

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021**

	Note	3 MONTHS ENDED		PERIOD ENDED	
		31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
<b>Revenue</b>		<b>179,486</b>	<b>193,308</b>	<b>179,486</b>	<b>193,308</b>
Cost of sales		(141,719)	(149,604)	(141,719)	(149,604)
<b>Gross profit</b>		<b>37,767</b>	<b>43,704</b>	<b>37,767</b>	<b>43,704</b>
Other income		2,076	1,616	2,076	1,616
Selling & marketing expenses		(17,965)	(20,479)	(17,965)	(20,479)
Administrative expenses		(6,221)	(7,308)	(6,221)	(7,308)
Other expenses		(335)	(359)	(335)	(359)
Finance costs		(225)	(324)	(225)	(324)
Share of results of an associate		339	1,094	339	1,094
Profit before tax	A7	<b>15,436</b>	<b>17,944</b>	<b>15,436</b>	<b>17,944</b>
Income tax expense	B6	(3,560)	(3,582)	(3,560)	(3,582)
<b>Net profit for the period</b>		<b>11,876</b>	<b>14,362</b>	<b>11,876</b>	<b>14,362</b>
<b>Other comprehensive income:</b>					
Exchange differences on translation of foreign operations, net of tax		(2)	(27)	(2)	(27)
<b>Total comprehensive income for the period</b>		<b>11,874</b>	<b>14,335</b>	<b>11,874</b>	<b>14,335</b>
<b>Net profit attributable to:</b>					
Owners of the parent		11,879	14,370	11,879	14,370
Non-controlling interest		(3)	(8)	(3)	(8)
<b>Net profit for the period</b>		<b>11,876</b>	<b>14,362</b>	<b>11,876</b>	<b>14,362</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		11,877	14,343	11,877	14,343
Non-controlling interest		(3)	(8)	(3)	(8)
<b>Total comprehensive income for the period</b>		<b>11,874</b>	<b>14,335</b>	<b>11,874</b>	<b>14,335</b>
<b>Earnings per share attributable to owners of the parent:</b>					
		<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
- Basic	B11	<b>2.51</b>	<b>3.05</b>	<b>2.51</b>	<b>3.05</b>
- Diluted	B11	<b>2.50</b>	<b>3.04</b>	<b>2.50</b>	<b>3.04</b>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**
**(THE FIGURES HAVE NOT BEEN AUDITED)**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	Note	As at 31/03/2021 RM'000	As at 31/12/2020 RM'000 <i>(Audited)</i>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	A12	167,718	170,657
Investment properties		10,572	10,589
Intangible assets		1,854	1,386
Right-of-use assets		6,080	6,265
Investment in an associate		33,981	33,782
Deferred tax assets		1,067	845
		<u>221,272</u>	<u>223,524</u>
<b>Current Assets</b>			
Inventories		94,510	92,065
Receivables		138,619	129,343
Prepayments		435	942
Tax recoverable		1,559	2,070
Derivative financial instruments	A15 & B12	76	42
Deposits, bank and cash balances		175,279	172,929
		<u>410,478</u>	<u>397,391</u>
<b>TOTAL ASSETS</b>		<b><u>631,750</u></b>	<b><u>620,915</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables		117,246	117,660
Borrowings	B8	19,750	21,214
Lease liabilities		757	737
Derivative financial instruments	A15 & B12	2	-
Current tax payable		1,849	1,504
		<u>139,604</u>	<u>141,115</u>
<b>Non-Current Liabilities</b>			
Borrowings	B8	-	-
Lease liabilities		5,626	5,808
Deferred tax liabilities		6,259	6,027
		<u>11,885</u>	<u>11,835</u>
<b>TOTAL LIABILITIES</b>		<b><u>151,489</u></b>	<b><u>152,950</u></b>
<b>NET ASSETS</b>		<b><u>480,261</u></b>	<b><u>467,965</u></b>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital		125,571	125,255
Reserves		11,872	11,768
Retained earnings		342,686	330,807
		<u>480,129</u>	<u>467,830</u>
Non-controlling interest		132	135
<b>TOTAL EQUITY</b>		<b><u>480,261</u></b>	<b><u>467,965</u></b>
		<b>RM</b>	<b>RM</b>
<b>Net Assets per share attributable to owners of the parent</b>		<b><u>1.01</u></b>	<b><u>0.99</u></b>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021**

