

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
Statement of Profit or Loss and Other Comprehensive Income  
For The 2nd Quarter Ended 30 June 2021

The unaudited financial results of Kelington Group Berhad and its subsidiaries (the "Group") for the period ended 30 June 2021 are as follow:-

	Unaudited	Unaudited		Unaudited	Unaudited	
	Current	Previous	+	6-months	6-months	+
Note	Qtr Ended	Qtr Ended	-	Period	Period	-
	30.6.2021	30.6.2020	%	up to	up to	%
	RM'000	RM'000		30.6.2021	30.6.2020	
				RM'000	RM'000	
Revenue	126,389	77,333	+ 63	231,209	162,064	+ 43
Cost of sales	(106,872)	(72,114)		(197,086)	(145,652)	
<b>Gross profit</b>	<b>19,517</b>	<b>5,219</b>	<b>+ 274</b>	<b>34,123</b>	<b>16,412</b>	<b>+ 108</b>
Other income	1,876	3,232		3,525	4,846	
Administrative expenses	(8,730)	(6,056)		(15,415)	(12,414)	
Selling and distribution expenses	(573)	(345)		(975)	(545)	
Other expenses	(1,636)	(292)		(3,312)	(944)	
<b>Results from operating activities</b>	<b>10,454</b>	<b>1,758</b>	<b>+ 495</b>	<b>17,946</b>	<b>7,355</b>	<b>+ 144</b>
Finance costs	(728)	(560)		(1,482)	(1,255)	
<b>Profit before taxation for the financial period</b>	<b>9,726</b>	<b>1,198</b>	<b>+ 712</b>	<b>16,464</b>	<b>6,100</b>	<b>+ 170</b>
Taxation	(2,202)	(558)		(3,231)	(1,437)	
<b>Profit after taxation for the financial period</b>	<b>7,524</b>	<b>640</b>	<b>+ 1,076</b>	<b>13,233</b>	<b>4,663</b>	<b>+ 184</b>
<b>Other comprehensive income, net of tax</b>						
Foreign currency translation	(96)	81		926	(485)	
	(96)	81		926	(485)	
<b>Total comprehensive income for the period</b>	<b>7,428</b>	<b>721</b>		<b>14,159</b>	<b>4,178</b>	
<b>Profit attributable to:</b>						
Shareholders of the Company	7,352	623	+ 1,080	12,896	4,678	+ 176
Non-controlling interests	172	17		337	(15)	
<b>Profit after taxation for the financial period</b>	<b>7,524</b>	<b>640</b>	<b>+ 1,076</b>	<b>13,233</b>	<b>4,663</b>	<b>+ 184</b>
<b>Total comprehensive income attributable to:</b>						
Shareholders of the Company	7,256	703		13,819	4,190	
Non-controlling interests	172	18		340	(12)	
<b>Total comprehensive income for the period</b>	<b>7,428</b>	<b>721</b>		<b>14,159</b>	<b>4,178</b>	
<b>Basic earnings per ordinary share (sen):</b>						
Basic earnings per share (sen)	2.29	0.20		4.01	1.48	
Diluted earnings per share (sen)	NA	0.19		NA	1.48	

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with KGB's audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes enclosed to the interim financial statements.

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
Statement of Financial Position  
As at 30 June 2021

	<b>Unaudited As At 30.6.2021 RM'000</b>	<b>Audited As At 31.12.2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	63,232	59,691
Goodwill on consolidation	6,453	6,356
Deferred tax assets	322	308
Right of use	5,093	4,366
	<u>75,100</u>	<u>70,721</u>
<b>Current assets</b>		
Inventories	5,787	2,801
Contract assets	87,976	61,798
Trade receivables	105,484	74,208
Other receivables, prepayments and deposits	14,371	8,609
Current tax assets	3,543	227
Fixed deposits with licensed banks	24,815	26,226
Cash and bank balances	58,169	105,753
	<u>300,145</u>	<u>279,622</u>
	<u><b>375,245</b></u>	<u><b>350,343</b></u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	73,292	73,292
Retained earnings	91,506	81,825
Other reserve	14,359	13,436
Treasury share	(534)	(534)
	<u>178,623</u>	<u>168,019</u>
<b>Total Equity attributable to Shareholders of the Company</b>	<u>178,623</u>	<u>168,019</u>
Non-controlling interests	650	310
	<u>179,273</u>	<u>168,329</u>
<b>Total Equity</b>	<u>179,273</u>	<u>168,329</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	205	218
Lease liability	2,769	2,134
Long-term borrowings	28,149	27,203
	<u>31,123</u>	<u>29,555</u>
<b>Current liabilities</b>		
Contract liabilities	35,148	29,772
Trade payables	78,661	71,524
Other payables and accruals	18,750	18,584
Lease liability	1,105	922
Current tax liabilities	6,681	3,402
Short term borrowings	24,504	28,067
Bank overdraft	-	188
	<u>164,849</u>	<u>152,459</u>
<b>Total liabilities</b>	<u>195,972</u>	<u>182,014</u>
	<u><b>375,245</b></u>	<u><b>350,343</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		
<b>Net Assets Per Share Attributable to ordinary Equity holders of the company (RM)</b>	0.5557	0.5218

The Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of KGB for the financial year ended 31 December 2020 and the accompanying explanatory notes enclosed to the interim financial statements.

