



GREATECH TECHNOLOGY BERHAD
(Company No. 201801008633 (1270647-H))
(Incorporated in Malaysia under the Companies Act 2016)

**INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021 ⁽¹⁾

	Unaudited as at 30/09/2021 RM'000	Audited as at 31/12/2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	86,130	64,541
Right-of-use assets	32,075	29,826
	<u>118,205</u>	<u>94,367</u>
Current assets		
Inventories	8,777	11,671
Trade and other receivables	125,559	41,459
Contract assets	16,589	20,590
Derivative assets	-	4
Current tax assets	1,181	1,120
Short term funds	268,427	212,960
Cash and bank balances	85,614	72,570
	<u>506,147</u>	<u>360,374</u>
TOTAL ASSETS	<u>624,352</u>	<u>454,741</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	112,425	111,951
Reserves	290,485	174,795
TOTAL EQUITY	<u>402,910</u>	<u>286,746</u>
Non-current liabilities		
Borrowings	15,291	17,202
Lease liabilities	3,378	615
Deferred tax liabilities	6,002	6,002
Government grant	427	526
	<u>25,098</u>	<u>24,345</u>
Current liabilities		
Trade and other payables	40,432	40,166
Contract liabilities	111,785	58,349
Provision for warranties	41,634	42,447
Derivative liabilities	44	-
Borrowings	1,100	1,416
Lease liabilities	1,216	1,139
Government grant	133	133
	<u>196,344</u>	<u>143,650</u>
TOTAL LIABILITIES	<u>221,442</u>	<u>167,995</u>
TOTAL EQUITY AND LIABILITIES	<u>624,352</u>	<u>454,741</u>



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT
30 SEPTEMBER 2021 ⁽¹⁾**

	Unaudited as at 30/09/2021	Audited as at 31/12/2020
Number of ordinary shares in issue ('000)	1,252,055	1,252,000
Net assets per share attributable to owners of the parent (RM)	0.32	0.23

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021 ⁽¹⁾

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Revenue	95,334	75,820	326,833	184,780
Cost of sales	(61,223)	(40,985)	(194,072)	(107,209)
Gross profit	34,111	34,835	132,761	77,571
Other income	5,865	712	16,302	8,528
Administrative and marketing expenses	(10,641)	(11,776)	(33,542)	(25,236)
Finance cost	(126)	(258)	(538)	(719)
Profit before tax	29,209	23,513	114,983	60,144
Tax expense	(214)	(291)	(947)	(806)
Profit for the financial period	28,995	23,222	114,036	59,338
Other comprehensive income				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translations	(25)	*	(70)	(7)
Total comprehensive income for the financial period attributable to owners of the parent	28,970	23,222	113,966	59,331
Earnings per ordinary share attributable to owners of the parent (sen)				
- Basic ⁽²⁾	2.32	1.85	9.11	4.74
- Diluted ⁽²⁾	2.32	1.85	9.11	4.74

(1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

(2) Based on weighted average number of ordinary shares in issue during the financial period under review.

* Less than RM1,000

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021 ⁽¹⁾

	Non-distributable					Distributable	
	Share capital	Exchange translation reserve	Reorganisation debit reserve	Revaluation reserve	Share option reserve	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2021	111,951	3	(39,500)	8,604	-	205,688	286,746
Profit for the financial period	-	-	-	-	-	114,036	114,036
Foreign currency translations	-	(70)	-	-	-	-	(70)
Other comprehensive income, net of tax	-	(70)	-	-	-	-	(70)
Total comprehensive income	-	(70)	-	-	-	114,036	113,966
Realisation of revaluation surplus	-	-	-	(174)	-	174	-
Transactions with owners:							
Share-based payment transaction	-	-	-	-	1,898	-	1,898
Issuance of ordinary shares pursuant to ESOP ⁽²⁾	474	-	-	-	(174)	-	300
Total transactions with owners	474	-	-	-	1,724	-	2,198
Balance as at 30 September 2021	112,425	(67)	(39,500)	8,430	1,724	319,898	402,910
Balance as at 1 January 2020	111,951	7	(39,500)	5,464	-	117,668	195,590
Profit for the financial period	-	-	-	-	-	59,338	59,338
Foreign currency translations	-	(7)	-	-	-	-	(7)
Other comprehensive income, net of tax	-	(7)	-	-	-	-	(7)
Total comprehensive income	-	(7)	-	-	-	59,338	59,331
Realisation of revaluation surplus	-	-	-	(130)	-	130	-
Balance as at 30 September 2020	111,951	*	(39,500)	5,334	-	177,136	254,921

