

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 31-Mar-22 RM'000	Preceding year Corresponding Quarter 31-Mar-21 RM'000	Changes %	Current Year To date 31-Mar-22 RM'000	Preceding year Corresponding year 31-Mar-21 RM'000	Changes %
Revenue	54,385	63,556	-14.43%	54,385	63,556	-14.43%
Direct costs	(355)	(7,060)	-94.97%	(355)	(7,060)	-94.97%
Changes in inventories of finished goods and work in progress	4,942	(1,745)	-383.21%	4,942	(1,745)	-383.21%
Raw materials and consumable used	(44,973)	(35,454)	26.85%	(44,973)	(35,454)	26.85%
Changes in inventories of trading merchandise	(144)	(158)	-8.86%	(144)	(158)	-8.86%
Staff costs	(4,229)	(3,317)	27.49%	(4,229)	(3,317)	27.49%
Other income	172	467	-63.17%	172	467	-63.17%
Depreciation and amortisation	(2,001)	(1,942)	3.04%	(2,001)	(1,942)	3.04%
Other operating expenses	(3,678)	(6,139)	-40.09%	(3,678)	(6,139)	-40.09%
Finance cost	(310)	(406)	-23.65%	(310)	(406)	-23.65%
Profit before taxation	3,809	7,802	-51.18%	3,809	7,802	-51.18%
Taxation	(589)	(2,500)	-76.44%	(589)	(2,500)	-76.44%
Profit after taxation/ Total comprehensive income	3,220	5,302	-39.27%	3,220	5,302	-39.27%
Profit attributable to:						
Owners of the Company	3,220	5,419		3,220	5,419	
Non-controlling interest	-	(117)		-	(117)	
	3,220	5,302		3,220	5,302	
Total comprehensive income attributable to:						
Owners of the Company	3,220	5,419		3,220	5,419	
Non-controlling interest	-	(117)		-	(117)	
	3,220	5,302		3,220	5,302	
Earning per share attributable to owners of the Company (sen per share):						
Basic earning per share	0.51	1.01		0.51	1.01	

The unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Financial year 31-Mar-22 RM'000	Audited As at preceding Financial Year Ended 31-Dec-21 RM'000
ASSETS		
Non Current assets		
Property, plant and equipment	90,169	90,518
Right of use assets	7,112	7,835
Investment properties	35,693	35,693
Intangible assets	100	101
Other investments	2,350	2,350
Land held for development	10,598	10,570
Deferred tax assets	184	-
	146,206	147,067
Current Assets		
Inventories	78,737	71,703
Trade and other receivables	10,735	11,694
Tax recoverable	52	49
Other investment	15,800	6,600
Derivative assets	-	7
Fixed deposits with licensed banks	1,253	3,427
Cash and bank balances	17,236	29,866
	123,813	123,346
TOTAL ASSETS	270,019	270,413
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the parent		
Share capital	204,468	204,468
Treasury shares	(1,297)	(1,297)
Revaluation reserve	28,139	28,139
Reverse acquisition reserve	(72,051)	(72,051)
Retained profits	61,191	61,105
	220,450	220,364
Equity attributable to the owners of the Company	220,450	220,364
Non-controlling interest	-	-
Total equity	220,450	220,364
Non Current Liabilities		
Lease liabilities	4,394	5,468
Deferred income	413	448
Borrowings	13,117	17,681
Provision	39	38
Deferred tax liabilities	6,504	6,171
	24,467	29,806
Current Liabilities		
Trade and other payables	15,376	10,332
Tax payable	2,890	4,048
Borrowings	4,205	3,608
Lease Liabilities	2,628	2,255
Derivative liabilities	3	-
	25,102	20,243
TOTAL LIABILITIES	49,569	50,049
TOTAL EQUITY AND LIABILITIES	270,019	270,413
Net assets per share (sen) attributable to owners of the Company	35.17	35.16

The unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

JAG BERHAD ("JAG" OR "COMPANY")
 [Registration No. 199701023733 (439230 - A)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital RM'000	Tresury shares RM'000	Revaluation reserve RM'000	Reverse acquisition reserve RM'000	Reserve - SIS RM'000	Retained profits RM'000	Equity attributable to owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2021	179,072	(1,297)	28,139	(72,051)	-	43,003	176,866	85	176,951
Net adjustment related to changes in non controlling interest	-	-	-	-	-	(59)	(59)	38	(21)
Net profit/Total comprehensive income for the period	-	-	-	-	-	5,419	5,419	(117)	5,302
At 31 March 2021	<u>179,072</u>	<u>(1,297)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>-</u>	<u>48,363</u>	<u>182,226</u>	<u>6</u>	<u>182,232</u>
At 1 January 2022	204,468	(1,297)	28,139	(72,051)	-	61,105	220,364	-	220,364
Dividend paid	-	-	-	-	-	(3,134)	(3,134)	-	(3,134)
Net profit / Total comprehensive profit for the period	-	-	-	-	-	3,220	3,220	-	3,220
At 31 March 2022	<u>204,468</u>	<u>(1,297)</u>	<u>28,139</u>	<u>(72,051)</u>	<u>-</u>	<u>61,191</u>	<u>220,450</u>	<u>-</u>	<u>220,450</u>

The unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Cumulative Current Year 31-Mar-22 RM'000	Preceding Year Corresponding Period 31-Mar-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,809	7,802
Adjustments for:		
Allowance for impairment of receivables	167	1,225
Changes in fair value of other investments	539	1,686
Changes in fair value of derivative financial instruments	10	50
Depreciation and amortisation	2,001	1,942
Dividend income	(8)	(114)
Fixed assets written off	-	1
Income distribution from quoted fund	(3)	-
Loss on fair value adjustment on hedging instrument	-	536
Loss on foreign exchange - unrealised	79	72
Government grant income	(35)	(35)
Realised loss on foreign exchange - cash and cash equivalent	(6)	(23)
Interest income	(76)	(31)
Interest expense	386	437
Operating cash flows before working capital changes	6,863	13,548
Changes in working capital:		
(Increase)/Decrease in inventories	(7,034)	1,932
Decrease in trade and other receivables	711	6,360
Increase/(Decrease) in trade and other payables	5,100	(7,506)
Increase in property development expenditure	(28)	(840)
(Increase)/Decrease in other investments	(2,538)	5,633
Cash used in operations	3,074	19,127
Income tax paid	(1,600)	(489)
Net cash generated from operating activities	1,474	18,638
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in fixed deposit pledged	-	10
Interest received	76	31
Dividend received	8	114
Distribution received from quoted mutual fund	3	-
Investment in quoted mutual fund	(7,200)	-
Purchase of property, plant and equipment	(937)	(3,449)
Net cash used in investing activities	(8,050)	(3,294)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(287)	(319)
Cash payment for leases	(846)	(746)
Acquisition of additional interest of non controlling interest	-	(20)
Dividend paid	(3,134)	-
Repayment of term loan	(3,967)	(508)
Net cash generated from financing activities	(8,234)	(1,593)
Net (decrease)/increase in cash and cash equivalents	(14,810)	13,751
Effect of exchange rate changes	6	23
Cash and cash equivalents at 1 January	32,431	5,119
Cash and cash equivalents at 31 March	17,627	18,893
Cash and cash equivalents at end of financial quarter comprised:		
Cash and bank balances	17,236	16,895
Fixed deposits with licensed banks	1,253	3,378
Bank overdraft	-	(534)
	18,489	19,739
Less: Fixed deposits pledged	(862)	(846)
	17,627	18,893

The unaudited Condensed Consolidated Statements of Cash Flow should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial statements.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2022

Part A - Explanatory notes pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”).

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted and as disclosed in the Group’s annual report for the financial year ended 31 December 2021.

The Group has adopted the new and revised Malaysian Financial Reporting Standards (“MFRSs”), amendments to published standards and IC Interpretations that became mandatory for the current reporting period. The adoption of these new and revised MFRSs, amendments to published standards and IC Interpretations does not result in significant changes in the accounting policies of the Group.

A3. AUDITORS REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no audit qualification on the annual financial statements of JAG for the financial year ended 31 December 2021.

