

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 31.12.2021 RM'000 (Unaudited)	Preceding Year Corresponding Quarter Ended 31.12.2020 RM'000 (Unaudited)	Current Year To Date Ended 31.12.2021 RM'000 (Unaudited)	Preceding Year To Date Ended 31.12.2020 RM'000 (Unaudited)
Revenue	17,900	14,734	48,758	46,269
Cost of sales	(11,299)	(9,045)	(31,956)	(30,960)
Gross profit	6,601	5,689	16,802	15,309
Operating expenses	(2,483)	(1,810)	(8,523)	(7,071)
Other operating income	112	216	299	340
Profit before taxation	4,230	4,095	8,578	8,578
Taxation	(847)	(1,030)	(2,167)	(2,205)
Profit and total comprehensive income for the period	3,383	3,065	6,411	6,373
<b>Attributable to:</b>				
Owners of the Company	3,383	3,065	6,411	6,373
Non-controlling interest	-	-	-	-
	3,383	3,065	6,411	6,373
<b>Earning per share</b>				
Basic earnings per share (sen)*	1.40	1.27	2.66	2.64
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

\* Restated to reflect the offset of bonus issue

N/A - Not applicable

Notes:

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.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	95,214	48,639
Intangible asset	878	878
<b>Total non-current assets</b>	<u>96,092</u>	<u>49,517</u>
<b>Current Assets</b>		
Inventories	27,176	22,970
Trade and other receivables	8,056	4,436
Prepayments and other assets	1,320	575
Derivative financial assets	39	120
Current tax assets	184	-
Cash and cash equivalents	16,554	25,815
<b>Total current assets</b>	<u>53,329</u>	<u>53,916</u>
<b>Total assets</b>	<u><u>149,421</u></u>	<u><u>103,433</u></u>
<b>EQUITY</b>		
Share capital	60,698	60,691
Revaluation reserve	38,707	-
Retained earnings	38,501	32,090
Total equity attributable to owners of the Company	<u>137,906</u>	<u>92,781</u>
Non-controlling interest	-	-
<b>Total equity</b>	<u><u>137,906</u></u>	<u><u>92,781</u></u>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Deferred tax liabilities	7,319	2,970
<b>Total non-current liabilities</b>	<u>7,319</u>	<u>2,970</u>
<b>Current Liabilities</b>		
Current tax liabilities	68	381
Contract liabilities	1,018	245
Trade and other payables	3,110	7,056
<b>Total current liabilities</b>	<u>4,196</u>	<u>7,682</u>
<b>Total liabilities</b>	<u>11,515</u>	<u>10,652</u>
<b>Total equity and liabilities</b>	<u><u>149,421</u></u>	<u><u>103,433</u></u>
No. of ordinary shares in issued ('000)	241,001	240,999*
Net assets per share (RM)	0.57	0.38*

\* Restated to reflect the offset of bonus issue

Notes :

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.



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	Share Capital RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
<b>At 1 January 2021</b>	60,691	-	32,090	92,781
Profit and total comprehensive income for the period	-	-	6,411	6,411
Other comprehensive income for the period, net of tax: - revaluation surplus on property, plant and equipment	-	38,707	-	38,707
Issuance of ordinary shares pursuant to exercise of warrants	7	-	-	7
<b>At 31 December 2021 (Unaudited)</b>	<b>60,698</b>	<b>38,707</b>	<b>38,501</b>	<b>137,906</b>
<b>At 1 January 2020</b>	60,691	-	31,742	92,433
Dividends to the owners of the Company	-	-	(6,025)	(6,025)
Profit and total comprehensive income for the period	-	-	6,373	6,373
<b>At 31 December 2020 (Audited)</b>	<b>60,691</b>	<b>-</b>	<b>32,090</b>	<b>92,781</b>

Notes:

The Condensed Consolidated Statement 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.