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
Condensed Consolidated Statements of Changes in Equity  
For The 2nd Quarter Ended 30 June 2021

	-----Attributable to Equity Holders of the Company-----						Non-Controlling Interest	Total Equity	
	-----Non Distributable-----			Distributable					
	Share Capital RM'000	Treasury Share RM'000	Capital Reserve RM'000	Employee Share Scheme Reserve RM'000	Exchange Fluctuation Reserve RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
<b>As at 1 January 2021</b>	73,292	(534)	9,734	-	3,702	81,825	168,019	310	168,329
Profit after taxation for the financial period	-	-	-	-	-	12,896	12,896	337	13,233
Other comprehensive expense, net of tax: - Foreign currency translation	-	-	-	-	923	-	923	3	926
Total comprehensive (expense)/ income for the financial period	-	-	-	-	923	12,896	13,819	340	14,159
Contributions by and distribution to owners of the company:									
- Dividend paid for the period	-	-	-	-	-	(3,215)	(3,215)	-	(3,215)
Total recognised income and expense for the period	-	-	-	-	-	(3,215)	(3,215)	-	(3,215)
<b>As at 30 June 2021</b>	<b>73,292</b>	<b>(534)</b>	<b>9,734</b>	<b>-</b>	<b>4,625</b>	<b>91,506</b>	<b>178,623</b>	<b>650</b>	<b>179,273</b>
<b>As at 1 January 2020</b>	71,276	(534)	9,311	1,597	4,040	69,571	155,261	273	155,534
Profit after taxation for the financial year	-	-	-	-	-	4,678	4,678	(15)	4,663
Other comprehensive income, net of tax: - Foreign currency translation differences	-	-	-	-	(488)	-	(488)	3	(485)
Total comprehensive income/ (expenses) for the financial year	-	-	-	-	(488)	4,678	4,190	(12)	4,178
- Employees' share scheme reserve	-	-	-	418	-	-	418	-	418
- Employees' share scheme offered	1,974	-	-	(1,974)	-	-	-	-	-
Total transactions with owners	1,974	-	-	(1,556)	-	-	418	-	418
<b>As at 30 June 2020</b>	<b>73,250</b>	<b>(534)</b>	<b>9,311</b>	<b>41</b>	<b>3,552</b>	<b>74,249</b>	<b>159,869</b>	<b>261</b>	<b>160,130</b>

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with KGB's audited consolidated financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes enclosed to the interim financial statements.

**KELINGTON GROUP BERHAD ("KGB")**  
**[Company No. 199901026486 (501386-P)]**  
 Condensed Consolidated Statement of Cash Flow  
 For The Period Ended 30 June 2021

	<b>Unaudited 6-Months Ended 30.6.2021 RM'000</b>	<b>Unaudited 6-Months Ended 30.6.2020 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
Profit before taxation	16,464	6,100
Adjustments for:-		
Depreciation of property, plant and equipment	2,379	2,185
Depreciation of right-of-use assets	398	323
Equipment written off	-	12
Impairment loss on trade receivables	20	-
Interest expense	1,436	1,173
Interest income	(259)	(365)
Loss on disposal of equipment	193	1
Provision for warranty costs	52	-
Share-based payments	-	418
Reversal of impairment losses on financial assets	-	(249)
Reversal of provision of warranty costs	(47)	-
Unrealised gain on foreign exchange	(1,137)	(1,980)
	19,499	7,618
Operating profit before working capital changes	(2,986)	(4,298)
Increase in inventory	(20,799)	(17,590)
Increase in net of contract assets /contract liabilities	(36,490)	30,616
(Increase)/Decrease in trade and other receivables	7,866	(16,794)
Increase/(Decrease) in trade and other payables		
	(32,910)	(448)
<b>CASH FOR OPERATIONS</b>	(3,268)	(3,259)
Income tax paid	(1,436)	(1,173)
Interest paid	259	365
Interest received		
	(37,355)	(4,515)
<b>NET CASH FOR OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of plant and equipments	(5,712)	(5,291)
Addition of right-of-use assets	(96)	-
Proceeds from disposal of equipment	143	46
Placement of fixed deposit pledged with licensed bank	(647)	(241)
	(6,312)	(5,486)
<b>NET CASH FOR INVESTING ACTIVITIES</b>		
<b>CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,215)	-
Drawdown of revolving credit	6,131	-
(Repayment)/drawdown of bankers' acceptance	(968)	378
Repayment of lease liability	(526)	(408)
(Repayment)/drawdown of term loan	(2,736)	5,636
Drawdown of bills discounting	514	-
(Repayment)/drawdown of invoice financing	(5,558)	2,396
	(6,358)	8,002
<b>NET CASH (FOR)/FROM FINANCING ACTIVITIES</b>		
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(50,025)	(1,999)
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	571	(693)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	113,787	67,997
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	64,333	65,305

Cash and cash equivalents at the end of financial period comprise the following:

Cash and bank balances	58,169	52,436
Fixed deposits	24,815	30,376
	82,984	82,812
Less: bank overdraft	-	(195)
Less: fixed deposits pledged to licensed banks	(15,747)	(15,312)
Less: bank balance pledged to licensed banks	(2,904)	(2,000)
	64,333	65,305

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited consolidated financial statements of KGB for the year ended 31 December 2020 and the accompanying explanatory notes enclosed to the interim financial statements.

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 : Interim Financial Reporting and in accordance to the requirements of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The interim financial statements should be read in conjunction with KGB's audited consolidated financial statements for the financial year ended ("FYE") 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The accounting policies and methods of presentation and computation adopted in this interim financial report are consistent with those adopted in the most recent annual financial statements for the FYE 31 December 2020.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendment to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial statements of the Group upon their initial application.

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss. The stage of completion is determined based on the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs.

2. Status of Audit Qualification

There were no audit qualification to the annual audited financial statements of the Group for the FYE 31 December 2020.

3. Segmental Information

(a) Business Segment

The Group is organised into 3 main reportable segments as follows:

- (i) Service segment - involved in the renting of skid tank, provision of scientific and technical researches, laboratory testing service and experiments;
- (ii) Manufacturing and trading segment - (1) industrial gases and  
 - (2) equipments and materials for contracts; and
- (iii) Construction segment - involved in the provision of engineering services and construction.

Service Segment	Manufacturing and Trading Segment:		Construction Segment	The Group
	Industrial Gases	Equipments & Materials		
RM'000	RM'000	RM'000	RM'000	RM'000
<b>30.6.2021</b>				
Revenue				
External revenue	583	16,418	2,368	211,840
Inter-segment revenue	57	4	5,216	1,644
	640	16,422	7,584	213,484
Consolidated Adjustments				(6,921)
				<u>231,209</u>

Service Segment	Manufacturing and Trading Segment:		Construction Segment	The Group
	Industrial Gases	Equipments & Materials		
RM'000	RM'000	RM'000	RM'000	RM'000
<b>30.6.2020</b>				
Revenue				
External revenue	339	8,048	86	153,591
Inter-segment revenue	15	61	4,197	4,174
	354	8,109	4,283	157,765
Consolidated Adjustments				(8,447)
				<u>162,064</u>

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**EXPLANATORY NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**3. Segmental Information (Cont'd)**

(b) Geographical information

Revenue is based on the country in which the customers are located. Non-current assets are determined according to the country where these assets are located.