(1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

(2) ESOP - Employees' Share Option Plan

* Less than RM1,000

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021 ⁽¹⁾

	9 months ended	
	30/09/2021	30/09/2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	114,983	60,144
Adjustments for:		
Amortisation of government grant	(99)	(101)
Depreciation of:		
- property, plant and equipment	3,398	2,737
- right-of-use assets	1,663	1,472
Fair value adjustment on derivative assets/liabilities	48	(3)
Gain on lease modification	(3)	-
Impairment losses on:		
- contract assets	636	207
- trade receivables	3,631	711
Interest expense	538	719
Interest income	(514)	(472)
Lease concessions	(23)	(22)
Loss on disposal of property, plant and equipment	25	-
Property, plant and equipment written off	255	-
Provision for warranties	10,315	13,006
Reversals of:		
- impairment losses on contract assets	(332)	-
- impairment losses on trade receivables	(527)	(180)
- unused provision for warranties	(11,128)	(8,268)
Share-based payment transaction	1,898	-
Unrealised (gain)/loss on foreign exchange	(1,438)	1,101
Operating profit before changes in working capital	123,326	71,051
Decrease/(Increase) in inventories	2,894	(11,144)
Increase in trade and other receivables	(86,312)	(21,629)
Decrease in contract assets	3,697	12,703
Increase/(Decrease) in trade and other payables	218	(1,231)
Increase/(Decrease) in contract liabilities	53,436	(19,704)
Cash generated from operations	97,259	30,046
Interest paid	(471)	(617)
Interest received	514	472
Tax paid	(541)	(815)
Net cash from operating activities	96,761	29,086

GREATECH TECHNOLOGY BERHAD**(Company No. 201801008633 (1270647-H))**

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Interim Financial Report For The Third Quarter Ended 30 September 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021 ⁽¹⁾**

	9 months ended	
	30/09/2021	30/09/2020
	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	373	-
Purchases of:		
- property, plant and equipment	(25,640)	(12,583)
- right-of-use assets	(259)	(89)
Net changes in deposits pledged with licensed banks	-	1,328
Net changes in deposits with licensed bank (more than three months)	(5,066)	-
Net cash used in investing activities	(30,592)	(11,344)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
- issuance of ordinary shares	300	-
- term loans	16,500	490
Repayments of:		
- lease liabilities	(854)	(986)
- term loans	(18,727)	(655)
Net cash used in financing activities	(2,781)	(1,151)
Net changes in cash and cash equivalents	63,388	16,591
Effects of exchange rate changes on cash and cash equivalents	57	(1,253)
Cash and cash equivalents at beginning of financial period	284,023	215,108
Cash and cash equivalents at end of financial period	347,468	230,446
Cash and cash equivalents comprise the following at end of financial period:		
Cash and bank balances	79,041	39,313
Deposits pledged with licensed banks	-	1,649
Deposits with licensed bank (more than three months)	6,573	-
Short term funds	268,427	190,980
	354,041	231,942
Less: Deposits pledged to licensed banks	-	(1,496)
Deposits with licensed bank (more than three months)	(6,573)	-
	347,468	230,446

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021 ⁽¹⁾
RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease liabilities RM'000	Term loans RM'000
Balance as at 1 January 2021	1,754	18,618
Cash flows	(854)	(2,227)
Non-cash flows		
- addition of lease liabilities	3,702	-
- effects of lease modification	(52)	-
- lease concessions	(23)	
- unwinding of interest	67	-
Balance as at 30 September 2021	<u>4,594</u>	<u>16,391</u>

	Lease liabilities RM'000	Term loans RM'000
Balance as at 1 January 2020	3,517	19,129
Cash flows	(986)	(165)
Non-cash flows		
- lease concessions	(22)	-
- unwinding of interest	102	-
Balance as at 30 September 2020	<u>2,611</u>	<u>18,964</u>

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

Part A - Explanatory Notes Pursuant To MFRS 134, Interim Financial Reporting

A1. Basis of Preparation

The interim financial report of Greatech Technology Berhad (“**Company**” or “**Greatech**”) and its subsidiaries (collectively known as “**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 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory 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 latest audited financial statements, except for the adoption of the following new and revised MFRSs, Amendments to MFRSs and IC interpretations.

