



PENSONIC HOLDINGS BERHAD
Registration No : 199401014746 (300426-P)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER 28 FEBRUARY 2021**

INTERIM REPORT FOR THE QUARTER ENDED 28 FEBRUARY 2021
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
The figures have not been audited

| | Note | Individual Quarter | | Cumulative Quarter | |
|---|------|--------------------|-----------|--------------------|-----------|
| | | 28-Feb-21 | 29-Feb-20 | 28-Feb-21 | 29-Feb-20 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 9 | 83,667 | 69,430 | 247,496 | 217,677 |
| Cost of sales | | (65,577) | (57,564) | (197,762) | (181,343) |
| Gross profit | | 18,090 | 11,866 | 49,734 | 36,334 |
| Other operating income | | 1,107 | 10,827 | 3,262 | 11,825 |
| Interest income | | - | 11 | 9 | 56 |
| Operating expenses | | (12,338) | (15,701) | (36,602) | (40,535) |
| Results from operating activities | | 6,859 | 7,003 | 16,403 | 7,680 |
| Finance costs | | (698) | (989) | (2,499) | (3,096) |
| Operating profit | | 6,161 | 6,014 | 13,904 | 4,584 |
| Share of profit/(loss) of equity accounted associates | | (5) | (76) | (2) | (76) |
| Profit before tax | | 6,156 | 5,938 | 13,902 | 4,508 |
| Tax expense | 18 | (1,318) | (955) | (2,525) | (1,209) |
| Profit after tax | | 4,838 | 4,983 | 11,377 | 3,299 |
| Other comprehensive expenses, net of tax | | | | | |
| Foreign currency translation differences | | (205) | - | (528) | 126 |
| Total comprehensive profit for the period | | 4,633 | 4,983 | 10,849 | 3,425 |
| Profit attributable to : | | | | | |
| Shareholders of the Company | | 5,005 | 5,081 | 11,628 | 3,650 |
| Non-controlling interests | | (167) | (98) | (251) | (351) |
| | | 4,838 | 4,983 | 11,377 | 3,299 |
| Total comprehensive profit attributable to | | | | | |
| Shareholders of the Company | | 4,847 | 5,081 | 11,174 | 3,776 |
| Non-controlling interests | | (214) | (98) | (325) | (351) |
| | | 4,633 | 4,983 | 10,849 | 3,425 |
| Basic earnings per ordinary share (sen) | 24 | 3.86 | 3.92 | 8.97 | 2.81 |
| Diluted earnings per ordinary share (sen) | 24 | 3.82 | # | # | # |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 May 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM REPORT FOR THE FINANCIAL AS AT 28 FEBRUARY 2021
Condensed Consolidated Statement of Financial Position
The figures have not been audited

| | Note | (Unaudited) 28-Feb-21 RM'000 | (Audited) 31-May-20 RM'000 |
|---|------|------------------------------------|----------------------------------|
| ASSETS | | | |
| Property, plant and equipment | | 124,053 | 125,513 |
| Intangible assets | | 870 | 870 |
| Investments in associates | | 549 | 551 |
| Deferred tax assets | | 666 | 476 |
| Total non-current assets | | <u>126,138</u> | <u>127,410</u> |
| Inventories | | 60,212 | 44,596 |
| Trade and other receivables | 20 | 48,465 | 58,925 |
| Current tax assets | | 694 | 738 |
| Fixed deposit | | 525 | 513 |
| Cash and cash equivalents | | 26,866 | 26,146 |
| Total current assets | | <u>136,762</u> | <u>130,918</u> |
| TOTAL ASSETS | | <u><u>262,900</u></u> | <u><u>258,328</u></u> |
| EQUITY | | | |
| Share capital | | 67,671 | 67,671 |
| Treasury Share | | (966) | - |
| Reserves | | 60,250 | 49,150 |
| Total equity attributable to owners of the Company | | <u>126,955</u> | <u>116,821</u> |
| Non-controlling interests | | 1,426 | 1,751 |
| TOTAL EQUITY | | <u>128,381</u> | <u>118,572</u> |
| LIABILITIES | | | |
| Loans and borrowings | 21 | 36,360 | 40,329 |
| Deferred tax liabilities | | 359 | 220 |
| Lease liability | | 257 | 780 |
| Total non-current liabilities | | <u>36,976</u> | <u>41,329</u> |
| Trade and other payables | | 38,774 | 39,728 |
| Loans and borrowings | 21 | 50,417 | 51,885 |
| Current tax liabilities | | 7,961 | 5,977 |
| Lease liability | | 391 | 837 |
| Total current liabilities | | <u>97,543</u> | <u>98,427</u> |
| Total liabilities | | <u>134,519</u> | <u>139,756</u> |
| TOTAL EQUITY AND LIABILITIES | | <u><u>262,900</u></u> | <u><u>258,328</u></u> |
| Net assets per share attributable to equity holders (RM) | | 0.99 | 0.91 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 May2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2021
Condensed Consolidated Statement of Changes in Equity
The figures have not been audited