	Revenue		Non-current Assets	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Malaysia	81,529	38,644	60,614	55,835
China	65,622	45,061	3,942	4,025
Taiwan	6,333	5,753	121	187
Singapore	76,491	70,875	10,423	9,230
Indonesia	-	326	-	-
Philippines	1,234	-	-	-
Vietnam	-	1,405	-	-
	<u>231,209</u>	<u>162,064</u>	<u>75,100</u>	<u>69,277</u>

**4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter ended 30 June 2021.

**5. Material Changes in Estimates**

There were no material changes in estimates used in the preparation of the financial statements in the current financial quarter as compared with the previous financial quarters or financial year.

**6. Seasonal or Cyclical Factors**

The interim operations of the Group were not affected by any significant seasonal or cyclical factors during the quarter under review.

**7. Dividends Paid**

On 11 June 2021, KGB paid the second interim tax-exempt dividend of 1 sen per ordinary share in respect of the FYE 31 December 2020 amounting to RM3,215,036.

**8. Valuation of Property, Plant and Equipment**

Property, plant and equipment of the Group were not revalued during the current quarter under review. As at 30 June 2021, all the property, plant and equipment were stated at cost less accumulated depreciation.

**9. Movement of Debt And Equity Securities**

There were no issuance, cancellation, resale and repayment of debt and equity securities during the current quarter under review:

**10. Changes in Composition of the Group**

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

**11. Discontinued Operation**

There were no discontinued operations within the activities of the Group for the quarter under review.

**12. Capital Commitments**

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the financial statements of the current quarter under review.

**13. Changes in Contingent Liabilities and Contingent Assets**

Saved as disclosed in the following, there is no other contingent liabilities and contingent assets as at quarter end 30 June 2021:

	As at 30.6.2021 Unaudited RM'000	As at 30.6.2020 Unaudited RM'000
<b>Contingent liabilities</b>		
Bank guarantee and insurance bond given to third party as performance bond or warranty bond	<u>24,030</u>	<u>22,820</u>

**14. Material Subsequent Events**

Saved as disclosed as below, there has been no material subsequent events after the quarter ended 30 June 2021:

On 24 August 2021, the Board of Directors of KGB proposed the payment of first interim tax-exempt dividend of 0.5 sen per ordinary share in respect of the FYE 31 December 2021 amounting to RM3,226,235, payable on 1 October 2021.

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**EXPLANATORY NOTES TO THE QUARTERLY REPORT**  
**FOR THE SECOND QUARTER ENDED 30 JUNE 2021**

**B. Additional information required by the Bursa Malaysia's Listing Requirements**

**1 Review Of Performance**

	Current Year Quarter 30.6.2021 RM'000	Preceding Year Corresponding Quarter 30.6.2020 RM'000	Changes		Current Year-to-date 30.6.2021 RM'000	Preceding Year Corresponding Period 30.6.2020 RM'000	Changes	
			Amount RM'000	%			Amount RM'000	%
Revenue	126,389	77,333	49,056	63%	231,209	162,064	69,145	43%
Operating profit	10,454	1,758	8,696	495%	17,946	7,355	10,591	144%
Profit before tax	9,726	1,198	8,528	712%	16,464	6,100	10,364	170%
Profit after tax	7,524	640	6,884	1076%	13,233	4,663	8,570	184%
Profit attributable to shareholders of the company	7,352	623	6,729	1080%	12,896	4,678	8,218	176%

(a) Current Quarter vs. Previous Year Corresponding Quarter

	Revenue 2Q2021 30.6.2021 RM'000	% of total		Revenue 2Q2020 30.6.2020 RM'000	% of total	Changes
						%
Service segment:	290	0%		177	0%	64%
Manufacturing & trading	7,620	6%		2,973	4%	156%
segment:	1,470	1%		14	0%	10400%
Construction segment:	92,156	73%		62,817	81%	47%
- Ultra High Purity ("UHP)	12,530	10%		6,316	8%	98%
- Process Engineering	12,323	10%		5,036	7%	145%
- General Contracting						
<b>Total</b>	<b>126,389</b>			<b>77,333</b>		<b>63%</b>

Kelington's revenue in 2Q2021 rose 63% year-on-year (YoY) to RM126.4 million from RM77.3 million, on the back of higher projects completion in Malaysia, Singapore and China as well as improved performance from the Industrial Gases business.

Revenue from Malaysia doubled to RM37.6 million, representing 30% of total revenue, from RM18.7 million in 2Q2020, driven by higher revenue recognition from Process Engineering and general contracting projects as well as the project newly awarded in 4Q2020. Meanwhile, the Singapore operation recorded a strong rebound with revenue of RM37.8 million as compared to a lacklustre revenue performance of RM21.1 million in 2Q2020. Both operations are recovering from the operation halt in same period last year.

During the quarter, revenue from China increased by 45% to RM46.6 million from RM32.1 million in 2Q2020 mainly due to higher contribution from UHP projects.

In terms of business segment, the UHP division remained the primary revenue contributor to the Group at RM92.2 million or 73% of total revenue, mainly derived from projects in China, Singapore and Malaysia.

General Contracting segment contributed RM12.3 million, up 145% YoY from RM5.0 million in 2Q2020 due to higher contribution from a large project in Malaysia.

The Industrial Gases segment continued an upward performance in 2Q2021 with higher production output. Revenue grew to RM7.6 million in 2Q2021, an increase of 156% YoY, as demand for LCO2 returned on the back of resumption of economic activities.

In line with higher revenue performance, gross profit grew 274% YoY to RM19.5 million which resulted in a gross profit margin of 15.4%.