Note	← Non-Distributable →			Distributable	Equity	Non-controlling Interest	Total Equity
	Share Capital	Foreign currency translation reserve	Share option reserve	Retained Earnings	attributable to owners of the parent, total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>PERIOD ENDED 31 MARCH 2021</b>							
Balance at 1 January 2021	125,255	10,536	1,232	330,807	467,830	135	467,965
Total comprehensive income	-	(2)	-	11,879	11,877	(3)	11,874
Share options granted	-	-	163	-	163	-	163
Transfer to share capital for share options exercised	57	-	(57)	-	-	-	-
Transaction with owners							
Dividends on ordinary shares	A8	-	-	-	-	-	-
Issuance of ordinary share pursuant to ESOS		259	-	-	259	-	259
Total transaction with owners		259	-	-	259	-	259
<b>Balance as at 31 March 2021</b>	<b>125,571</b>	<b>10,534</b>	<b>1,338</b>	<b>342,686</b>	<b>480,129</b>	<b>132</b>	<b>480,261</b>
<b>PERIOD ENDED 31 MARCH 2020</b>							
Balance at 1 January 2020	120,835	10,542	1,373	292,313	425,063	465	425,528
Total comprehensive income	-	(27)	-	14,370	14,343	(8)	14,335
Share options granted	-	-	178	-	178	-	178
Transfer to share capital for share options exercised	121	-	(121)	-	-	-	-
Transaction with owners							
Dividends on ordinary shares	A8	-	-	-	-	-	-
Issuance of ordinary share pursuant to ESOS		483	-	-	483	-	483
Total transaction with owners		483	-	-	483	-	483
<b>Balance as at 31 March 2020</b>	<b>121,439</b>	<b>10,515</b>	<b>1,430</b>	<b>306,683</b>	<b>440,067</b>	<b>457</b>	<b>440,524</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**
**(THE FIGURES HAVE NOT BEEN AUDITED)**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2021**

	PERIOD ENDED	
	31/03/2021	31/03/2020
	RM'000	RM'000
<b>Operating activities</b>		
Profit before tax	15,436	17,944
Adjustments for:		
Depreciation and amortisation	3,867	3,969
Net profit on disposal of property, plant and equipment	-	(62)
Share of results of an associate	(339)	(1,094)
Fair value changes of derivative financial instruments	(31)	(7)
Share options granted	163	178
Depreciation of right-of-use assets	207	282
Lease interest expense	86	91
Inventories written off and/ or down	(8)	13
Impairment on receivables net of reversals	-	125
Interest expense	139	233
Interest income	(422)	(533)
Operating cash flows before changes in working capital	19,098	21,139
Inventories	(2,437)	(3,481)
Receivables	(8,769)	(18,844)
Payables	(414)	13,614
Cash generated from operations	7,478	12,428
Tax paid	(2,694)	(2,239)
<b>Net cash flows generated from operating activities</b>	<b>4,784</b>	<b>10,189</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment & intangible assets	(1,380)	(1,840)
Proceeds from disposal of property, plant and equipment	-	63
Placement in short term deposit	(2,659)	(1,254)
Dividend from associated company	140	-
Interest received	422	533
<b>Net cash flows used in investing activities</b>	<b>(3,477)</b>	<b>(2,498)</b>
<b>Financing activities</b>		
Proceed from issuance of shares under ESOS	259	483
Repayment of term loans	(1,465)	(1,464)
Interest paid	(139)	(233)
Payment of lease liabilities	(270)	(348)
<b>Net cash flows used in financing activities</b>	<b>(1,615)</b>	<b>(1,562)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(308)</b>	<b>6,129</b>
<b>Cash and cash equivalents at 1 January</b>	<b>86,632</b>	<b>93,568</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>86,324</b>	<b>99,697</b>

Included in the deposits, bank and cash balances was RM 88,955,000 (31 March 2020: RM 28,076,000) placed with money market fund held for investment purposes and deposits with licensed banks with tenure more than 3 months. Both of these does not form part of cash and cash equivalents.