| | Attributable to owners of the Company | | | | | | Retained Earnings | Total | Non-controlling interests | Total Equity |
|--|---------------------------------------|----------------|------------------------------|-----------------|-----------------|---------------|-------------------|---------|---------------------------|--------------|
| | Non-Distributable Reserve | | | Distributable | | | | | | |
| | Share Capital | Treasury Share | Exchange translation Reserve | Capital reserve | Warrant reserve | Other Reserve | | | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 June 2019, restated | 67,671 | - | 86 | 4,488 | 6,483 | (639) | 35,212 | 113,301 | 2,273 | 115,574 |
| Profit for the period | - | - | - | - | - | - | 3,650 | 3,650 | - | 3,650 |
| Foreign currency translation differences | - | - | 126 | - | - | - | - | 126 | (351) | (225) |
| Total comprehensive profit for the period | - | - | 126 | - | - | - | 3,650 | 3,776 | (351) | 3,425 |
| Capital distribution to NCI | - | - | - | - | - | - | - | - | (31) | (31) |
| At 29 February 2020 | 67,671 | - | 212 | 4,488 | 6,483 | (638) | 38,862 | 117,077 | 1,891 | 118,968 |
| At 1 June 2020 | 67,671 | - | 724 | 4,488 | 6,483 | (638) | 38,093 | 116,821 | 1,751 | 118,572 |
| Profit for the period | - | - | - | - | - | - | 11,628 | 11,628 | (251) | 11,377 |
| Foreign currency translation differences | - | - | (528) | - | - | - | - | (528) | (74) | (602) |
| Total comprehensive profit for the period | - | - | (528) | - | - | - | 11,628 | 11,100 | (325) | 10,775 |
| Treasury Share | - | (966) | - | - | - | - | - | (966) | - | (966) |
| At 28 February 2021 | 67,671 | (966) | 196 | 4,488 | 6,483 | (638) | 49,721 | 126,955 | 1,426 | 128,381 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 May 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2021
Condensed Consolidated Statement of Cash Flows

| | Cumulative Quarters | |
|---|----------------------------|------------------|
| | 9 months ended | |
| | 28-Feb-21 | 29-Feb-20 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit for the period | 13,902 | 4,508 |
| Adjustments for : | | |
| Depreciation of property, plant and equipment | 5,333 | 4,648 |
| Depreciation of right of use assets | - | 1,108 |
| Gain on disposal of plant and equipment | (162) | (11,243) |
| Impairment loss on receivables | - | 54 |
| Interest expense | 2,483 | 3,096 |
| Interest income | (9) | (56) |
| Plant and equipment written off | 144 | 44 |
| Share of results of associates | 2 | 76 |
| Operating profit before working capital changes | <u>21,693</u> | <u>2,235</u> |
| Changes in working capital: | | |
| Inventories | (15,782) | 18,623 |
| Trade and other receivables | 9,112 | 10,978 |
| Trade and other payables | (73) | (9,929) |
| Cash generated from operations | 14,950 | 21,907 |
| Income tax paid | (546) | (782) |
| Net cash from operating activities | <u>14,404</u> | <u>21,125</u> |
| Cash flows from investing activities | | |
| Proceeds from disposal of plant and equipment | 266 | 20,149 |
| Purchase of property, plant and equipment | (4,448) | (24,303) |
| Interest received | 9 | 56 |
| Net cash used in investing activities | <u>(4,173)</u> | <u>(4,098)</u> |
| Cash flows from financing activities | | |
| Drawdown/(Repayment) of loans and borrowings, net | (3,415) | (16,386) |
| Drawdown/(Repayment) of finance lease liabilities | 488 | 60 |
| Repayment of lease liability | (649) | (1,057) |
| Placement of pledged fixed deposits | (12) | (250) |
| Interest paid | (2,483) | (3,096) |
| Purchase of treasury shares | (966) | - |
| Capital distribution of a subsidiary | - | (32) |
| Net cash used in financing activities | <u>(7,037)</u> | <u>(20,761)</u> |
| Net increase/(decrease) in cash and cash equivalents | 3,194 | (3,734) |
| Cash and cash equivalents at beginning of period | 20,738 | 20,266 |
| Effect of exchange differences on cash and cash equivalents | 35 | 121 |
| Cash and cash equivalents at end of period | <u>23,967</u> | <u>16,653</u> |
| Cash and cash equivalents comprised the following: | | |
| Cash and bank balances | 26,866 | 20,545 |
| Bank overdrafts | (2,899) | (3,892) |
| | <u>23,967</u> | <u>16,653</u> |