On a YoY comparison, profit before tax ("PBT") rose by 712% to RM9.7 million in 2Q2021 while Profit after tax ("PAT") increased by 12-fold to RM7.5 million versus RM0.6 million in 2Q2020.

(b) Current Year-to date vs. Previous Year-to date

	Revenue 6M2021 RM'000	% of total		Revenue 6M2020 RM'000	% of total	Changes
						%
Service segment:	583	0%		339	0%	72%
Manufacturing & trading	16,418	7%		8,048	5%	104%
segment:	2,368	1%		86	0%	2653%
Construction segment:	161,092	70%		126,221	77%	28%
- Ultra High Purity ("UHP)	22,176	10%		17,262	11%	28%
- Process Engineering	28,572	12%		10,108	7%	183%
- General Contracting						
<b>Total</b>	<b>231,209</b>			<b>162,064</b>		<b>43%</b>

**1 Review Of Performance (Cont'd)**

(b) Current Year-to date vs. Previous Year-to date (Cont'd)

The Group's revenue performance rebounded with 43% increase to RM231.2 million compared to RM162.1 million for the last year corresponding period ("6M2020"). This is mainly driven by higher contribution across the UHP, Process Engineering, General Contracting and Industrial Gases business.

Revenue from UHP division grew 28% to RM161.1 million in 6M2021 against RM126.2 million in 6M2020 due to higher projects recognition in China and Malaysia.

Revenue from Process Engineering division increased by 28% to RM22.2 million in 6M2021 compared to RM17.3 million in 6M2020 mainly due to the project completion in Malaysia in Q42020.

The better performance in General Contracting division was mainly attributed to a large project completion in Malaysia, which boosted the revenue by 183% YoY to RM28.6 million from RM10.1 million in 6M2021.

Revenue from the Industrial Gases division grew 104% to RM16.4 million in 6M2021 as compared to RM8.0 million same period last year mainly driven by higher sales of liquid carbon dioxide.

Revenue from equipments and materials division improved to RM2.4 million in 6M2021 due to higher contribution from the manufacturing and trading of equipment and materials for UHP fabrication.

In terms of geographical breakdown in 6M2021, revenue contribution was led by Malaysia at 35% or RM81.5 million, followed by Singapore at 33%, China (28%) and Taiwan (3%).

In line with the topline growth, gross profit registered an increase of 108% to RM34.1 million in 6M2021, resulting a gross profit margin of 14.8% as compared to 10.1% a year ago. PBT increased by 170% YoY to RM16.5 million as compared to RM6.1 million in 6M2020. PAT stood at RM13.2 million in 6M2021, a strong recovery from RM4.7 million in 6M2020 where the Group was faced with operational disruptions caused by COVID-19 lockdown.

(c) Variation of Results Against Preceding Quarter

	Current Quarter 30.6.2021 RM'000	Immediate Preceding Quarter 31.3.2021 RM'000	Changes	
			Amount RM'000	%
Revenue	126,389	104,820	21,569	21%
Operating profit	10,454	7,492	2,962	40%
Profit before tax	9,726	6,738	2,988	44%
Profit after tax	7,524	5,709	1,815	32%
Profit attributable to shareholders of the company	7,352	5,544	1,808	33%

The Group's revenue improved to RM126.4 million in 2Q2021 against RM104.8 million in 1Q2021, which was a traditionally weaker quarter as compared to other quarters.

Meanwhile, PBT improved to RM9.7 million from RM6.7 million in 1Q2021 and PAT increased by 32% to RM7.5 million from RM5.7 million. This is due to higher projects contribution from all countries.

(d) Statement of Financial Position

Financial Indicators	As at 30.6.2021	As at 31.12.2020
	Unaudited RM'000	Audited RM'000
Total assets	375,245	350,343
Total equity	179,273	168,329
Debt	56,527	58,514
Fixed deposits, cash & bank balances	82,984	131,979
Net cash	26,457	73,465
Debt-to-Equity (Gearing)	0.32	0.35

As at 30 June 2021, the Group's shareholder equity (excluding non-controlling interests) increased to RM178.6 million from RM168.0 million as at 31 December 2020, on the back of consecutive quarterly profit.

The Group's total debt remain healthy at RM56.5 million against RM58.5 million as at 31 December 2020.

During the period, cash and cash equivalents was lower due to the repayment of borrowing and capital expenditure. Overall, the Group's financial position remains healthy in a net cash position of RM26.5 million with total gross cash in hand of RM83.0 million exceeding the total debt of RM56.5 million as at 30 June 2021. Net cash per share stood at 8 sen.



## 2 Commentary Of Prospects

The Group continued to record strong recovery across all the operating markets, driven by the acceleration in integrated circuit chips productions in the semiconductor industry. While operating activities in Malaysia remain disrupted due to the lockdowns implemented to combat the Covid-19 pandemic, other operating markets such as China and Singapore are back on track for further growth.

Project flow remains robust as the Group secured an additional RM219 million worth of projects in the first seven months of 2021. Majority of the new orders clinched were from China, Malaysia and Singapore. Recently, the Group has secured a new contract worth approximately RM45 million to undertake Ultra High Purity works in Singapore. Inclusive of the carried forward projects from FY2020, Kelington's total orderbook grew to RM618 million, of which RM402 million remains outstanding.

The growth momentum is expected to follow through in the second half of the year backed by the strong demand for UHP services across the key operating segments. The production of liquid carbon dioxide is also on the rise with more demand coming from the domestic and overseas market such as Singapore.

Barring any unforeseen circumstances, we are confident that we will be on track for growth in FY2021, underpinned by our healthy replenishment of orders and backed by a strong financial position.

## 3 Profit Forecast and Profit Guarantee

The Company did not announce any profit forecast or profit estimate for the FYE 31 December 2021 in any public document and hence this information is not applicable.