A4. SEASONAL AND CYCLICAL FACTORS

The Group’s business operations were mainly attributable (i.e. contributing approximately 97% of its total revenue) from its manufacturing and trading segments involving recycling and recovery activities, which are affected by the cyclicity of the semiconductor. The semiconductor industry, in turn, is cyclical and dependent on its end user industries, in particular the electrical & electronic industries. The demand for semiconductors typically mirrors the trend in the demand for personal computers, mobile phones and other electronic equipment.

As the availability of electrical and electronic waste (“E-waste”) for recycling and manufacturing services is dependent on the volume of E-waste discharged by semiconductor manufacturers, the E-waste recycling industry is also dependent on the trends in the semiconductor industry.

A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

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

A6. MATERIAL CHANGES IN ESTIMATES

There were no material changes in estimates that have had effect on the current financial quarter and period under review.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2022

A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter and period ended 31 March 2022.

A8. DIVIDEND

The first interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3,133,924.46 for the financial year ending 31 December 2021 was declared on 23 February 2022 and paid on 25 March 2022.

There were no dividends paid or declared for the previous corresponding quarter and period.

A9. SEGMENT INFORMATION

The Group’s segmental information is as follows:

	Current Quarter Ended		Year to date	
	31 Mar 2022	31 Mar 2021	31 Mar 2022	31 Mar 2021
	RM’000	RM’000	RM’000	RM’000
Revenue by business segments				
Manufacturing and trading activities	52,875	52,620	52,875	52,620
Investment holding	-	9,897	-	9,897
Lifestyle and services	1,510	1,039	1,510	1,039
	<u>54,385</u>	<u>63,556</u>	<u>54,385</u>	<u>63,556</u>
Elimination of inter-segment sales	-	-	-	-
	<u>54,385</u>	<u>63,556</u>	<u>54,385</u>	<u>63,556</u>
Segment results				
Manufacturing and trading activities	5,706	7,288	5,706	7,288
Investment holding	(839)	2,636	(839)	2,636
Lifestyle and services	(412)	(1,565)	(412)	(1,565)
Property development	(297)	(151)	(297)	(151)
Profit from operations	4,158	8,208	4,158	8,208
Interest income	76	70	76	70
Finance cost	(425)	(476)	(425)	(476)
Profit before taxation	3,809	7,802	3,809	7,802
Taxation	(589)	(2,500)	(589)	(2,500)
Profit after taxation	<u>3,220</u>	<u>5,302</u>	<u>3,220</u>	<u>5,302</u>
Revenue By Geographical Segment				
Malaysia	5,542	16,366	5,542	16,366
Foreign countries	48,843	47,190	48,843	47,190
	<u>54,385</u>	<u>63,556</u>	<u>54,385</u>	<u>63,556</u>

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2022

A9. SEGMENT INFORMATION (CONTINUED)

	As at 31 Mar 2022 RM'000	As at 31 Dec 2021 RM'000
Segment assets		
Manufacturing and trading activities	212,224	210,592
Investment holding	214,644	211,618
Lifestyle and services	14,080	13,622
Property development	47,893	47,616
	<u>488,841</u>	<u>483,448</u>
Elimination	<u>(218,822)</u>	<u>(213,035)</u>
	<u>270,019</u>	<u>270,413</u>
Segment liabilities		
Manufacturing and trading activities	76,471	72,669
Investment holding	5,387	4,768
Lifestyle and services	16,460	16,074
Property development	36,131	35,629
	<u>134,449</u>	<u>129,140</u>
Elimination	<u>(84,880)</u>	<u>(79,091)</u>
	<u>49,569</u>	<u>50,049</u>

A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation or revaluation of property, plant and equipment during the current financial quarter and period under review and the valuation of property, plant and equipment have been brought forward without amendment from the previous annual audited financial statements.

A11. MATERIAL EVENTS SUBSEQUENT TO THE CURRENT FINANCIAL QUARTER

There were no material events subsequent to the current financial quarter and period ended 31 March 2022 up to the date of this report.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no other changes and/or intended changes in the composition of the Group during the current financial quarter and period under review.

A13. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no changes in the contingent liabilities and contingent assets during the current financial quarter and period review.

A14. CAPITAL COMMITMENTS

As at 31 March 2022, the Board is not aware of any material commitment incurred or known to be incurred by the Company or the Group, which may have material impact on the financial position of the Group.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2022

A15. SIGNIFICANT RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the current financial quarter and period under review.