**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

(The figures have not been audited)

	(Unaudited) Current Year-to-date Ended 31.12.2021 RM'000	(Audited) Preceding Year-to-date Ended 31.12.2020 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	8,578	8,578
Adjustments for :		
Depreciation of property, plant and equipment	1,770	1,857
Finance income	(276)	(170)
Impairment loss on other receivables	311	-
Recovery of provision for doubtful debts	(16)	-
Loss on disposal of property, plant and equipment	140	65
Unrealised loss/(gain) on foreign exchange	46	(113)
<b>Operating profit before changes in working capital</b>	<u>10,553</u>	<u>10,217</u>
Changes in working capital :		
- Inventories	(4,206)	2,497
- Trade and other payables	(3,342)	1,275
- Trade and other receivables	(4,455)	2,267
<b>Cash (used in) / generated from operations</b>	<u>(1,450)</u>	<u>16,256</u>
Net income tax paid	(2,616)	(1,756)
Interest received	276	170
<b>Net cash (used in) / generated from operating activities</b>	<u>(3,790)</u>	<u>14,670</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,980)	(653)
Proceeds from disposal of property, plant and equipment	502	173
<b>Net cash used in investing activities</b>	<u>(5,478)</u>	<u>(480)</u>
<b>Cash flows from financing activities</b>		
Dividend	-	(2,410)
Proceeds from issuance of ordinary shares	7	-
<b>Net cash generated from / (used in) financing activities</b>	<u>7</u>	<u>(2,410)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(9,261)	11,780
<b>Cash and cash equivalents at the beginning of period</b>	<u>25,815</u>	<u>14,035</u>
<b>Cash and cash equivalents at the end of period (Note 1)</b>	<u><u>16,554</u></u>	<u><u>25,815</u></u>

Note 1

	RM'000	RM'000
Cash and bank balances	6,314	10,739
Highly liquid investment with non-bank financial institution	10,240	15,076
	<u><u>16,554</u></u>	<u><u>25,815</u></u>

The Condensed Consolidated Statement of Cash Flows 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.



NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER MFRS 134

**A1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting, issued by the Malaysian Accounting Standards Board (MASB), International Accounting Standard ("IAS") 34: Interim Financial Reporting, issued by the International Accounting Standard Board ("IASB") and Chapter 9 Part K of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 of Classic Scenic Berhad ("CSCENIC" or "the Company"), which were prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"). The 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 financial year ended 31 December 2020.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual financial statements for the year ended 31 December 2020 except for the adoption of the following Amendments to MFRSs:-

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

The following are MFRSs and amendments that have been issued by the Malaysian Accounting Standard Board ("MASB") but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors -Definition of Accounting Estimates*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

**A2. Auditors' Report**

The auditors' report on the financial statements for the year ended 31 December 2020 of the Group was not qualified.

**A3. Seasonal and Cyclical factors**

The Group's performance is not subject to seasonality or cyclicity.

**A4. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items and amounts of items affecting assets, liabilities, equity, net income or cash flows during the current quarter under review and financial year to date.

**A5. Material Changes in Estimates**

There were no changes in accounting estimates that have had material effect in the current quarter under review and financial year to date.

**A6. Issuances, Repurchases and Repayment of Debt and Equity Securities**

There were no issuances, repurchases and repayment of debts and equity securities, shares buy-back, shares cancellation, shares held as treasury shares or resale of treasury shares during the current quarter under review and financial year to date except as follows:-

**a) Bonus Issue of Ordinary Shares**

On 15 July 2021, the shareholders of the Company had approved the bonus issue of 120,499,740 new ordinary shares in the Company ("CSCENIC share") on the basis of one (1) bonus share for every one (1) existing CSCENIC share. The bonus issue of ordinary shares were issued and allotted on 2 August 2021.

**b) Bonus issue of Warrants**

A total of 120,499,740 free warrants in the Company on the basis of one (1) warrant for every one (1) existing CSCENIC share was approved by the Company's shareholders on 15 July 2021. The bonus issue of warrants were issued and allotted on 9 August 2021. The exercise price of the warrants was fixed at RM0.61 per warrant. The expiry date of the warrants is 8 August 2026.



NOTES TO THE INTERIM FINANCIAL REPORT

PART A : EXPLANATORY NOTES AS PER MFRS 134

A6. Issuances, Repurchases and Repayment of Debt and Equity Securities (Continued)

During the financial year, the warrants exercised by registered warrant holders to new ordinary shares are as follows:

Month of allotment	No. of warrant exercised	Balance warrants outstanding
Warrants issued and allotted on 9 August 2021	-	120,499,740
August	-	120,499,740
September	1,500	120,498,240
October	-	120,498,240
November	-	120,498,240
December	11,000	120,487,240

As at 31 December 2021, the total number of issued shares of the Company was 241,011,980 ordinary shares.