a) New and revised MFRSs, Amendments to MFRSs and IC interpretations adopted during the financial year

Title	Effective date
Amendments to MFRSs 4, 7, 9, 16 and 139 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to MFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021

The adoption of the above accounting standards and interpretations have no impact on the financial statements of the Group upon their initial application.

b) New and revised MFRSs, Amendments to MFRSs and IC interpretations, but only effective for annual periods beginning on or after 1 January 2022

The following are standards of the MFRSs Framework that have been issued by the Malaysian Accounting Standards Board but have not been early adopted by the Group:

Title	Effective date
<i>Amendments to MFRSs contained in the document entitled “Annual Improvements to MFRS Standards 2018–2020”</i>	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A3. Audit Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2020.

A4. Seasonal or Cyclical Factors

The Group did not experience any material seasonality or cyclicalities in the business as the demand for the products and services are neither subject to seasonal fluctuations nor cyclical variations.

A5. Material Unusual Items

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

A6. Material Changes in Estimates

There were no changes in estimates that have a material effect in the current financial quarter under review.

A7. Debt and Equity Securities

Save as disclosed below, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

The Company had issued 50,700 new ordinary shares at an exercise price of RM5.475 pursuant to the Employees' Share Option Plan ("ESOP").

A8. Dividend Paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental Reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the sale of automated equipment together with provision of parts and services.

No provision of parts and services segment information is presented as the Chief Executive Officer ("CEO") views the Group as a single reportable segment.

A10. Valuations of Property, Plant and Equipment and Right-Of-Use Assets

The valuations of buildings and leasehold land classified under Property, Plant and Equipment and Right-Of-Use Assets respectively is performed by an independent professional valuer using the open market value basis on 31 December 2020.

A11. Material Events Subsequent to the end of the Interim Financial Period

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

A12. Changes in Group's Composition

There were no changes in the composition of the Group during the current financial quarter under review.

A13. Contingent Assets and Contingent Liabilities

There were no material contingent assets or contingent liabilities to be disclosed as at the date of this interim financial report.

A14. Capital Commitments

Save as disclosed below, as at 30 September 2021, the Group does not have any material capital commitments:

Property, Plant and Equipment	RM'000
- Approved and contracted for	<u>52,758</u>

Capital commitments of the Group relate to the land and building cost for its new operational facilities, plant and machinery, tools and equipment and computer systems.

A15. Significant Related Party Transactions

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

A16. Fair Value of Financial Liabilities

There were no gains or losses arising from fair value changes of the Group's financial liabilities for the current financial quarter under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

Part B - Additional Information Required by the Main Market Listing Requirements of Bursa Securities

B1. Review of Group's Performance

Comparison with prior year corresponding quarter results

The Group's revenue of RM95.33 million for the current financial quarter were 25.74% or RM19.51 million higher than that of prior year corresponding quarter. The increase was attributable to the higher revenue recognised in production line systems ("PLS") and single automated equipment ("SAE"). The most visible increase can be seen in the PLS for electric vehicle energy storage ("EV energy storage") industry. EV energy storage industry took a bigger cut in the current quarter PLS revenue with 65.76%.

The Group has recorded a lower gross profit ("GP") and gross profit margin ("GP margin") of RM34.11 million and 35.78% respectively, as compared to RM34.84 million and 45.94% respectively in the prior year corresponding quarter. The current quarter's margin was mainly impacted by the higher freight costs and travelling expenses for the shipment, installation and commissioning of machines abroad as most of the revenue were derived from overseas. During the prior year corresponding quarter, majority of the revenue were derived locally, incurring lower freight costs for land transportation and the travelling expenses were minimal. For informational purpose, the normalised GP margin without the net warranty impact is 36.52% and 46.71% for current financial quarter and prior year corresponding quarter respectively.

Despite a lower GP recorded, the Group's profit before tax ("PBT") for the current financial quarter has increased by RM5.70 million or 24.22% as compared to the prior year corresponding quarter. This was primarily contributed from the increased realised and unrealised foreign exchange gain as seen under Note B13 and a lower administrative and marketing expenses mainly attributable to the provision of employees' incentive expenses recognised in the prior year corresponding quarter.

Comparison with prior year cumulative quarter results

The Group's cumulative revenue has increased by RM142.05 million or 76.88% from RM184.78 million in 2020 to RM326.83 million in 2021. The increase was mainly attributable to the higher revenue recorded from PLS for the EV energy storage industry.