## 4 Profit for the Period

	Quarter ended		Year-to-date ended	
	30.6.2021 RM'000	30.6.2020 RM'000	30.6.2021 RM'000	30.6.2020 RM'000
Profit for the period is arrived at after crediting/ (charging):				
Interest income	100	42	259	365
Interest expense	(586)	(501)	(1,436)	(1,173)
Impairment loss on trade receivables:				
- specified	(20)	-	(20)	-
Depreciation and amortisation	(1,324)	(1,136)	(2,379)	(2,185)
Depreciation of right-of-use assets	(53)	(160)	(398)	(323)
Equipment written off	-	(12)	-	(12)
Unrealised Foreign exchange gain/(loss)	479	660	1,137	1,980
Realised Foreign exchange gain/(loss)	(36)	112	(69)	(90)
Loss on disposal of equipment	-	(1)	(193)	(1)
Writeback on impairment loss on trade receivables:				
- specified	-	-	-	249

### Note:

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

## 5 Taxation

	Current quarter ended 30.6.2021 RM'000	Cumulative Year to date ended 30.6.2021 RM'000
Current tax:		
- for the financial period	2,202	3,231

The effective tax rate of the Group for the current financial period under review is lower than the statutory tax rate as certain subsidiaries are not subject to income tax mainly due to unutilised tax losses brought forward from prior years.

## 6 Corporate Proposal

Save as disclosed in the following, there were no outstanding corporate proposals announced but not completed as at the current quarter under review.

### (a) Bonus Issue of Shares

On 5 Jul 2021, Kelington announced that the Bonus issue of 322,623,476 Bonus Share had been completed following the listing on the Main Market of Bursa Malaysia Securities Berhad on the same day.

### (b) Issuance of Free Warrants

On 3 Aug 2021, Kelington announced that the issuance of 214,333,821 Free Warrants had been completed and quoted on the Main Market of Bursa Malaysia on the same day.

### (c) Diversification

The resolution of diversification of the existing principal activities of Kelington and its subsidiaries to include manufacturing, distribution and trading of industrial and specialty gases had been duly passed at the Extraordinary General Meeting on 15 June 2021.

7 Derivative Financial Instruments

There were no outstanding derivatives entered into by the Group as at the end of the quarter under review.

8 Lease Liability and Group Borrowings

(a) Lease liability

The lease liability as at 30 June 2021 versus 30 June 2020 were as follows:

	30.6.2021 RM'000	30.6.2020 RM'000
Non-current	2,769	2,171
Current	1,105	704
<b>Total</b>	<b>3,874</b>	<b>2,875</b>

The lease liability mainly comprises the hire purchase agreements of motor vehicles and prime mover under finance leases.

(b) Group Borrowings

The borrowings as at 30 June 2021 versus 30 June 2020 were as follows.

	As At 30 June 2021					
	Current Liabilities		Non-current Liabilities		Total Borrowings	
	Currency ('000)	RM'000	Currency ('000)	RM'000	Currency ('000)	RM'000
<b>Secured</b>						
Term Loan	NTD11,080, RM1,538	3,187	RM28,149	28,149	NTD 11,080, RM29,687	31,336
Bills discounting	NTD3,450	514	-	-	NTD3,450	514
Revolving loan	SGD1,300, RM1,700	6,131	-	-	SGD1,300, RM1,700	6,131
Import Loan/Invoice financing	RMB16,432, RM2,937	13,500	-	-	RMB16,432, RM2,937	13,500
Bankers' acceptance	RM1,172	1,172	-	-	RM1,172	1,172
<b>Unsecured</b>						
Nil	-	-	-	-	-	-
		24,504		28,149		52,653
Weighted average interest rate of borrowings						4.39%
Proportion of borrowings between fixed interest rate and floating interest rate						6%:94%

The decrease in borrowing during the period ended 30 June 2021 is mainly due to repayment of invoice financing loan for projects.

(b) Group Borrowings (Cont'd)

	As At 30 June 2020					
	Current Liabilities		Non-current Liabilities		Total Borrowings	
	Currency ('000)	RM'000	Currency ('000)	RM'000	Currency ('000)	RM'000
<b>Secured</b>						
Term Loan	NTD8,840, RM3,033	4,319	NTD2,000, RM28,068	28,359	NTD10,840, RM31,101	32,678
Import Loan/Invoice financing	RMB8,571, SGD2,278, RM135	12,312	-	-	RMB8,571, SGD2,278, RM135	12,312
Overdraft	RM	195	-	-	RM	195
Bankers' acceptance	RM	378	-	-	RM	378
<b>Unsecured</b>						
Nil	-	-	-	-	-	-
		17,204		28,359		45,563
Weighted average interest rate of borrowings						4.31%
Proportion of borrowings between fixed interest rate and floating interest rate						9%:91%

The increase in borrowing during the period ended 30 June 2020 is mainly due to the drawdown of borrowings for the capital expenditure on industrial gas business division and the projects undertaken in Singapore.

## 9 Material Litigation

Save as disclosed below, as at the date of this quarterly report, neither KGB nor any of its subsidiaries is engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board has no knowledge of any proceedings pending or threatened against the Company and/or its subsidiaries or of any fact likely to give rise to any proceedings, which may materially or adversely affect the financial position or business of the Group:-

### (1) Updates on legal proceeding against Hui Neng Mechanical & Electrical Engineering Co. ("Hui Neng")(27518963)

On 29 June 2016, the Judge has decided in favour of Kelington Taiwan and allowed Kelington Taiwan's claim of NTD34,234,442 (equivalent to RM4,279,305) being the net amount after deducting Hui Neng's progress claim of NTD1,765,558, plus all interest thereon since 13 March 2015 until full and final settlement and that all litigation cost shall be borne by Hui Neng.

On 25 July 2016, Hui Neng has submitted an appeal to the Court.

On 14 October 2016, Hui Neng has submitted a written plea to the High Court, Taiwan. On 9 December 2016, Kelington Taiwan answered to the plea submitted by Hui Neng to the High Court.

On 19 January 2017, High court decided to call the witnesses to Court to give evidence on the next hearing. On 24 February 2017, 7 April 2017, 18 May 2017, 6 July 2017, 25 August 2017, 28 September 2017, 16 November 2017, 21 December 2017, 2 February 2018, 15 March 2018, 22 June 2018, 5 July 2018, 1 August and 29 August, High court had heard the evidences given by the witnesses and fixed the final hearing on 12 September 2018.