Part B - Explanatory Notes Pursuant to Appendix 9B of the ACE LR

B1. REVIEW OF PERFORMANCE

1st Quarter 2022 vs 1st Quarter 2021

Financial Period ended 31 March 2022 vs Financial Period ended 31 March 2021

	1st Quarter 2022 RM'000	1st Quarter 2021 RM'000	Changes %
Revenue by business segments			
Manufacturing and trading activities	52,875	52,620	0.5
Investment holding	-	9,897	-100.0
Lifestyle and services	1,510	1,039	45.3
	<u>54,385</u>	<u>63,556</u>	-14.4
Segment results			
Manufacturing and trading activities	5,706	7,288	-21.7
Investment holding	(839)	2,636	->100.0
Lifestyle and services	(412)	(1,565)	73.6
Property development	(297)	(151)	-96.7
Profit from operations	4,158	8,208	
Interest income	76	70	
Finance cost	(425)	(476)	
Profit before taxation	3,809	7,802	
Taxation	(589)	(2,500)	
Profit after taxation	<u>3,220</u>	<u>5,302</u>	

The Group reported a decrease in revenue of 14.4% from RM63.6 million in previous year correspondence quarter and period to RM54.4 million in current quarter and period. This is mainly due to absence of disposal of quoted shares in the investment holding segment during the first quarter of financial year 2022.

The lifestyle and services division recorded improvement in revenue of 45.3% compared to previous year corresponding quarter and period. This was mainly due to the resumption and recovery of retail market activities since fourth quarter of year 2021 as well as festive season in January and February 2022 had boosted the overall revenue in the said division.

In respect of profitability, the decreased in profit mainly due to absence of disposal of quoted investment in the investment holding division as well as lower margin products being sold from the total waste management (“TWM”) segment.

Lifestyle and services division had recorded improvement in profitability in current financial quarter and period as a result from higher revenue generated. Whereas for investment holding segment and property development segment, the losses were mainly from the loss on changes in fair value of investment held as well as higher operations cost incurred during the current financial quarter.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2022

B2. COMPARISON OF CURRENT FINANCIAL QUARTER RESULTS WITH THE PRECEDING QUARTER

	Current Quarter 31 Mar 2022	Immediate Preceding Quarter 31 Dec 2021	Changes
	RM'000	RM'000	%
Revenue	54,385	66,171	-17.8
Staff cost	4,229	3,638	16.2
Other income	172	886	-80.6
Other operating expenses	3,678	3,476	5.8
Profit before taxation	3,809	5,450	-30.1
Profit after taxation	3,220	4,647	-30.7

The Group recorded lower revenue of RM54.4 million for the current financial quarter ended 31 March 2022 as compared to immediate preceding financial quarter ended 31 December 2021 of RM66.2 million. The lower revenue mainly due to lower sales from TWM segment in which one of our major customers in China was closed temporarily for the festive season in 2022.

Higher staff cost recorded in current financial quarter as compared to immediate preceding quarter mainly due to payment for bonus recorded and additional accruals in the current financial quarter.

The increase in other operating expenses was mainly from higher operating expenses of the lifestyle and services segment.

B3. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2022

Looking forward, the TWM division of the Group continues to be the major revenue and profit contributor in financial year 2022. The Group will continue to emphasise on developing its key strengths of sourcing capabilities, and to invest heavily to improve the production capacity, efficiency and technology in order to remain at the forefront of the e-waste recycling industry.

The Group remained optimistic for the outlook of food and beverage retail industry as well as the coin operated launderette industry. The Group foresees the economy is recovering, aided by the encouraging performance of the said division during the fourth quarter of FY2021 had strengthen the management’s confidence of the business prospect.

The Group will continue to strategise, adapt and navigate through the challenging business environment and endeavor to take timely and appropriate actions to minimise operating risks and optimise its resources so as to ensure that the business operations remain resilient in these uncertain times and at the same time prepare a good foundation for strong and sustainable recovery post pandemic.