The figures have not been audited

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 May 2020 and the accompanying explanatory notes attached to the interim financial statements.

INTERIM REPORT FOR THE PERIOD ENDED 28 FEBRUARY 2021 (Unaudited)
Notes to the condensed consolidated interim financial statements**1. Basis of preparation**

These condensed consolidated interim financial statements ("Condensed Report") has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Reports also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The Condensed Report should be read in conjunction with the audited financial statements for the year ended 31 May 2020. The explanatory notes attached to these Condensed Report 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 year ended 31 May 2020.

The following are accounting standards and amendments that have been issued by the Malaysia Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs and amendments effective for annual periods beginning on or after 1 January 2020

- Amendments to MFRS 3, Business Combinations – Definition of a Business
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes Accounting Estimates and Error – Definition of Material
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosure – Interest Rate Benchmark Reform

MFRSs and amendments effective for annual periods beginning on or after 1 June 2020

- Amendments to MFRS 16, Leases – Covid-19 - Related Rent Concessions

MFRSs 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 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

MFRSs 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

The Group and the Company plan to apply the abovementioned accounting standards and amendments, where applicable in the respective financial years when the abovementioned accounting standards and amendments become effective.

The Group and the Company do not plan to apply MFRS 17, Insurance Contracts that is effective for annual periods beginning on or after 1 January 2023 as it is not applicable to the Group and the Company.

The initial application of the accounting standards or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

2. Significant Accounting Policies

The accounting policies and methods of computations used in the preparation of the financial statements are consistent with those adopted in the audited financial statements for the year ended 31 May 2020 except for those as disclosed in Note 1 above.

The changes in the accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 May 2021.

3. Audit Qualification

There was no audit qualification on the annual financial statements of the Company and the Group for the year ended 31 May 2020.

4. Seasonality of Operations

The Group's business operations are generally affected by festive seasons, school holidays and carnival sales in Malaysia.

5. Unusual and Material Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current period ended 28 February 2021.

6. Significant Estimates and Changes in Estimates

There were no changes in estimates of amounts reported in the prior quarter and/ or financial period that have a material effect on the Group in the current period under review.

7. Debt and Equity Securities

There were no issuance and repayment of debts and equity security, share buy-backs, share cancellation, share held as treasury shares by the Company during the financial period under review except for the following :

During the financial period ended 28 February 2021, the Company repurchased 1,874,300 of its issued share capital from the open market for an average price of RM0.5126 per share. The repurchased transactions were financed by internally generated funds. All the shares bought are retained as treasury shares in accordance with the requirements of Section 127 of the Companies Act 2016. The treasury shares held had been accounted for using cost method. The amount of consideration paid, including directly attributable costs, is recognised as costs and set off against equity.

The details of the treasury shares held as at 28 February 2021 are as follow:

| | Number of shares | Total Amount (RM) |
|---|------------------|-------------------|
| Shares bought back during the period | 1,874,300 | 965,721 |
| Balance of treasury shares as at 28 February 2021 | 1,874,300 | 965,721 |

8. Dividend Paid

An interim dividend of 1.25 sen per ordinary share in respect of financial year ending 31 May 2021 has been paid in March 2021.