A7. Dividends Paid

During the financial year ended 31 December 2021, a first interim single tier dividend of 3.0 sen per ordinary shares totaling RM3.6 million in respect of the financial year ended 31 December 2020 was paid on 4 January 2021.

A8. Segmental Reporting

The Group is principally engaged in the manufacture and sales of wooden picture frame mouldings and other timber products. The business activities of holding and rental of properties of its subsidiaries are merely inter-segment transactions. The Group's reportable segments result for the financial year ended 31 December 2021 is as follows:-

	Wooden Picture Frame Mouldings 31.12.2021 RM'000	Other Timber Products 31.12.2021 RM'000	Property Holding 31.12.2021 RM'000	Total Current Year To Date 31.12.2021 RM'000	Other Non-reportable Segments 31.12.2021 RM'000	Elimination of Inter-segment Transactions or Balances 31.12.2021 RM'000	Consolidated Total 31.12.2021 RM'000
<b>Segment Profit/(loss)</b>	5,717	128	1,547	7,392	(881)	(100)	6,411
<i>Included in the measure of segment profit are:</i>							
Revenue from external customers	45,200	3,558	-	48,758	-	-	48,758
Inter-segment revenue	-	-	2,755	2,755	-	(2,755)	-
Depreciation	1,086	176	369	1,631	1	138	1,770
Finance Income	139	27	4	170	106	-	276
Tax Expense	1,708	34	463	2,205	-	(38)	2,167
<b>Segment Assets</b>	49,676	4,779	82,561	137,016	67,126	(54,721)	149,421
<i>Included in the measure of segment assets are:</i>							
Additions to non-current assets other than financial instruments and deferred tax assets	5,725	-	255	5,980	-	-	5,980

A9. Subsequent Events

There were no other material events subsequent to the end of the reporting quarter that have not been reflected in the interim financial statements.

A10. Change in The Composition of The Group

There were no changes in the composition of the Group for the quarter ended 31 December 2021 and financial year to date including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operation, except as follows:-

On 18 November 2021, CSCENIC entered into a Shares Sale Agreement to acquire 496,000 ordinary shares of Hock Hoe Hin Forest Produce Sdn Bhd ('HHH'), representing 100% of the equity interest in HHH, for a total cash consideration of RM300,000. The acquisition was completed on 12 January 2022. HHH is principally engaged as a sawmill contractor. Consequent thereto, HHH became a wholly owned subsidiary of CSCENIC.

A11. Capital Commitments Outstanding Not Provided in The Interim Financial Report

Capital expenditure commitments	As at
Property, plant and equipment	31.12.2021
Approved and contracted for	RM'000
	<u>4,065</u>

**NOTES TO THE INTERIM FINANCIAL REPORT**
**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**
**B1. Review of Performance**

Table 1: Financial review for current quarter and financial year to date

	Individual Period 4th Quarter		Changes		Cumulative Period		Changes	
	Current Year Quarter Ended 31.12.2021	Preceding Year Corresponding Quarter Ended 31.12.2020			Current Year To Date Ended 31.12.2021	Preceding Year To Date Ended 31.12.2020		
	RM'million	RM'million	RM'million	%	RM'million	RM'million	RM'million	%
Revenue	17.9	14.7	3.2	21.8%	48.8	46.3	2.5	5.4%
Gross profit	6.6	5.7	0.9	15.8%	16.8	15.3	1.5	9.8%
Profit before tax	4.2	4.1	0.1	2.4%	8.6	8.6	-	0.0%
Profit after tax	3.4	3.1	0.3	9.7%	6.4	6.4	-	0.0%
Profit attributable to Owners of the Company	3.4	3.1	0.3	9.7%	6.4	6.4	-	0.0%

The Group registered a revenue of RM17.9 million for the current quarter ended 31 December 2021, an increase of RM3.2 million or 21.8% compared to RM14.7 million in the preceding year corresponding quarter ended 31 December 2020 mainly attributable to higher export sales from wooden picture frame moulding. Nevertheless, the higher input costs had resulted in the decline of the Group's gross profit margin to 36.9% from 38.8% in the preceding year corresponding quarter ended 31 December 2021. The Group has recorded a profit before tax of RM4.2 million, represented an increase of RM0.1 million or 2.4% as compared to profit before tax of RM4.1 million in the preceding year corresponding quarter ended 31 December 2020 mainly attributable to higher export sales revenue.

