payable	-	-	(1,680)	(1,680)
Balance as at 30 June 2022 (Unaudited)	217,656	(120,947)	182,797	279,506

	Attributable to owners of the Company			Total equity RM'000
	Non-Distributable		Distributable	
	Share capital RM'000	Reorganisation reserve RM'000	Retained earnings RM'000	
Balance as at 1 January 2021 (Audited)	217,656	(120,947)	170,552	267,261
Profit for the financial period representing total comprehensive income for the financial period (Unaudited)	-	-	6,675	6,675
Transaction with owners: Dividend payable	-	-	(3,200)	(3,200)
Balance as at 30 June 2021 (Unaudited)	217,656	(120,947)	174,027	270,736

Note:

- (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 Company's audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	CURRENT YEAR TO-DATE 30.06.2022 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.06.2021 Unaudited RM'000
Cash flows from operating activities		
Profit before tax	8,299	8,984
Adjustments for:		
Amortisation/depreciation of investment properties	3	3
Amortisation/depreciation of property, plant and equipment	2,669	2,093
Depreciation of right-of-use assets	1,167	1,423
Fair value gain on derivative financial instruments	(854)	(169)
Interest expenses	3,712	2,448
Interest income	(103)	(675)
Provision for employee benefit (net)	(107)	105
Right-of-use assets written off	-	8
Unrealised gain on foreign exchange	(378)	(492)
Operating profit before changes in working capital	14,408	13,728
Changes in working capital:		
Inventories	290	(2,463)
Trade and other receivables	(7,437)	(2,160)
Trade and other payables	(16,273)	(1,575)
Net cash (used in)/generated from operations	(9,012)	7,530
Income tax paid	(2,742)	(3,903)
Interest received	103	675
Interest paid	(129)	(168)
Net cash (used in)/from operating activities	(11,780)	4,134

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

	CURRENT YEAR TO-DATE 30.06.2022 Unaudited RM'000	PRECEDING YEAR TO-DATE 30.06.2021 Unaudited RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,118)	(8,672)
Purchase of right-of-use assets	(24)	(301)
Change in pledged deposits	4,554	(571)
Change in pledged bank balances	-	(4,301)
Net cash used in investing activities	(2,588)	(13,845)
Cash flows from financing activities		
Interest paid	(3,583)	(2,280)
Repayment of term loans	(856)	(7,547)
Repayment of lease liabilities	(1,288)	(1,552)
Drawdown of bankers' acceptance	379,323	267,227
Repayment of bankers' acceptance	(367,219)	(290,625)
Net cash from/(used in) financing activities	6,377	(34,777)
Net decrease in cash and cash equivalents	(7,991)	(44,488)
Cash and cash equivalents at the beginning of the financial period	30,213	82,689
Cash and cash equivalents at the end of the financial period	22,222	38,201

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Company's audited consolidated financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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 Paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

This interim financial report should be read in conjunction with the Company’s audited consolidated financial statements for the financial year ended 31 December 2021 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 2021, except for the following amendments/improvements to MFRSs which are relevant and mandatory for the current financial period:

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of MFRSs ^
MFRS 3	Business Combinations
MFRS 9	Financial Instruments ^
MFRS 16	Leases ^
MFRS 116	Property, Plant and Equipment
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 141	Agriculture ^

^ *The Annual Improvements to MFRSs 2018-2020.*

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 consolidated financial statements of the Group for the financial year ended 31 December 2021.

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.



SOUTHERN CABLE

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

A5. Items or Incidence of an Unusual Nature

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

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

The Company declared a final dividend of 0.21 sen per ordinary share amounting to RM1.68 million in respect of the financial year end 31 December 2021. The final dividend has been paid by the Company on 29 July 2022 to shareholders whose names appeared in the Record of Depositors at the close of business on 15 July 2022.