9. Segmental Information

| | | | | For the 9 months ending 28 February 2021 | | |
|--|---------------|---------|--------|---|-------------|--------------------|
| | Manufacturing | Trading | Others | Total | Elimination | Consolidated Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue from external Customers | 1,111 | 246,385 | - | 247,496 | - | 247,496 |
| Segment profit | 2,012 | 12,649 | 2,066 | 16,727 | (2,825) | 13,902 |
| Segment assets | | | | | | |
| <i>Included in the measure of segment assets is:</i> | | | | | | |
| Capital expenditure | 38 | 4,384 | 26 | 4,448 | - | 4,448 |
| | | | | For the 9 months ending 29 February 2020 | | |
| | Manufacturing | Trading | Others | Total | Elimination | Consolidated Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue from external Customers | 628 | 217,049 | - | 217,677 | - | 217,677 |
| Segment loss/profit | (1,876) | 7,783 | 2,351 | 8,258 | (3,750) | 4,508 |
| Segment assets | | | | | | |
| <i>Included in the measure of segment assets is:</i> | | | | | | |
| Capital expenditure | 430 | 23,837 | 36 | 24,303 | - | 24,303 |

10. Event after the Reporting Period

There were no material events subsequent to the end of the current period that have not been reflected in the financial statements for the current quarter under review.

11. Changes in Composition of the Group

The Group has submitted the strike off application of Microtag Engineering Sdn. Bhd. on 16 June 2020, the strike off application of Angkasa Pensonic Trading Sdn. Bhd, on 8 October 2020, in relation to Section 550 of the Companies Act 2016. These strike off will not have any financial and operational impact on the Group for the financial year ending 31 May 2021, and no material losses are expected arising from the strike off proceedings.

12. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of a material nature as at the end of current financial period.

13. Significant Related Party Transactions

The significant transactions with companies in which certain Directors and persons connected to Directors have substantial financial interests are as follows:

| | <u>Individual Quarter</u> | | <u>Cumulative Period</u> | |
|--------------------------------|---------------------------|------------------|--------------------------|------------------|
| | <u>3 months ended</u> | | <u>9 months ended</u> | |
| | <u>28-Feb-21</u> | <u>29-Feb-20</u> | <u>28-Feb-21</u> | <u>29-Feb-20</u> |
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| Transaction with associate | | | | |
| -Sales | 1,381 | 381 | 3,746 | 2,378 |
| Transaction with related party | | | | |
| - Purchases | 466 | 182 | 1,372 | 951 |
| - Services acquired | 59 | 31 | 90 | 120 |
| - Rental expenses | - | 6 | - | 42 |
| - Sales | - | 10 | - | 40 |

14. Review of Performance

| | <u>Individual Quarter</u> | | | <u>Cumulative Period</u> | | |
|---|---------------------------|------------------|----------|--------------------------|------------------|----------|
| | <u>3 months ended</u> | | | <u>9 months ended</u> | | |
| | <u>28-Feb-21</u> | <u>29-Feb-20</u> | <u>%</u> | <u>28-Feb-21</u> | <u>29-Feb-20</u> | <u>%</u> |
| | <u>RM'000</u> | <u>RM'000</u> | | <u>RM'000</u> | <u>RM'000</u> | |
| Revenue | 83,667 | 69,430 | 20 | 247,496 | 217,677 | 14 |
| Profit before tax | 6,156 | 5,938 | 4 | 13,902 | 4,508 | 208 |
| Profit after tax | 4,838 | 4,983 | (3) | 11,377 | 3,299 | 245 |
| Profit attributable to owner of the Company | 5,005 | 5,081 | (1) | 11,628 | 3,650 | 219 |

The Group registered revenue of RM83.7 million compared to RM69.4 million in the preceding year corresponding quarter. The Group recorded a profit before tax of RM6.2 million compared to profit before tax of RM5.9 million in the preceding year corresponding quarter due to higher revenue, better margin and lower expenses in the current quarter. There was a gain from disposal of property, plant and equipment in the preceding year corresponding quarter.

The Group registered revenue of RM247.5 million compared to RM217.7 million in the preceding year corresponding period. The Group recorded a profit before tax of RM13.9 million compared to profit before tax of RM4.5 million in the preceding year corresponding period due to higher revenue, better margin and lower expenses. There was a gain from disposal of property, plant and equipment in the preceding year.