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021  
(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2021**

**A1 Basis of preparation**

These unaudited condensed consolidated interim financial statements for the period ended 31 March 2021 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. It should be read in conjunction with the Group's most recent audited financial statements for the year ended 31 December 2020.

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for the certain financial assets and liabilities classified as financial assets and liabilities at fair value through profit or loss and financial assets designated as available for sale.

**A2 Significant accounting policies**

The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2020 except for the adoption of the following standards, wherever applicable to the Group and Company:

Description	Effective for annual periods beginning on or after
Amendment to MFRS 16 Leases: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment (Proceeds before Intended Use)	1 January 2022
Amendments to MFRS 137: Onerous Contracts (Costs of Fulfilling a Contract)	1 January 2022
Annual Improvement to MFRS Standards 2018 - 2020 Cycle	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFR 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The initial application of the abovementioned standards and amendments do not have any material impacts to the current and prior periods financial statements upon their first adoption.

**A3 Seasonality or cyclicity of interim operations**

The Group's interim operations are not affected materially by any seasonal or cyclical factors.

**A4 Unusual items**

There were no unusual items that affected the assets, liabilities, equity, net income or cash flows for the period ended 31 March 2021.

**A5 Changes in estimates of amounts reported in prior interim periods of the current financial year or in prior financial year**

There were no changes in estimates of amounts reported in the prior interim periods of the current financial year or prior financial year.

**A6 Issuances, cancellations, repurchases, resale and repayments of debt and equity securities**

There were no issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the first quarter ended 31 March 2021 except for the issuance of 220,000 new ordinary shares pursuant to exercise of options under the Executive Share Options Scheme ("ESOS").

**A7 Profit before tax**

Included in profit before tax are the following items:

	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
Interest income	422	533	422	533
Other income including investment income	1,281	768	1,281	768
Interest expense	(139)	(233)	(139)	(233)
Depreciation and amortisation	(3,867)	(3,969)	(3,867)	(3,969)
Depreciation of right-of-use assets	(207)	(282)	(207)	(282)
Impairment on receivables net of reversals	-	(125)	-	(125)
Inventories written off and/ or down	8	(13)	8	(13)
Net profit on disposal of property, plant and equipment	-	62	-	62
Fair value changes of derivative financial instruments	31	7	31	7
Foreign exchange gain	152	113	152	113

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**

**(THE FIGURES HAVE NOT BEEN AUDITED)**

**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2021 (continued)**

**A8 Dividends paid and declared**

There were no dividends paid during the current period ended 31 March 2021.

**A9 Segment Information**

The Group is organised into three main business units based on their activities, and has three reportable operating segments as follows:

- (i) Manufacturing and marketing of pharmaceutical products ("M&M");
- (ii) Wholesale and distribution of pharmaceutical and healthcare products ("W&D"); and
- (iii) Corporate comprising investments, properties and others ("CORP").