For the year ended 31 December 2021, the Group's revenue recorded at RM48.8 million, an increase of RM2.5 million or 5.4% compared to the preceding year corresponding period of RM46.3 million mainly attributable to higher export sales revenue. Despite the Group recorded a higher revenue, the Group's profit before tax of RM8.6 million was the same as that of the preceding year corresponding period ended 31 December 2020 mainly attributable to higher operating expenses.

The Group is primarily involved in the manufacturing and sale of wooden picture frame moulding and other timber products, and its operation are carried out solely in Malaysia. Hence, there is no detailed analysis on revenue and earnings of other business operating segments.

**B2. Variation of Results Against Preceding Quarter**

Table 2: Financial review for current quarter compared with immediate preceding quarter.

	Current Year Quarter Ended 31.12.2021	Immediate Preceding Quarter 30.09.2021	Changes	
	RM'million	RM'million	RM'million	%
Revenue	17.9	4.1	13.8	336.6%
Gross profit	6.6	1.0	5.6	560.0%
Profit/(Loss) before tax	4.2	(0.9)	5.1	566.7%
Profit/(Loss) after tax	3.4	(0.8)	4.2	525.0%
Profit/(Loss) attributable to Owners of the Company	3.4	(0.8)	4.2	525.0%

With the higher export volume of wooden picture frame and the uplifting of FMCO, the Group's revenue rebounded to RM17.9 million for the current quarter under review, an increase of RM13.8 million or 336.6% compared to RM4.1 million in the preceding quarter ended 30 September 2021. The Group's profit before tax for the current quarter was RM 4.2 million, an increase of RM5.1 million or 566.7% as compared to loss before tax of RM0.9 million in the immediate preceding quarter ended 30 September 2021 mainly due to higher export sales revenue.

**B3. Current Year Prospects**

Despite the USA Federal Reserve has indicated it will combat rampant inflation with higher interest rates, with the first increase expected in March 2022, the USA's January 2022 retail sales increased by the most in 10 months to a record high, coupled with the market supply shortages of home décor product amid strained supply chains and the Group's recent expanded manufacturing plant capacity, it would bode well for the Group to ride on these market opportunities to drive its business growth. The shortage of manpower and the cost pressure arising from higher material prices pose immense challenges to the Group. With the Group's efforts in actively seeking all possible avenues and resources and investing in financially viable production automation to improve operational efficiency, the Group is better equipped to weather the uncertainties and challenges. Barring any unforeseen circumstances, we expect to perform satisfactorily for the financial year ending 31 December 2022.

**NOTES TO THE INTERIM FINANCIAL REPORT**

**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B4. Profit Forecast and Estimates Announced or Disclosed**

Not applicable as there were no profit forecast or estimates that have been announced or disclosed for the financial year ended 31 December 2021.

**B5. Variance of Actual and Forecast Profit**

Not applicable as there were no profit forecast and profit guarantee published.

**B6. Taxation**

	Preceding Year		Preceding Year	
	Current Year	Corresponding	Current Year	Corresponding
	Quarter	Quarter	To Date	Period
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current	695	1,038	2,106	2,260
- prior year	16	23	16	26
Deferred tax expense				
Origination and reversal of temporary differences				
- current	306	(31)	215	(73)
- prior year	(170)	-	(170)	(8)
	<u>847</u>	<u>1,030</u>	<u>2,167</u>	<u>2,205</u>

The effective tax rate for the quarter under review and current year to date was 20% and 25% respectively. The lower effective tax rate for the current quarter review attributed mainly to the reversal of prior year deferred tax expenses. The current year to date effective tax rate was higher than the statutory rate of 24% mainly due to the non-allowable expenses.

**B7. Status of Corporate Proposal**

On 15 July 2021, the Company obtained the approval from shareholders for the proposed bonus issue of 120,499,740 Bonus Shares together with 120,499,740 Warrants, on the basis of 1 Bonus Share together with 1 Warrant for every 1 existing Share held on by the shareholders of the Company. Subsequently on 12 August 2021, the Company announced that the Bonus Issue of Shares and Bonus Issue of Warrants has been completed following the listing and quotation for 120,499,740 Bonus Shares and 120,499,740 Warrants on the Main Market of Bursa Securities.