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 30 June 2022						
Revenue:						
Revenue from external customers	175,732	2,915	5,414	30,489	-	214,550
Inter-segment revenue	-	-	-	8,501	(8,501)	-
	<u>175,732</u>	<u>2,915</u>	<u>5,414</u>	<u>38,990</u>	<u>(8,501)</u>	<u>214,550</u>
Segment profit	9,617	329	439	1,082	176	11,643
Other income						840
Unallocated expenses						(5,776)
Finance costs						(1,889)
Income tax expenses						(1,210)
Profit for the financial period						<u>3,608</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						7,111
Depreciation and amortisation						1,941



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
Preceding quarter 30 June 2021						
Revenue:						
Revenue from external customers	137,305	3,320	3,029	12,775	-	156,429
Inter-segment revenue	-	-	-	5,498	(5,498)	-
	<u>137,305</u>	<u>3,320</u>	<u>3,029</u>	<u>18,273</u>	<u>(5,498)</u>	<u>156,429</u>
Segment profit	8,751	338	264	630	61	10,044
Other income						569
Unallocated expenses						(5,219)
Finance costs						(1,223)
Income tax expenses						(1,107)
Profit for the financial period						<u>3,064</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						7,191
Depreciation and amortisation						1,767



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 30 June 2022						
Revenue:						
Revenue from external customers	336,845	5,459	8,307	49,080	-	399,691
Inter-segment revenue	-	-	-	17,102	(17,102)	-
	<u>336,845</u>	<u>5,459</u>	<u>8,307</u>	<u>66,182</u>	<u>(17,102)</u>	<u>399,691</u>
Segment profit	17,796	599	674	1,925	100	21,094
Other income						1,869
Unallocated expenses						(10,952)
Finance costs						(3,712)
Income tax expenses						(2,080)
Profit for the financial period						<u>6,219</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						13,740
Depreciation and amortisation						3,839



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 30 June 2021						
Revenue:						
Revenue from external customers	292,347	8,973	6,371	21,026	-	328,717
Inter-segment revenue	-	-	-	12,796	(12,796)	-
	<u>292,347</u>	<u>8,973</u>	<u>6,371</u>	<u>33,822</u>	<u>(12,796)</u>	<u>328,717</u>
Segment profit	17,221	849	514	1,143	20	19,747
Other income						1,583
Unallocated expenses						(9,898)
Finance costs						(2,448)
Income tax expenses						<u>(2,309)</u>
Profit for the financial period						<u>6,675</u>
Result:						
<i>Included in the measure of segments profit are:</i>						
Employee benefits expense						13,814
Depreciation and amortisation						3,519

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

There are no other material events subsequent to the end of the current quarter and financial year-to-date that have not been reflected in this interim financial report.

A11. Changes in Composition of the Group

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 30.06.2022 RM'000	Audited as at 31.12.2021 RM'000
Bank guarantee		
- Trade facilities	14,418	14,693
- Contract financing for performance bonds and guarantee	16,054	14,525
	<u>30,472</u>	<u>29,218</u>

A13. Capital Commitments

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

	Unaudited as at 30.06.2022 RM'000	Audited as at 31.12.2021 RM'000
Capital expenditures contracted but not provided for:		
- Construction of building,	-	2,018
- Purchase of machineries, factory equipments, electrical installation and Enterprise Resource Planning information technology system.	451	-
Capital expenditures not contracted and not provided for:		
- Construction of building and Enterprise Resource Planning information technology system	8,058	9,402
	<u>8,509</u>	<u>11,420</u>

A14. Related Party Transactions

	QUARTER ENDED		YEAR-TO-DATE ENDED	
	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000
Rental expenses charged by a person connected to a director	14	14	27	27

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

(a) Result for current quarter

	QUARTER ENDED		Variance RM'000	%
	Current Quarter	Preceding Corresponding Quarter		
	30.06.2022 RM'000	30.06.2021 RM'000		
Revenue	214,550	156,429	58,121	37.15
Profit before Tax	4,818	4,171	647	15.51

In the current quarter ended 30 June 2022, the Group recorded revenue of RM214.55 million compared with RM156.43 million for the corresponding quarter in the preceding year ended 30 June 2021, an increase of RM58.12 million or 37.15%.