On 12 September 2018, High Court Taiwan has delivered its court decision and ordered that Hui Neng shall pay Kelington Taiwan the sum of NTD 29,328,814 (equivalent to RM3,946,129) plus interest of 5% per annum thereon since 10 October 2015.

On 11 January 2021, Kelington Taiwan received a judgement from the Supreme Court of Taiwan which in response to Hui Neng's petition made on 23 October 2018 that the original court judgment made on 12 September 2018 was set aside except for the provisional execution, and the case shall re-submit to the Taiwan High Court in Kaohsiung.

The Company will announce further developments on the above matter in due course.

### (2) Adjudication proceeding between Mutiara (FE) Pte Ltd against Kelington Engineering (S) Pte Ltd ("KESG"), a wholly owned subsidiary of Kelington

On 2 March 2020, KESG has lodged with Singapore Mediation Centre a response under section 15(1) of the Building and Construction Industry Security of Payment Act ("SOP Act"), to each of the adjudication applications lodged by Mutiara (FE) Pte Ltd ("Mutiara"), a subcontractor engaged by KESG under two separate sub-contracts for a project in Singapore, for a total adjudication claims amounted to SGD4,140,325.

KESG had received the following adjudication determination in for both adjudication application no. SOP/AA51 and SOP/AA52 from the Singapore Mediation Centre:-

#### 1 SOP/AA51

- i On 31 March 2020, the adjudicator determined that KESG shall pay Mutiara the sum of SGD1,051,245 (inclusive of GST) within 7 days after the service of the adjudication determination and shall bear 70% of adjudication expenses at SGD27,279
- ii On 1 April 2020, KESG had make payment of SGD 1,051,245 to Mutiara
- iii On 3 April 2020, KESG has filed an Adjudication Review Application ("ARA") in support of KESG application for an adjudication review of an adjudication determination.  
KESG submitted that the Adjudicator had erred in law and on the facts in that he had failed to discharge his independent duty to adjudicate the claim and had:
  - a. over-valued the Mutiara's claim for original sub-contract works by SGD86,570;
  - b. over-valued the Mutiara's claim for variations by SGD371,231; and
  - c. erroneously allowed the Claimant to amend its adjudication application.

#### 2 SOP/AA52

- i On 3 April 2020, the adjudicator determined that KESG shall pay Mutiara the sum of SGD1,745,080 (inclusive of GST) within 7 days after the service of the adjudication determination and shall bear 60% of the adjudication expenses at SGD13,617.
- ii KESG's solicitor is of the opinion that KESG shall file an ARA as well as seek a consolidation of the claims.

KESG had on 8 May 2020 received the Adjudication Review Determination for Adjudication Review Application SOP/ARA02 in relation to Adjudication Application SOP/AA51, from the Singapore Mediation Centre ("SMC"). Pursuant to Section 19(4)(a) of the Building and Construction Industry Security of Payment Act, the Adjudicator substitutes the adjudicate amount determined in SOP/AA51 with the review adjudicated amount of SGD 969,367.84.

On 13 April 2020, SMC had via it's Addendum to the Adjudication Determination revised the adjudicated amount from SGD1,745,079.51 to SGD1,739,893.22.

Subsequently, KES had on 4 May 2020 filed a Summons to the High Court of the Republic of Singapore and made an application for set aside the Adjudication Determination dated 3 April 2020 and the Addendum to the Adjudication Determination (Collectively, "the AD") in relation to Adjudication Application SOP/AA 52 or the execution or enforcement of the AD be stayed, pending the disposal of the action in an arbitration commenced by the KES against Mutiara which is currently ongoing.

On 22 July 2020, KES had lodged an amount of SGD 1,739,893.22 in the high court of the Republic of Singapore, being the funds and securities for unpaid portion of adjudicated amount that KES is required to pay in consequence of the AD in relation to the SOP/AA52.

9 Material Litigation (cont'd)

**(2) Adjudication proceeding between Mutiara (FE) Pte Ltd against Kelington Engineering (S) Pte Ltd ("KESG"), a wholly owned subsidiary of Kelington (Cont'd)**

In the matter of Adjudication Application No. SOP/AA 52/2020 between Mutiara as the Claimant and KESG as the Respondent, KESG had on 19 January 2021 submitted its written submissions pursuant to the directions of the learned Adjudicator given on 14 January 2021.

The Honourable Court had on 5 January 2021 rendered its judgement and ordered that the Remitted Questions to be remitted to the Adjudicator. The Court's Decision on KES' prayers as stated in the announcement made on 28 August 2020 are held over pending the Adjudicator Determination of the Remitted Questions. By way of summary, KES submits that the Claimant's Adjudication's Application ("AA") was lodged prematurely and that the AA is therefore invalid, with the costs to be borne by the Claimant. For avoidance of doubt, the written submissions herein relate only to Package 2 Subcontract.

On 28 January 2021, KESG had received the Adjudicator Determination dated 27 January 2021 for the Remission Application. Based on the timelines in the Building and Construction Industry Security of Payment Act, the Adjudicator determined that the Claimant's adjudication application SOP/AA 52/2020 was not lodged prematurely and the Respondent shall bear 100% of the costs of the Remission Application amounting to SGD 4,840.68.

On 5 March 2021, Mutiara filed a further affidavit, presenting evidence of their ongoing business / projects, its latest available financial information, the Guaranteed Sum of S\$679,070.00 has been paid out to Kelington Engineering (S) Pte Ltd ("KES"), and there is no other ongoing litigation/arbitration involving Mutiara, apart from the ongoing arbitration.

On 12 March 2021, KES has filed an affidavit in response to the Affidavit filed on behalf of Mutiara, and humbly requested for an order to stay the enforcement of the Adjudicator's determination pending the disposal of the ongoing arbitration proceedings between KES and Mutiara.

The Company will make the necessary announcements on material development in respect of this matter from time to time.