15. Review of Performance

| | <u>Current Quarter Ended 28-Feb-21</u> | <u>Immediate Preceding Quarter Ended 30-Nov-20</u> | <u>%</u> |
|---|--|--|----------|
| | <u>RM'000</u> | <u>RM'000</u> | |
| Revenue | 83,667 | 79,160 | 6 |
| Profit before tax | 6,156 | 5,703 | 8 |
| Profit after tax | 4,838 | 5,022 | (4) |
| Profit attributable to owner of the Company | 5,005 | 5,070 | (1) |

The Group registered revenue of RM83.7 million for the current financial quarter compared to RM79.2 million reported in the immediate preceding financial quarter ended 30 November 2020. The Group recorded a profit before tax of RM6.2 million compared with profit before tax of RM5.7 million in the preceding financial period due to higher revenue in the current quarter.

16. Commentary on Prospects

Malaysian economy reported a larger contraction at -3.4% (3Q2020: GDP contraction of -2.6%) for the fourth quarter of 2020. The negative growth was due mainly to the implementation of the Conditional Movement Control Order (“CMCO”) in several states during the quarter which adversely affected economic activity.

The Group’s operation has not been impacted by the recent reintroduction of the MCO/CMCO as the Group operates under strict standard operating procedures as required by the authorities to prevent the spread of Covid-19. The incoming sales orders are at a satisfactory level and the trend is expected to sustain for the next quarter following the recovery of the global economy.

Despite the uncertain economic scenario posed by Covid-19 pandemic, the Group will continue its efforts to foster new customers’ relationships, enhance its supply chain management, productivity and cost management to mitigate the increase in material cost and shipping cost. The Board strives for the Group to achieve a satisfactory financial performance in this challenging financial year.

17. Profit Forecast

Not applicable as no profit forecast was published.

18. Taxation

| | Individual Quarter | | Cumulative Period | |
|-----------------------|---------------------------|------------------|--------------------------|------------------|
| | 3 months ended | | 9 months ended | |
| | 28-Feb-21 | 29-Feb-20 | 28-Feb-21 | 29-Feb-20 |
| | RM’000 | RM’000 | RM’000 | RM’000 |
| Current tax expenses | | | | |
| - Current year | 1,248 | 449 | 2,381 | 665 |
| - Prior year | 93 | 385 | 93 | 385 |
| Foreign statutory tax | | | | |
| - Current year | (1) | 126 | 101 | 126 |
| Deferred tax expense | | | | |
| - Current year | (22) | (5) | (50) | 33 |
| - Prior year | - | - | - | - |
| | 1,318 | 955 | 2,525 | 1,209 |

Domestic income tax rate is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate for the quarter and year were lower than the statutory rate due to tax exemption status granted to certain subsidiaries of the Company.

19. Status of Corporate Proposal

As at the date of this report, there are no corporate proposals that are pending for completion.

20. Trade Receivables

The age analysis of trade receivables is as follow:

| | Unaudited 28-Feb-21 RM'000 | Audited 31-May-20 RM'000 |
|-------------------------------|---|---|
| Neither past due nor impaired | 37,679 | 37,995 |
| Past due but not impaired: | | |
| Less than 60 days | 7,442 | 9,035 |
| 60 to 120 days | 1,120 | 4,453 |
| More than 120 days | 942 | 3,433 |
| | <u>9,504</u> | <u>16,921</u> |
| | 47,183 | 54,916 |
| Impaired | (1,843) | (2,003) |
| | <u>45,340</u> | <u>52,913</u> |

Except for the impairment provided, the Group is satisfied that recovery of the remaining amount is possible, therefore there is no impairment for past due trade receivables.