**OPERATING SEGMENTS**

	M&M RM'000	W&D RM'000	CORP RM'000	Adjustments RM'000	GROUP RM'000
<b>PERIOD ENDED 31/03/2021</b>					
External Revenue	15,087	164,264	135	-	179,486
Inter-segment revenue	25,908	77	1,301	(27,286)	-
Total Revenue	40,995	164,341	1,436	(27,286)	<b>179,486</b>
Segment Results	9,058	7,456	(542)	(311)	15,661
Finance costs					(225)
Profit before tax					<b>15,436</b>
<b>PERIOD ENDED 31/03/2020</b>					
External Revenue	12,117	179,642	1,549	-	193,308
Inter-segment revenue	34,715	221	1,213	(36,149)	-
Total Revenue	46,832	179,863	2,762	(36,149)	<b>193,308</b>
Segment Results	11,274	9,181	(1,788)	(399)	18,268
Finance costs					(324)
Profit before tax					<b>17,944</b>
<b>Segment assets</b>					
31-Mar-2021	212,201	299,904	124,101	(4,456)	<b>631,750</b>
31-Dec-2020	208,420	295,077	121,574	(4,156)	<b>620,915</b>
<b>Segment liabilities</b>					
31-Mar-2021	(42,595)	(98,805)	(1,981)	(8,108)	<b>(151,489)</b>
31-Dec-2020	(42,626)	(98,931)	(3,862)	(7,531)	<b>(152,950)</b>

**A10 Significant Events After the Reporting Date**

There were no significant events that had arisen subsequent to the end of this current quarter.

**A11 Changes in Group Composition**

The Group did not undertake any business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring or discontinuation of operations during the current period ended 31 March 2021.

**A12 Property, plant and equipment**

During the current quarter ended 31 March 2021, prepaid capital expenditure paid by the Group was RM 0.8 million (31 March 2020: RM 1.8 million).

There were no disposal of assets and assets written off during the quarter ended 31 March 2021. However, assets with carrying amount of RM 1,000 were disposed of by the Group during the quarter ended 31 March 2020, resulting in a net gain on disposal of RM 62,000, recognised and included in other income in the statement of comprehensive income.

**A13 Capital Commitments**

Capital commitments of property, plant and equipment not provided for in the financial statements as at 31 March 2021 are as follows:

	RM'000
Authorised capital expenditure approved and contracted for	20,884
Authorised capital expenditure approved but not contracted for	10,795
	<b>31,679</b>

**A NOTES PURSUANT TO MFRS 134 FOR THE PERIOD ENDED 31 MARCH 2021 (continued)**

**A14 Related Party Transactions**

The Group did not have any significant transactions with related parties during the period ended 31 March 2021 in addition to the related party transactions disclosed in the audited financial statements for the year ended 31 December 2020.

**A15 Fair value hierarchy**

The Group uses the following level of fair value hierarchy for determining the fair value of its financial instruments carried at fair value.

Financial asstes:	31/03/2021	31/12/2020
	RM'000	RM'000
	<u>(Level 2)</u>	
Derivatives - Forward currency contracts	<u>74</u>	<u>42</u>

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the fair value hierarchy during the current interim period and the financial year end 2020.

**A16 Changes in Contingent liabilities or Contingent assets**

There were no contingent liabilities or contingent assets of the Group since the end of the last annual reporting date.

**INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2021**
**(THE FIGURES HAVE NOT BEEN AUDITED)**
**B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A**
**B1 Detailed Performance Analysis of Operating Segments of the Group**

	Individual Period		Changes	Cumulative Period		Changes
	Current Year	Year Corresponding		Current Year	Year Corresponding	
	Quarter	Quarter		To-date	Period	
	31/03/2021	31/03/2020		31/03/2021	31/03/2020	
	RM'000	RM'000	(%)	RM'000	RM'000	(%)
Revenue	179,486	193,308	-7.2%	179,486	193,308	-7.2%
Operating Profit	15,322	17,174	-10.8%	15,322	17,174	-10.8%
Profit Before Tax	15,436	17,944	-14.0%	15,436	17,944	-14.0%
Profit After Tax	11,876	14,362	-17.3%	11,876	14,362	-17.3%

Review of Current Quarter Performance versus Corresponding Quarter Last Year

In the first quarter of 2021, the Group achieved revenue of RM 179.5 million, a growth of 11.1% when compared to the last quarter of 2020 as recovery in sales to private sector clinics and hospitals continue with improving consumer confidence and activity. However, this is still 7.2% lower than the record revenue of RM 193.3 million secured in the first quarter of 2020 which was boosted by pandemic induced heightened demand that led to increased purchases by customers to build inventory in order to ensure uninterrupted supplies. In the current quarter, the Group's subsidiary, Xepa-Soul Pattinson (M) Sdn Bhd, delivered its first shipment of a contract manufactured cardiovascular drug to Australia and launched two new pharmaceutical products, Serenaz, an isotonic nasal spray and Viquprin (aspirin/glycine), an anti-platelet agent.