The Group's PBT has increased significantly by RM54.84 million or 91.18% from RM60.14 million in 2020 to RM114.98 million in 2021. This was due to the higher GP recorded as compared with prior year and higher other income mainly arising from the increase in realised and unrealised foreign exchange gain. Although the Group recorded a higher administrative and marketing expenses of RM33.54 million in 2021 as compared to RM25.24 million in 2020 primarily driven by the higher employee benefits expenses from the increased employee headcount and impairment losses on trade receivables, the administrative and marketing expenses as a percentage of revenue has dropped from 13.66% in 2020 to 10.26% this year, contributing to a higher PBT margin of 35.18% as compared to 32.55% a year earlier.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B2. Comparison with Immediate Preceding Quarter's Results

The Group's revenue for the current financial quarter ended 30 September 2021 has decreased by RM41.02 million or 30.08% as compared to the preceding financial quarter ended 30 June 2021. This was mainly attributable to the lower revenue contribution from PLS. There were some rescheduling from customer to postpone the equipment installations due to the introduction of strictest lockdown measures by certain country. Furthermore, there were lesser revenue recognised during the current financial quarter due to the PLS shipped in the last quarter were in customer site acceptance this quarter. In addition, the new projects have yet to reach the milestone for revenue recognition during this quarter.

The GP and GP margin of the Group has dropped by RM15.16 million and 0.35% respectively in tandem with the lower revenue recorded.

The PBT of the Group for the current financial quarter was lower by RM9.55 million, in tandem with the lower GP contribution. Nonetheless, there were a slight increase in PBT margin from 28.43% to 30.64%, mainly attributable from the higher other income recorded and the lower administrative and marketing expenses due to unrealised foreign exchange differences and share-based payment transaction respectively.

B3. Commentary on Prospects

The increasing demand for clean electricity and clean energy goals adoption has fuelled the growth in demand of industrial equipment of solar and energy storage. The Group's order book in third quarter showed positive improvement driven by the Group's solar customer focused on expanding its manufacturing capacity in America and India, and reducing environment footprint. The Group is ideally placed to benefit from this growth opportunity. The significant near-term focus is maximising production to support the increased demand, including additional recruitment, increased manufacturing facilities, increased production capacity through new machine and broaden our supply chain. In response to this, the Group is carefully managing the additional costs incurred in ramping capacity.

With COVID-19 still affecting our daily lives, the Group continued to prioritise safety and well-being of our employees, their families, customers and suppliers. As part of the Group commitment to adhere to COVID-19 safety protocols, the Group is partnered with healthcare service provider to facilitate a bi-monthly on-site RTK-Antigen testing for our employees. 100% of the Group's workforce has been fully vaccinated so far, and the Group is operating at 100% capacity.

The Group is mindful of the risk of COVID-19 disruption and global supply chains issue leading to escalation in raw material and freight costs. Cost escalation has remained within our expectations. The Group is working closely with our suppliers and customers to limit the exposure.

As of 29 October 2021, the Group's accumulated outstanding order book since quarter ended 30 September 2021 stood at approximately RM426 million, and is expected to last until the second half of 2022.

B4. Profit Forecast

The Group did not issue any profit forecast during the financial quarter under review.

B5. Status of Corporate Proposals

There were no corporate proposals announced but not completed for the current financial quarter under review.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B6. Tax Expense

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current tax	(183)	(180)	(480)	(570)
- Deferred tax	-	-	-	-
Withholding tax expense	(31)	(111)	(467)	(236)
	<u>(214)</u>	<u>(291)</u>	<u>(947)</u>	<u>(806)</u>
Effective tax rate	0.73%	1.24%	0.82%	1.34%

The overall effective tax rate for the financial period of the Group was lower than the statutory tax rate of 24% as the subsidiary, Greatech Integration (M) Sdn. Bhd., was granted pioneer status by Ministry of International Trade and Industry of Malaysia under the Promotion of Investments Act, 1986 on 29 March 2013, for a period of five (5) years up to 28 March 2018, which was subsequently extended for another five (5) years to 28 March 2023. As such, its statutory income during this period is exempted from income tax.

Withholding tax expense is related to foreign withholding tax liability from sales of production line systems and provision of engineering services to a customer in certain jurisdiction. Due to complexity of the tax law, significant judgement is required in evaluating the tax positions, including uncertainties. There is no assurance of refundability. Thus, the Group has decided to expense the withholding tax to the statement of profit or loss and other comprehensive income.