Geographically, the Malaysian market remained the largest market contributing to the Group's revenue, accounting for approximately 97.60% of the total revenue for the current quarter ended 30 June 2022.

The power cables and wires segment accounted for RM175.73 million or 81.91% of the group's total revenue for the current quarter, an increase of RM38.43 million or 27.99% from RM137.31 million in the previous corresponding quarter. The revenue growth is attributed to the higher average selling prices of cables and wires, in line with the price increase of metal-based materials such as copper and aluminium, and non-metal based materials including plastic and sawn timber.

The balance RM38.82 million or 18.09% of total group revenue was derived from the communication cables and wires segment, control and instrumentation cables and wires segment, and others. Overall, revenue from these segments increased by RM19.69 million or 102.98% from RM19.12 million in the previous corresponding quarter, mainly attributed to higher sales of aluminium rods. The increase was partially offset by a decline in revenue from communication cables and wires.

The Group recognised profit before tax of RM4.82 million in the current quarter compared with RM4.17 million in the previous corresponding quarter, an increase of RM0.65 million or 15.51%. This was mainly due to product mix and partially offset by higher distribution and finance cost.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

(b) Result for financial period-to-date

	YEAR-TO-DATE ENDED		Variance	
	Current Year to Date 30.06.2022 RM'000	Preceding Year to Date 30.06.2021 RM'000	RM'000	%
Revenue	399,691	328,717	70,974	21.59
Profit before tax	8,299	8,984	(685)	(7.62)

The Group recorded revenue of RM399.69 million for the current financial period ended 30 June 2022 as compared with RM328.72 million for the preceding financial period ended 30 June 2021, an increase of RM70.97 million or 21.59%.

The Malaysian market remained the largest market contributing to the Group's revenue, accounting for approximately 96.91% of the total revenue for the current financial period ended 30 June 2022.

The power cables and wires segment accounted for RM336.85 million or 84.28% of the group's total revenue for the current quarter, an increase of RM44.50 million or 15.22% from RM292.35 million in the previous corresponding quarter. The revenue growth is attributed to the higher average selling prices of cables and wires, in line with the price increase of metal-based materials such as copper and aluminium, and non-metal based materials including plastic and sawn timber.

The balance RM62.85 million or 15.72% of total group revenue was derived from the communication cables and wires segment, control and instrumentation cables and wires segment, and others. Overall, revenue from these segments increased by RM26.48 million or 72.80% from RM36.37 million for the preceding financial period ended 30 June 2021, mainly attributed to higher sales of aluminium rods. The increase was partially offset by a decline in revenue from communication cables and wires.

The Group recognised profit before tax of RM8.30 million in the current financial period ended 30 June 2022 as compared with RM8.98 million for the preceding financial period ended 30 June 2021, a decrease of RM0.69 million or 7.62%. The decrease in profit before tax for the current financial period ended 30 June 2022 was mainly due to increase in the cost of plastic, metal-based materials, higher distribution and finance cost.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B2. Comparison with the Immediate Preceding Quarter Result

	INDIVIDUAL QUARTER		Variance	
	Current Quarter 30.06.2022 RM'000	Preceding Quarter 31.03.2022 RM'000	RM'000	%
Revenue	214,550	185,141	29,409	15.88
Profit before tax	4,818	3,481	1,337	38.41

The Group's revenue for the current quarter increased by 15.88% to RM214.55 million from RM185.14 million in the preceding quarter, mainly due to product mix for the quarter.

The Group recorded a 38.41% increase in profit before tax from RM3.48 million in the preceding quarter to RM4.82 million in the current quarter in line with the higher revenue.

B3. Commentary of Prospects

Since the Movement Control Order was lifted in April 2022, projects across all sectors and business activities have fully recommence, enabling the nation to record a gross domestic product growth of 8.9% year-on-year in second quarter of 2022.

Notably, key mega-infrastructure projects under the RM75.6 billion development expenditure allocated in Budget 2022, such as East Coast Rail Link, Mass Rapid Transit 3 and Pan Borneo Highway have also resumed works and tender processes. The anticipated rollout is expected to positively influence demand for cables and wires from key sectors including power, renewable energy, telecommunication, construction, as well as manufacturing and processing industries.