Share of results from associated company Straits Apex Sdn Bhd ('SA') for the quarter is RM 0.34 million, a decrease of 69% compared to the RM 1.09 million in same period last year. This is attributed to lower sales revenue in the current quarter as well as higher operating expenses arising from new production capacity committed before the pandemic and progressively added in the second half of 2020. Group profit before tax at RM 15.4 million for the current quarter is 14% lower than the RM 17.9 million achieved for the same quarter in the previous year. This is attributed to lower sales revenue as well as a lower contribution from the Group's associated company.

**B2 Material changes in the profit before tax for the quarter**

	Current Quarter	Immediate Preceding Quarter	Changes	
	31/03/2021	31/12/2020	RM'000	(%)
	RM'000	RM'000	RM'000	(%)
Revenue	179,486	161,577	17,909	11.1%
Operating Profit	15,322	14,804	518	3.5%
Profit Before Tax	15,436	18,401	(2,965)	-16.1%
Profit After Tax	11,876	14,373	(2,497)	-17.4%

Profit before tax for the current quarter is RM 15.4 million, a decrease of 16.1% when compared to RM 18.4 million achieved in the immediate preceding quarter. However, operating profit for the current quarter is 3.5% higher. This is largely attributed to the decreased quarterly contribution from the Group's associate company in the current quarter of RM 0.34 million, compared to RM 3.9 million in the fourth quarter of 2020.

**B3 Commentary**
**a Prospects**

Malaysia's economy is projected to return to 2019 pre-pandemic levels by mid-2021 with expected growth of between 6.0% to 7.5% for the current year. The first quarter of 2021 saw the continuation of the cautious recovery in consumer confidence and activity, as reflected in improved sales, especially to private sector clinics and hospitals.

However, the pace and sustainability of this recovery remains fragile, aggravated by the emergence of virus variants, resurgent waves of COVID-19 infections worldwide and the return of the Movement Control Order to parts of Malaysia in May 2021. Until vaccination is widespread globally and proven effective, the Group expects the business environment to remain uncertain and challenging for 2021.

The commencement of the Group's exports to Australia opens new international growth opportunities. However, the political instability and civil unrest in Myanmar, a key international market for the Group, may impact export sales in the near term. In addition to the opening of new international markets, the Group continues to place emphasis on investing in the research and development of new pharmaceutical and consumer healthcare products, the launching of digitalization projects to improve internal operational efficiencies and building stronger e-commerce capabilities in order to drive longer term growth.

Further unforeseen market changes and developments aside, the Group aims to deliver a satisfactory performance in 2021 and remains confident that its longer-term prospects remain positive.

**b Progress to achieve forecast revenue or profit estimate**

Not applicable.



**B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)**

B4 Statement by the Board of Directors' opinion on the achievability of forecast revenue or profit estimate

Not applicable.

B5 Profit Forecast /Profit Guarantee

Not applicable.

B6 Income Tax Expense

	3 MONTHS ENDED		PERIOD ENDED	
	31/03/2021 RM'000	31/03/2020 RM'000	31/03/2021 RM'000	31/03/2020 RM'000
In respect of current period:				
Income tax	2,797	3,653	2,797	3,653
Deferred tax	10	(533)	10	(533)
Foreign tax	753	462	753	462
	<b>3,560</b>	<b>3,582</b>	<b>3,560</b>	<b>3,582</b>

The effective tax rate for the current quarter and previous year corresponding quarter were lower than the statutory rate of 24% due to the net-of-tax profit contributed by the Group's associated company.