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Notes on the quarterly report for the financial period ended 31 March 2022

B4. VARIANCE OF FORECAST PROFIT AND PROFIT GUARANTEE

The Group has not provided any profit forecast or profit guarantee and thus this is not applicable to the Group.

B5. TAXATION

	Current Quarter Ended		Year to date	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Income tax				
- current year	(1,200)	(1,610)	(1,200)	(1,610)
- over/(under) provision in prior years	358	(490)	358	(490)
	<u>(842)</u>	<u>(2,100)</u>	<u>(842)</u>	<u>(2,100)</u>
Deferred tax				
- current year	-	(400)	-	(400)
- over provision in prior years	253	-	253	-
	<u>(589)</u>	<u>(2,500)</u>	<u>(589)</u>	<u>(2,500)</u>

The effective tax rate of the Group for current financial quarter and year ended 31 December 2022 are lower than the statutory tax rate of 24% due to availability of reinvestment allowance which arose from the capital expenditure of a subsidiary, utilisation of allowance for business losses as well as recognition of over provision of income tax and deferred tax in the current financial quarter and period under review.

B6. STATUS OF CORPORATE PROPOSALS

On 4 June 2021, M&A Securities Sdn Bhd (“M&A”) had on behalf of the Board announced that the Company proposes to undertake a proposed private placement of up to 30% of the total number of issued shares in JAG (excluding treasury shares) (“Private Placement”) to independent third party investor(s). The listing application for the Private Placement was submitted to Bursa Securities on 14 June 2021.

The Company had on 30 June 2021 obtained Bursa Securities’ approval for the listing and quotation of up to 161,035,400 Placement Shares to be issued pursuant to the Private Placement. The approval granted by Bursa Securities for the Private Placement, is subjected to the following conditions:

- i. JAG and M&A must fully comply with the relevant provisions under the ACE LR pertaining to the implementation of the Private Placement;
- ii. JAG and M&A to inform Bursa Securities upon the completion of the Private Placement; and
- iii. JAG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities’ approval once the Private Placement is complete.

On 28 July 2021, the Company had obtained the approval from shareholders through Extraordinary General Meeting (“EGM”) held on the same day.

On 11 August 2021, the Company completed the issuance of the first tranche of 90,000,000 new ordinary shares at RM0.285 each and raised gross proceeds of RM25,650,000.

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2022

B6. STATUS OF CORPORATE PROPOSALS (CONTINUED)

On 9 December 2021, the Company had submitted an application for extension of time to complete the Company’s Private Placement to Bursa Securities.

On 23 February 2022, the Company had obtained the approval that the application for expansion of time of 6 months up to 30 June 2022 to complete the implementation of the Private Placement.

On 25 May 2022, the Company announced that the extended timeframe to implement the Private Placement will lapse on 30 June 2022 and the Company will not seek further extension to implement the said exercise.

As such, the Private Placement is deemed completed with the listing of 90,000,000 Placement Shares in 11 August 2021.

Save as above, there were no corporate proposals announced but not complete as at 26 May 2022, being the latest practicable date which is not earlier than 7 days from the date of issue of this quarter report.

B7. STATUS OF UTILISATION OF PROCEEDS RAISED FROM PRIVATE PLACEMENT

Private Placements 2021

The actual utilisation of the total gross proceeds of RM25,650,000 raised from the 30% private placement on 11 August 2021 (referring to Note B6) were as below:

	Proposed utilisation RM’000	Actual utilisation RM’000	Balance proceeds RM’000	Intended timeframe for utilisation
Acquisition of equipment	4,410	-	4,410	15 months
Working capital	9,009	7,789	1,220	12 months
Repayment of bank borrowings	11,978	4,383	7,595	6 months
Estimated expenses in relation to the Private Placements	253	253	-	1 month
Total	25,650	12,425	13,225	

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2022

B8. GROUP BORROWINGS

The Group’s borrowings as at 31 March 2022 (all denominated in Ringgit Malaysia) are as follows:-

	As at 31 Mar 2022 RM’000	As at 31 Dec 2021 RM’000
Short term borrowing (secured)		
Term loan	4,205	3,608
Lease liabilities	2,628	2,255
	6,833	5,863
Long term borrowing (secured)		
Term loan	13,117	17,681
Lease liabilities	4,394	5,468
	17,511	23,149
Total	24,344	29,012