Meanwhile, the Group's current orders in hand (comprising unbilled purchase orders and outstanding order book) stood at about RM828 million. This includes the largest year-to-date win attained in July 2022, the RM294 million power cables and conductors supply contract from Tenaga Nasional Berhad, as well as RM12 million worth of trial orders secured in the third quarter of 2022 for XHHW-2 industrial cables from its United States (US)-based customer. Overall, the Group's orders in hand are expected to provide financial visibility for the next 3 years.

Following the delivery of the trial orders to the US-based customer in the third quarter of 2022, the Group hopes to secure a distributorship agreement to supply XHHW-2 industrial cables. This would be the launchpad for Southern Cable's sustainable revenue stream from the US market.

To address the volatility of raw material costs, Southern Cable will continue to assess and adjust pricing for its new contracts. At the same time, the Group has obtained approval from the Ministry of Human Resources to hire new workers to join its workforce. These additional hands would help enhance manufacturing efficiency, and improve daily production output to meet its customers' demand.

Barring unforeseen circumstances, Southern Cable's outlook remains positive towards its performance in the financial year ending 31 December 2022.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
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 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000
In respect of current period:				
Income tax	1,210	1,107	2,080	2,309
Effective tax rate (%)	25.11	26.54	25.06	25.70
Statutory tax rate (%)	24.00	24.00	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.

B6. Status of Corporate Proposals

There are no other corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
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	18,500	-	
- Construction of factories	7,500	898	6,602	
- Purchase and installation of Enterprise Resource Planning information technology system	4,000	130	3,870	
	30,000	19,528	10,472	
Repayment of bank borrowings	9,188	9,188	-	Within 6 months
Working capital	27,490	27,490	-	Within 6 months
Estimated listing expenses	4,500	4,500	-	Within 3 months
Total	71,178	60,706	10,472	

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

B8. Borrowings

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

	Unaudited 30.06.2022 RM'000	Audited 31.12.2021 RM'000
Non-current		
Term loans	4,315	5,049
Lease liabilities	2,574	3,580
	6,889	8,629
Current		
Term loans	1,178	1,301
Lease liabilities	2,039	2,215
Bankers' acceptance	166,690	154,586
	169,907	158,102
Total	176,796	166,731

All the borrowings are secured and denominated in Ringgit Malaysia.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B9. Material Litigation

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

B10. Proposed Dividends

The Company declared a final dividend of 0.21 sen per ordinary share amounting to RM1.68 million in respect of the financial year end 31 December 2021. The final dividend has been paid by the Company on 29 July 2022 to shareholders whose names appeared in the Record of Depositors at the close of business on 15 July 2022.

No dividends were declared or recommended for payment by the Board of Directors of the Company during the current quarter.

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 30.06.2022	Unaudited 30.06.2021	Unaudited 30.06.2022	Unaudited 30.06.2021
Profit attributable to owners of the Company (RM'000)	3,608	3,064	6,219	6,675
Weighted average number of shares ('000)	800,000	800,000	800,000	800,000
Basic/Diluted EPS (sen) ⁽¹⁾⁽²⁾	0.45	0.38	0.78	0.83

Notes:

- (1) 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.
- (2) 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.

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 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000	Unaudited 30.06.2022 RM'000	Unaudited 30.06.2021 RM'000
Interest income	(19)	(421)	(103)	(675)
Interest expenses	1,889	1,223	3,712	2,448
Amortisation/depreciation of investment properties	1	1	3	3
Amortisation/depreciation of property, plant and equipment	1,356	1,074	2,669	2,093
Depreciation of right-of-use assets	584	692	1,167	1,423

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

B13. Derivative Financial Instruments

The Group has entered into forward foreign exchange contracts in the current quarter to manage the foreign currency exposures arising from the Group's 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 30 June 2022 was RM42.05 million. The derivative financial assets of RM0.25 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.