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 13 May 2021.

B8 Group Borrowings and Debt Securities

	As at 31/03/2021		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
<b>Secured</b>			
Secured bank loans	-	19,750	19,750

  

	As at 31/12/2020		
	Long Term	Short Term	Total Borrowings
	RM'000	RM'000	RM'000
<b>Secured</b>			
Secured bank loans	-	21,214	21,214

The bank borrowings is to part finance the construction of the new oral solid dosage plant, SPP NOVO by Xepa-Soul Pattinson (Malaysia) Sdn Bhd, a wholly-owned subsidiary of the Company. The loans are denominated in Ringgit Malaysia and secured by a Corporate Guarantee provided by the Company. The weighted average interest rates are tagged to a percentage margin above one-month Effective Cost of Funds. Other than the principal repayments, there were no material changes in the amount of borrowings at the end of the current quarter compared to the end of the previous financial year ended 31 December 2020.

B9 Material Litigation

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

B10 Dividend Payable

The Board of Directors does not recommend the payment of any interim dividend for the period ended 31 March 2021 (31 March 2020: Nil).

**B NOTES PURSUANT TO BURSA LISTING REQUIREMENTS: CHAPTER 9, APPENDIX 9B, PART A (continued)**

**B11 Earnings per share**

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

		3 MONTHS ENDED		PERIOD ENDED	
		31/03/2021	31/03/2020	31/03/2021	31/03/2020
<b>Basic Earnings per share</b>					
Profit after tax	RM'000	11,879	14,370	11,879	14,370
Weighted average number of ordinary shares in issue	'000	473,236	471,679	473,236	471,679
Basic earnings per share	sen	<b>2.51</b>	<b>3.05</b>	<b>2.51</b>	<b>3.05</b>
<b>Diluted Earnings per share</b>					
Profit after tax	RM'000	11,879	14,370	11,879	14,370
Weighted average number of ordinary shares in issue	'000	473,236	471,679	473,236	471,679
Effect of dilution-Share options	'000	1,268	1,429	1,268	1,429
Adjusted weighted average number of ordinary shares in issue	'000	474,504	473,108	474,504	473,108
Diluted earnings per share	sen	<b>2.50</b>	<b>3.04</b>	<b>2.50</b>	<b>3.04</b>

**B12 Derivative Financial Instruments**

The Group is exposed to foreign currency exchange risk as a result of foreign currency transactions entered into in currencies other than their functional currencies by the subsidiary companies. These companies enter into short-term forward foreign exchange contracts to manage their exposure to fluctuations in foreign currency exchange rates on specific transactions arising from trade receivables and payables.

Type of Derivatives	Contract/ Notional Value	Fair Value
	31/03/2021 RM'000	31/03/2021 RM'000
i) Forward Foreign Currency Contract entered into for the export sales to Singapore - Less than 1 year	6,223	6,299
ii) Forward Foreign Currency Contract entered into for the purchase of goods from foreign contract manufacturers or suppliers - Less than 1 year	(527)	(529)
	5,696	5,770

No derivative was entered into by the Company which has not been disclosed in the preceding financial year or any quarters in the current financial year. Since the end of the previous financial year or any quarters in the current financial year, there was a no change in any of the information disclosed in respect of the following:

- The credit risk, market risk and liquidity risks associated with the derivatives;
- The policies in place for mitigating or controlling the risks associated with these derivatives;
- The related accounting policies.

The net cash requirements relating to these contracts was RM 5,696,000.

**B13 Fair Value Changes of Financial Liabilities**

As at 31 March 2021, the Group did not have any significant financial liabilities measured at fair value through profit or loss other than the disclosure in note A15.

**B14 Auditors' report on preceding annual financial statements**

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

**Authorisation for issue**

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors dated 20 May 2021.