**(3) Arbitration Proceeding commenced by Kelington Engineering (S) Pte Ltd ("KESG"), a wholly-owned subsidiary of Kelington, against Mutiara (FE) Pte Ltd**

On 16 March 2020, KESG served a Notice of Arbitration dated 18 March 2020 as the Claimant on Mutiara to refer KESG's claims on back charges and liquidated damages in respect of Mutiara's failure, refused and/or neglected to complete the works timely and with due diligence and/or to carry out its contractual obligations under the sub contracts.

The Arbitration proceedings commenced under the Notice of Arbitration filed pursuant to the Arbitration Rules of the Singapore International Arbitration Centre.

The arbitration proceeding is commenced against Mutiara to seek, among others, the following relief:

- 1 Value of work done (including variations) by Mutiara to be assessed;
- 2 A declaration that Mutiara has breached its obligations under the sub-contracts;
- 3 An award for the sum of SGD6,375,475 being the payment that is due and payable by Mutiara to KESG as back charges and liquidated damages and scope deductions incurred to rectify the defects and/or non-compliant works, pursuant to the terms and conditions of the various purchase orders;
- 4 Losses and damages incurred by KESG arising out of Mutiara's breached of sub contracts and/or disputes in relation to the valuation of work done (including variations) by KESG and/or such other losses to be assessed; and
- 5 Interest, costs, and other relief that the arbitrator shall deemed fit.

On 16 September 2020, KESG filed a Statement of Claim under the Arbitration Rules of the Singapore International Arbitration Centre and sets out its claims against Mutiara (FE) Pte Ltd ("the Respondent") as follows:

- 1 Back charges and/or claims in the sum of SGD5,033,066.99 and/or any amounts to be assessed by the Tribunal;
- 2 Liquidated damages in the sum of S\$738,535.88 in respect of the Package 1 Subcontract and liquidated damages in the sum of S\$780,384.80 in respect of the Package 2 Subcontract and/or any amounts to be assessed by the Tribunal;
- 3 Further and/or in the alternative, general damages to be assessed;
- 4 A credit of the sum of S\$373,732.85 that was overpaid in respect of the Package 1 Subcontract and a credit of the sum of S\$693,266.00 that will be overpaid in respect of the Package 2 Subcontract and/or any amounts to be assessed by the Tribunal;
- 5 Costs on an indemnity basis;
- 6 Interest; and
- 7 Such further and other relief as may be deemed appropriate by the Tribunal.

On 3 February 2021, KESG as Claimant had filed a Statement of Reply and Defence to Counterclaim under the Arbitration Rules of the Singapore International Arbitration Centre. The following claims against KES as stated in the Respondent's Statement of Defence and Counterclaim dated 25 November 2020 was denied:

- 1 The sum of S\$5,845,018.31 (excluding GST) being the balance value of work (including variations) done under the terms of the Subcontracts or under general law or on a quantum meruit to be assessed and determined by the Tribunal;
- 2 Loss and expense to be assessed arising from the prolongation of the Subcontracts;
- 3 Costs and expenses of S\$195,725.05 (excluding GST) incurred by the Respondent in SOP process;
- 4 The Guaranteed Sum paid under the Performance Bond (S\$679,070);
- 5 The additional costs and expenses incurred by the Respondent to procure workers without man-year entitlement under the terms of the Subcontracts or under general law or on a quantum meruit to be assessed and determined by the Tribunal;
- 6 Financing and/or interest charges as special damages;
- 7 GST on all amounts to be found due to the Respondent;
- 8 Costs on an indemnity basis;
- 9 Interest; and
- 10 Such further or other relief as this Tribunal may deem fit or appropriate.

9 Material Litigation (Cont'd)

(3) Arbitration Proceeding commenced by Kelington Engineering (S) Pte Ltd ("KESG"), a wholly-owned subsidiary of Kelington, against Mutiara (FE) Pte Ltd (cont'd)

In addition, KES as Claimant has provided particulars of the Respondent's failure, refusal and/or negligence to carry out and/or complete the works satisfactorily, on a timely basis and/or with due diligence, as well as the Claimant's responses to the Respondent's allegations in respect of the Claimant's alleged delay and/or acts of prevention and/or omissions. Accordingly, the Claimant avers that the Respondent has no basis to claim for the claims set out above.

On 18 June 2021, KES had replied to the Respondent's request dated 3 May 2021 for further and better particulars ("F&BP") of KES's Statement of Reply and Defence to Counterclaim dated 3 February 2021. The Respondent has provided KES with F&BP in respect of their Defence and Counterclaim on 13 April 2021 and filed and served its Statement of Reply on 23 April 2021.

The Company will make the necessary announcements on material development in respect of this matter from time to time.

(4) Adjudication proceeding between Kelington Technologies Sdn. Bhd., a wholly owned subsidiary of KGB, against JCT Industries Group Sdn. Bhd.

On 14 August 2020, Kelington Technologies Sdn. Bhd. (Company No.: 562280-U) ("KTSB"), a wholly-owned subsidiary of KGB served a Notice of Adjudication to JCT Industries Group Sdn. Bhd. (Company No. 1215578-P) ("JCT") in accordance with Section 7 and 8 of Construction Industry Payment & Adjudication Act 2012 ("CIPAA") to seek following reliefs or remedies from JCT:-

- i Payment Certificates issued and unpaid - RM7,134,518.81;
- ii Variation works not certified and unpaid - RM244,800.00;
- iii Interest due to late payment – RM417,624.67;
- iv Interest on the unpaid amounts from 15 February 2020 to the date full payment is received at the rate of 7.40% per annum; and
- v Interest on the unpaid amounts from 15 February 2020 to the date full payment is received at the rate of 7.40% per annum; and
- vi All costs incurred by KTSB in referring the dispute to adjudication, including but not limited to our claim consultant's cost, the registration and administrative fee of Asian International Arbitration Centre, and the adjudicator's fee.

KTSB was appointed by JCT as the Contractor pursuant to a letter of award dated 25 April 2018 ("Contract") to construct the main factory, warehouses, TNB Sub Station and infrastructural work in Kuala Muda, Kedah Darul Aman ("Works"). The Works were completed on 30 August 2019.