On 8 October 2021, the Company announced the proposal to undertake a private placement of up to 48,200,100 new ordinary shares in CSCENIC, representing not more than 20% of the issued ordinary shares in CSCENIC ("Proposed Private Placement"), at an issue price to be determined and fixed at a later date. Bursa Securities had approved the listing of and quotation for up to 48,200,100 Placement Shares on the Main Market of Bursa Securities on 3 November 2021. Please refer to the Company's announcements to Bursa Securities dated 8 October 2021, 18 October 2021, 1 November 2021 and 3 November 2021 for further details of the Proposed Private Placement.

On 20 October 2021, the Company announced that Finesse Moulding (M) Sdn. Bhd. ("Finesse" or "the Purchaser"), a wholly-owned subsidiary of the Company has entered into a Sale and Purchase Agreement with VE Surpass Frame (M) Sdn. Bhd. ("the Vendor") for the purchase of the leasehold industrial land together with a factory erected thereon all under Mukim Bidor, Daerah Batang Padang, Negeri Perak for a total purchase price of Ringgit Malaysia Twelve Million and Five Hundred Thousand (RM12,500,00.00) only. Barring any unforeseen circumstances, the transaction is expected to be completed within 12 months from the date of the Sales and Purchase Agreement.

**B8. Group Borrowings and Debt Securities**

As at 31 December 2021, the Group does not have any bank borrowings.

**B9. Derivative Financial Instruments**

As at 31 December 2021, the Group has the following outstanding derivatives financial instruments:-

Currency Forward Contracts	Principal or Notional Amount	Fair value	
		Assets	Liabilities
	RM'000	RM'000	RM'000
- Less than 1 year	<u>12,585</u>	<u>39</u>	<u>-</u>

The purpose of entering currency forward contracts is to minimise the impact of unfavourable movement in exchange rate on the trade receivables and expected sales denominated in United States Dollar. There are no cash requirements for these contracts.

The market risk posed by the Group's currency forward contracts depends on the economic changes that may impact market prices. As the exchange rate is pre-determined under such contracts, the market risk in these instruments is not significant. The currency forward contracts are transacted with the Group's banker and the credit risk for non-performance by the counterparty in these instruments is minimal.

The fair value derivative assets amounting to RM39,000 has been recognised in the financial statements.

**NOTES TO THE INTERIM FINANCIAL REPORT**
**PART B : ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**
**B10. Material Litigation**

Since the last Audited Financial Statements for the year ended 31 December 2020, the Group does not have any material litigation until the date of this report.

**B11. Dividends**

No dividend has been proposed or declared by the Board for the current quarter under review.

**B12. Basis of Calculation of Earnings Per Share**

	Preceding Year		Preceding Year	
	Current Year Quarter 31.12.2021	Corresponding Quarter 31.12.2020	Current Year To Date 31.12.2021	Corresponding Period 31.12.2020
<b>Basic earnings per share</b>				
Net profit attributable to equity holders (RM'000)	3,383	3,065	6,411	6,373
Weighted average number of ordinary shares in issue ('000) *	241,005	240,999	241,001	240,999
Basic Earnings Per Share (sen)	1.40	1.27	2.66	2.64

\* The calculation of basic earnings per share for the previous financial period has been adjusted retrospectively to reflect the changes in the number of shares as a result of the bonus issue.

The diluted earnings per share is not presented as there is no dilutive potential outstanding share in issue.

**B13. Profit for the Period**

	Preceding Year		Preceding Year	
	Current Year Quarter 31.12.2021 RM'000	Corresponding Quarter 31.12.2020 RM'000	Current Year To Date 31.12.2021 RM'000	Corresponding Period 31.12.2020 RM'000
<b>Profit and total comprehensive income for the period is arrived at after crediting/(charging):</b>				
Interest income	95	53	276	170
Depreciation of property, plant and equipment	(517)	(478)	(1,770)	(1,857)
Gain on foreign exchange	(76)	(138)	39	(19)
Gain/(loss) on derivatives	147	288	(85)	132
Impairment loss on other receivable	-	-	(311)	-
Loss on disposal of property, plant and equipment	(170)	(14)	(140)	(65)

Save as disclosed above, the other items as required under Appendix 9B Part A (16) of the Main Market Listing Requirements of Bursa Securities are not applicable.

By order of the Board

WONG YOUN KIM  
 Company Secretary  
 MAICSA 7018778