21. Borrowings and Debts Securities

Details of the Group's borrowings as at the end of this financial period are as follows:

| | Unaudited 28-Feb-21 RM'000 | Audited 31-May-20 RM'000 |
|---------------------------------------|---|---|
| <u>Current</u> | | |
| <u>Unsecured</u> | | |
| Bank overdraft | 337 | 3,636 |
| Revolving credit | 3,910 | 4,410 |
| Bankers' acceptance | 29,492 | 33,839 |
| | <u>33,739</u> | <u>41,885</u> |
| <u>Secured</u> | | |
| Bank overdraft | 2,562 | 1,773 |
| Term loans | 6,348 | 4,582 |
| Bankers' acceptance | 6,899 | 3,015 |
| Finance lease liabilities | 681 | 630 |
| | <u>16,490</u> | <u>10,000</u> |
| | <u>50,229</u> | <u>51,885</u> |
| <u>Non – current</u> | | |
| <u>Secured</u> | | |
| Term loans | 35,037 | 39,254 |
| Finance lease liabilities | 1,511 | 1,075 |
| | <u>36,548</u> | <u>40,329</u> |
| | <u>86,777</u> | <u>92,214</u> |
| <u>Currency Denominated In</u> | | |
| Ringgit Malaysia (“MYR”) | <u>86,777</u> | <u>92,214</u> |

The bank borrowings and term loans are secured by the following:

- Legal charges over certain properties belonging to the Company and subsidiary companies;
- Lien on fixed deposits belonging to the subsidiary companies; and
- Corporate guarantee by the Company.

22. Material Litigation

The Group is not engaged in any material litigation for the current financial quarter period ended 28 February 2021.

23. Dividend

The Board does not recommend any dividend for the current financial quarter ended 28 February 2021.

24. Earnings per Share (“EPS”)

(a) Basic earnings/(loss) per ordinary share

| | Individual Quarter | | Cumulative Period | |
|--|---------------------------|------------------|--------------------------|------------------|
| | 3 months ended | | 9 months ended | |
| | 28-Feb-21 | 29-Feb-20 | 28-Feb-21 | 29-Feb-20 |
| Profit/(Loss) attributable to owners of the Company (RM'000) | 5,007 | 5,081 | 11,628 | 3,650 |
| Number of ordinary shares in issue ('000) | 129,668 | 129,668 | 129,668 | 129,668 |
| Basic profit/(loss) per share (sen) | 3.86 | 3.92 | 8.97 | 2.81 |

(b) Diluted earnings/(loss) per ordinary share

| | Individual Quarter | | Cumulative Period | |
|--|---------------------------|------------------|--------------------------|------------------|
| | 3 months ended | | 9 months ended | |
| | 28-Feb-21 | 29-Feb-20 | 28-Feb-21 | 29-Feb-20 |
| Profit attributable to owners of the Company (RM'000) | 5,005 | 5,081 | 11,628 | 3,650 |
| Weighted average number of ordinary shares used in calculation of basic earnings/(loss) per share ('000) | 129,668 | 129,668 | 129,668 | 129,668 |
| Adjusted for effect of conversion of warrants | 1,484 | (55,195) | (76,683) | (131,677) |
| Weighted average number of ordinary shares (diluted) ('000) | 131,152 | 74,473 | 52,985 | (2,009) |
| Diluted earnings/(loss) per ordinary share (sen) | 3.82 | # | # | # |

Diluted earnings per share is not applicable as the exercise price of the warrants is higher than the average market price of the Company's ordinary shares during the period.

25. Profit for the Period

Profit for the period has been arrived at:

| | Individual Quarter | | Cumulative Period | |
|--|---------------------------|------------------|--------------------------|------------------|
| | 3 months ended | | 9 months ended | |
| | 28-Feb-21 | 29-Feb-20 | 28-Feb-21 | 29-Feb-20 |
| After charging / (crediting):- | | | | |
| Interest income | (55) | (11) | (64) | (56) |
| Government Grant received | (8) | (15) | (430) | (33) |
| (Gain)/Loss on disposal of property, plant and equipment | (1) | (10,800) | (162) | (11,243) |
| Realised (gain)/loss on foreign exchange | (929) | (160) | (1,534) | (593) |
| Provision for doubtful debt | - | 70 | - | 54 |
| Interest expense | 747 | 989 | 2,538 | 3,096 |
| Depreciation & amortization | 1,702 | 1,525 | 5,333 | 4,648 |
| Inventories Provision | - | (255) | - | 86 |
| Plant & equipment written off | 4 | 42 | 144 | 44 |
| Unrealised (gain)/loss on foreign exchange | 111 | (270) | (13) | (354) |
| Bad debt written off | - | - | - | 1 |

26. Authorization for Issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board of Directors.