As JCT had failed to make payment to KTSB, KTSB had on 18 February 2020 served a Payment Claim to JCT in accordance with Section 5 of CIPAA for the sum of RM8,226,943.48 together with interest on the sum from 14 February 2020 to the date full payment is received at the interest rate of 7.4% per annum

On 5 August 2020 and after the service of Payment Response, JCT made a further payment of RM430,000.00. Therefore, the total unpaid amount for the payment certificates issued is now reduced to RM7,134,518.81.

On 8 June 2021, KTSB had received the adjudication determination under the Construction Industry Payment & Adjudication Act 2012 ("CIPAA").

The adjudicator determined that:-

- i JCT as the Respondent shall pay to KTSB the sum of RM1,292,484.84;
- ii The Respondent shall pay to the Claimant interest at the prevailing Maybank Base Lending Rate plus one percent (1%) per annum calculated upon the sum of:
  - (a) RM407,788.33 from 17th April 2019 to 14th February 2020;
  - (b) RM1,031,826.28 from 13th May 2019 to 14th February 2020;
  - (c) RM1,743,379.36 from 12th June 2019 to 14th February 2020;
  - (d) RM1,490,397.45 from 19th July 2019 to 14th February 2020;
  - (e) RM713,958.59 from 15th August 2019 to 14th February 2020;
  - (f) RM784,004.25 from 16th October 2019 to 14th February 2020;
  - (g) RM1,001,114.41 from 25th December 2019 to 14th February 2020; and
  - (h) RM392,050.14 from 5th February 2020 to 14th February 2020.
- iii The Respondent shall pay to KTSB interest at the prevailing Maybank Base Lending Rate plus one percent (1%) per annum calculated upon the sum of:
  - (a) RM7,564,518.81 from 21st February 2020 to 5th March 2020;
  - (b) RM1,292,484.84 from 6th March 2020 to the date of this Adjudication Decision; and
  - (c) RM1,292,484.84 from the date of this Adjudication Decision to the date of full payment.
- iv Each Party is to bear its own legal costs;
- v The Claimant and the Respondent shall bear the adjudicator's fees and minimum expenses in the total sum of RM50,500.00 and the AIAC's administrative fee (including SST) in the sum of RM10,600.00 in equal shares.

The Company will make the necessary announcement on further development of this matter in due course.

9 Material Litigation (Cont'd)

(5) Commencement of arbitration proceeding by JCT Industries Group Sdn. Bhd against Kelington Technologies Sdn. Bhd ("KTSB"), a wholly owned subsidiary of Kelington

On 30 November 2020, KTSB received a Notice of Arbitration dated 27 November 2020 served on behalf of JCT. The Arbitration proceedings commenced under the Notice of Arbitration filed pursuant to the Arbitration Act 2005 and the PAM Arbitration Rules. The Claimant had alleged that KTSB had failed to complete the Works within the stipulated completion timeframe as stipulated in the Contract and failed, refused and/or neglected to make good of its defects despite demand from the Claimant. The Claimant will be seeking against KTSB in the arbitration for the following reliefs:

- 1 Liquidated damages to be ascertained by the tribunal;
- 2 Damages for defects to be ascertained by the tribunal;
- 3 Such other claims as may be raised in due course in the Statement of Claim;
- 4 Interest;
- 5 Costs; and
- 6 Such further and/or other reliefs.

The Company will make the necessary announcement on further development of this matter in due course.

10 Dividends Payable

On 11 June 2021, Kelington had made the payment of second interim tax-exempt dividend of 1 sen per ordinary share in respect of the FYE 31 December 2020 amounting to RM3,215,036.

On 24 August 2021, the Board of Directors of KGB proposed the payment of first interim tax-exempt dividend of 0.5 sen per ordinary share in respect of the FYE 31 December 2021 amounting to RM3,226,235, payable on 1 October 2021.

11 Earnings Per Share

The earnings per share for the quarter and cumulative year to date are computed as follow:

	Current Quarter Ended		Cumulative Year To Date Ended	
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
Profit After Taxation attributable to owners of the company (RM'000)	7,352	623	12,896	4,678
Weighted average number of ordinary shares in issue ('000)	321,504	319,715	321,504	315,390
Basic Earnings Per Share (Sen)	2.29	0.20	4.01	1.48
Diluted Earnings Per Share (Sen) #	NA	0.19	NA	1.48

Note :

# - All shares of Employee Shares Scheme had been fully exercised on 18 Aug 2020.

12 Trade Receivables

At each reporting date, the Group assess whether any of the trade receivables are credit impaired. The Group consider trade receivables having financial difficulty are deemed credit impaired and assesses for their risk of loss individually. The ageing analysis of the Group's gross trade receivables is as follows:

30.6.2021	Gross Amount RM'000	Collective Impairment RM'000	Carrying Value RM'000
Not past due	76,835	(88)	76,747
Past due:			
- less than 3 months	21,203	(550)	20,653
- 3 to 6 months	3,756	(54)	3,702
- over 6 months to 1 year	4,516	(258)	4,258
- over 1 year	397	(273)	124
Credit impaired	9,711	(9,711)	-
	<u>116,418</u>	<u>(10,934)</u>	<u>105,484</u>

Some of the trade receivables that are past due were not impaired based on the historical collection trends.

30.6.2020	Gross Amount RM'000	Collective Impairment RM'000	Carrying Value RM'000
Not past due	25,905	(515)	25,390
Past due:			
- less than 3 months	27,538	(291)	27,247
- 3 to 6 months	1,504	(255)	1,249
- over 6 months to 1 year	6,711	(184)	6,527
- over 1 year	2,768	(295)	2,473
Credit impaired	4,991	(4,991)	-
	<u>69,417</u>	<u>(6,531)</u>	<u>62,886</u>

13 Disclosure Of Realised And Unrealised Profits/ (Losses)

	Cumulative Year to date ended 30.6.2021 RM'000	Cumulative Year to date ended 30.6.2020 RM'000
Total retained profits of KGB:		
- Realised	90,252	72,361
- Unrealised	1,254	1,888
Total group retained profits as per consolidated accounts	<u>91,506</u>	<u>74,249</u>