B7. Use of Proceeds from the Initial Public Offering (“IPO”)

The gross proceeds of RM73.05 million raised from the Public Issue and status of utilisation as at 30 September 2021 is disclosed in the following manner:

Purposes	Estimated time frame for utilisation upon Listing	Proposed utilisation RM'000	Actual utilisation RM'000	Percentage utilised %
Business expansion and development, and marketing activities	Within 48 months	18,000	6,285	35%
Capital expenditure	Within 24 months	5,000	5,000	100%
R&D expenditure	Within 24 months	5,000	5,000	100%
Working capital	Within 30 months	36,548	36,548	100%
Repayment of bank borrowings	Within 3 months	4,500	4,500	100%
Estimated listing expenses	Immediately	4,000	4,000	100%
Total		73,048	61,333	84%

The use of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 13 May 2019.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B8. Borrowings and Debt Securities

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

	Unaudited	
	30/09/2021	30/09/2020
	RM'000	RM'000
Secured:		
Current liabilities		
Term loans	1,100	1,402
Non-current liabilities		
Term loans	15,291	17,562
Total liabilities		
Term loans	16,391	18,964

B9. Derivative Liabilities

The details of outstanding derivative instruments as at 30 September 2021 are as follow:

	Contracts amount	Liabilities
	RM'000	RM'000
Forward Foreign Exchange Contracts:		
- Less than 1 year	4,382	44

The Group's derivative liabilities at the end of the current financial quarter comprise forward foreign exchange contracts which are used to manage the foreign currency exposures arising from the Group's receivables denominated in USD. The fair value of the forward foreign exchange contracts is based on the difference between the contracted forward rates and the mark-to-market rates.

B10. Material Litigation

As at the date of this interim financial report, there were no material litigations involving the Group.

B11. Proposed Dividend

The Board of Directors did not declare or recommend any dividend for the current financial quarter under review.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT
B12. Earnings Per Ordinary Share ("EPS")

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Profit after tax attributable to owners of the parent (RM'000)	28,995	23,222	114,036	59,338
<u>Basic</u>				
Weighted average number of ordinary shares in issue ('000) ⁽¹⁾	1,252,018	1,252,000	1,252,007	1,252,000
Basic EPS (sen) ⁽²⁾	2.32	1.85	9.11	4.74
<u>Diluted</u>				
Weighted average number of ordinary shares in issue ('000) ⁽¹⁾	1,252,018	1,252,000	1,252,007	1,252,000
Effect of dilution due to employee share option plan ('000)	100	-	34	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per share ('000)	1,252,118	1,252,000	1,252,041	1,252,000
Diluted EPS (sen) ⁽³⁾	2.32	1.85	9.11	4.74

(1) Includes the retrospective effect of bonus issue of 626,000,000 bonus shares listed on 11 January 2021. Excluding this, the basic and diluted EPS for the individual and cumulative financial period ended 30 September 2020 was 3.71 sen and 9.48 sen respectively.

(2) Basic EPS for the financial period is calculated by dividing the profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period.

(3) Diluted EPS for the financial period is calculated by dividing the profit for the financial period attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

B13. Profit Before Tax

Included in profit before tax for the financial period are the following income/(expense) items:

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Amortisation of government grant	33	34	99	101
Depreciation of:				
- property, plant and equipment	(1,189)	(986)	(3,398)	(2,737)
- right-of-use assets	(545)	(513)	(1,663)	(1,472)
Fair value adjustment on derivative assets/liabilities	46	15	(48)	3
Gain/(Loss) on disposal of property, plant and equipment	41	-	(25)	-
Gain on lease modification	1	-	3	-
Impairment losses on:				
- contract assets	(636)	(207)	(636)	(207)
- trade receivables	(3,631)	(711)	(3,631)	(711)
Interest expense	(126)	(258)	(538)	(719)
Interest income	247	114	514	472
Lease concessions	23	-	23	22
Property, plant and equipment written off	-	-	(255)	-
Provision for warranties	(2,595)	(5,383)	(10,315)	(13,006)
Realised gain on foreign exchange	3,373	387	10,063	3,699
Reversals of:				
- impairment losses on contract assets	2,822	-	332	-
- impairment losses on trade receivables	1,204	419	527	180
- unused provision for warranties	1,889	4,801	11,128	8,268
Share-based payment transaction	-	-	(1,898)	-
Unrealised gain/(loss) on foreign exchange	1,088	(1,262)	1,438	(1,101)

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