	As at 31 Mar 2022 %	As at 31 Dec 2021 %
The weighted average effective interest rate are as follows:		
Term loan	6.66	6.55
Overdraft	7.05	7.05
Hire purchase liabilities	4.63	4.63
Other lease liabilities	5.83	5.83
Proportion of borrowings between fixed and floating interest rates	29 : 71	27 : 73

B9. DERIVATIVE FINANCIAL INSTRUMENTS

(i) Disclosure of derivatives

As at 31 March 2022, the Group has the following derivative financial instruments:

Type of derivative	Contract value RM’000	Fair Value RM’000	Fair Value Gain RM’000
Forward foreign exchange contracts			
- Less than 1 year	2,102	2,105	3

The Group uses forward foreign exchange contracts to manage some of the transactions exposure of the Group’s sales denominated in USD and uses the commodity future contracts to manage the metal commodity price fluctuations.

There are no cash requirement risks as the Group only uses forward foreign currency contracts and commodity future contracts as its hedging instruments.

There have been no significant changes to the Group’s exposure to credit risk, market risk and liquidity risk from the previous financial quarter and period. Since the previous financial year, there have been no changes to the Group’s management objectives, accounting policies and processes.

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Notes on the quarterly report for the financial period ended 31 March 2022

B9. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Disclosure of gains/losses arising from fair value changes of financial liabilities

The Group determines the fair value of the derivative financial instruments relating to the forward foreign exchange contracts and commodity future contracts by using the difference between the contracted foreign exchange rates and commodity price and the market forward rates and commodity price. The basis of fair value measurement is the difference between the contracted value and the market forward rates and market price. This resulted in the Group recording a gain when the rates and commodity price move favourable against the Group or recorded a loss when the rates and commodity price move unfavourable against the Group.

B10. MATERIAL LITIGATION

There was no pending material litigation as at the date of this announcement.

B11. DIVIDEND

The first interim dividend of RM0.005 per ordinary share (single tier) amounting to RM3,133,924.46 for the financial year ending 31 December 2021 was declared on 23 February 2022 and paid on 25 March 2022.

B12. NOTES TO THE STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended		Year to date	
	31 Mar 2022 RM'000	31 Mar 2021 RM'000	31 Mar 2022 RM'000	31 Mar 2021 RM'000
Allowance for impairment of receivables	167	1,225	167	1,225
Changes in fair value of derivative financial instruments	10	50	10	50
Changes in fair value on other investments	539	1,686	539	1,686
Depreciation of property, plant and equipment and right of use assets	2,001	1,942	2,001	1,942
Dividend income	(8)	(114)	(8)	(114)
Fixed asset written off	-	1	-	1
Loss on foreign exchange – unrealised	79	72	79	72
Loss/(Gain) on foreign exchange – realised	350	(337)	350	(337)
Government grant income	(35)	(35)	(35)	(35)
Interest income	(76)	(31)	(76)	(31)
Interest expenses				
- Hire purchase	10	15	10	15
- Overdraft	1	46	1	46
- Term loan	276	258	276	258
- Unwinding interest	1	1	1	1
- Implicit interest of lease liabilities	98	117	98	117

QUARTERLY REPORT

Notes on the quarterly report for the financial period ended 31 March 2022

B13. EARNINGS PER SHARE

The basic earnings per share was calculated by dividing the net profit for the current financial quarter and period by the weighted average number of ordinary shares in issue:

	Current Quarter Ended		Year to date	
	31 Mar 2022 RM	31 Mar 2021 RM	31 Mar 2022 RM	31 Mar 2021 RM
Net profit attributable to owners of the Company (RM'000)	3,220	5,419	3,220	5,419
Weighted average number of ordinary shares in issue ('000)	626,784	536,784	626,784	536,784
Basic earnings per share (sen)	0.51	1.01	0.51	1.01

B14. AUTHORISED FOR ISSUE

This interim financial statement was authorised for issue by the Board on 31 May 2022 in accordance with a resolution of the directors.

BY ORDER OF THE BOARD,

CHENG CHIA PING
(MAICSA 1032514 PRACTITIONER)
COMPANY SECRETARY

31 May 2022