

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED INCOME STATEMENTS**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter 31 Dec 2020 RM'000	Current Year To Date 31 Dec 2021 RM'000	Preceding Year Corresponding Period 31 Dec 2020 RM'000
Revenue	13,654	13,475	42,728	49,413
Cost of sales	(9,641)	(9,473)	(28,601)	(34,198)
Gross profit	4,013	4,002	14,127	15,215
Other operating income	1,464	212	3,709	2,645
Other operating expenses	(3,566)	(3,907)	(12,587)	(12,523)
Profit/(Loss) from operations	1,911	307	5,249	5,337
Finance costs	(25)	(85)	(87)	(86)
Share of results of associate	1,187	829	643	1,220
Share of results of JV	128	(16)	154	19
Profit/(Loss) before tax	3,201	1,035	5,959	6,490
Tax expense	(306)	(164)	(913)	(1,106)
Net profit/(loss) for the period	2,895	871	5,046	5,384
Attributable to :				
Equity holders of the parent	2,893	871	5,044	5,384
Non-controlling Interest	2	-	2	-
	2,895	871	5,046	5,384
Earning per share (sen)				
Equity holders of the parent :				
Basic	2.68	0.81	4.67	4.99
Diluted	N/A	N/A	N/A	N/A

Note:

The unaudited condensed consolidated statements of income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 Dec 2021 RM'000	Preceding Year Corresponding Quarter 31 Dec 2020 RM'000	Current Year-To-Date 31 Dec 2021 RM'000	Preceding Year Corresponding Period 31 Dec 2020 RM'000
Net Profit/(Loss) for the Period	2,895	871	5,046	5,384
Other comprehensive income/(expense):				
Remeasurement of defined benefit obligation	41	(51)	41	(51)
Foreign currency translation	410	539	71	(611)
Total comprehensive income/(expense)	3,346	1,359	5,158	4,722
Total comprehensive income/(expense)				
Owners of the parent	3,346	1,359	5,158	4,722
Non-controlling Interest	-	-	-	-
	3,346	1,359	5,158	4,722

Note:

The unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited As At 31 Dec 2021 RM'000	Audited As At 31 Dec 2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,101	1,854
Investment properties	6,134	6,277
Investment in associates	16,172	17,650
Investment in JV	411	252
Deferred tax assets	126	50
Membership rights	-	8
Right of use asset	21,475	22,449
Total non-current assets	45,419	48,540
CURRENT ASSETS		
Inventories	13,590	14,586
Trade and other receivables	16,216	11,401
Contract asset	770	346
Dividend receivables	2,125	1,437
Prepayments	96	104
Tax recoverable	-	192
Cash and cash equivalents	50,842	47,523
Total current assets	83,639	75,589
TOTAL ASSETS	129,058	124,129
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	54,000	54,000
Capital reserves	4,764	4,764
Retained profits	40,186	37,302
Retirement benefit obligation reserve	(45)	(86)
Statutory reserve	109	109
Foreign currency translation	15,812	15,739
	114,826	111,828
Non-controlling Interest	34	34
Total equity	114,860	111,862
NON-CURRENT LIABILITIES		
Deferred tax liabilities	-	-
Loans and borrowings	-	-
Retirement benefit obligation	320	364
Lease liability	2,422	2,535
Total non-current liabilities	2,742	2,899
CURRENT LIABILITIES		
Loans and borrowings	-	4
Trade and other payables	7,349	7,205
Contract liabilities	2,711	475
Lease liability	157	122
Current tax payables	1,239	1,562
Total current liabilities	11,456	9,368
Total liabilities	14,198	12,267
TOTAL EQUITY AND LIABILITIES	129,058	124,129
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (RM)		
	1.06	1.04

Note:

The unaudited condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the parent							Non controlling Interest RM'000	Total Equity RM'000
	Share capital RM'000	Translation reserves RM'000	Capital reserves RM'000	Retirement benefit obligation reserves RM'000	Statutory reserves RM'000	Distributable Retained profits RM'000	Equity Attributable to Owners of the Parent RM'000		
At 1 January 2021	54,000	15,739	4,764	(86)	109	37,302	111,828	34	111,862
Profit for the year	-	-	-	-	-	5,044	5,044	2	5,046
Other comprehensive income for the year	-	73	-	41	-	-	114	(2)	112
Total comprehensive income	-	73	-	41	-	5,044	5,158	-	5,158
Transactions with owners - Dividends paid on ordinary shares	-	-	-	-	-	(2,160)	(2,160)	-	(2,160)
At 31 December 2021	54,000	15,812	4,764	(45)	109	40,186	114,826	34	114,860
At 1 January 2020	54,000	16,350	4,764	(35)	109	32,998	108,186	35	108,221
Profit for the year	-	-	-	-	-	5,384	5,384	-	5,384
Other comprehensive income for the year	-	(611)	-	(51)	-	-	(662)	(1)	(663)
Total comprehensive income	-	(611)	-	(51)	-	5,384	4,722	(1)	4,721
Transaction with owners - Dividends paid on ordinary shares	-	-	-	-	-	(1,080)	(1,080)	-	(1,080)
At 31 December 2020	54,000	15,739	4,764	(86)	109	37,302	111,828	34	111,862

Note:

The unaudited condensed consolidated statements of changes of equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	Current Year-To-Date 31 Dec 2021 RM'000	Preceding Year Corresponding Period 31 Dec 2020 RM'000
Cash flows from operating activities		
Profit/Loss before taxation	5,959	6,490
Adjustments for non-cash flow:		
Amortisation of investment in club membership	8	7
Depreciation of Property, plant and equipment	897	1,324
Depreciation of investment properties	256	254
Depreciation of right-of-use asset	1,349	1,303
(Gain)/Loss on disposal of property, plant and equipment	(1)	(8)
Unrealised loss/(gain) on foreign currency	699	(120)
Interest income	(67)	(248)
Accretion of interest on lease liabilities	87	85
Allowances for impairment loss on trade receivables	48	24
Bad debt written off	-	58
Inventories written down	147	47
Reversal of inventories written down	(89)	(42)
Share of results of associates	(643)	(1,220)
Share of joint venture	(151)	(19)
Retirement benefit obligation	(3)	38
Finance costs	-	1
Operating profit before changes in working capital	<u>8,496</u>	<u>7,974</u>
Changes in working capital		
Net change in inventories	938	(11,036)
Net change in trade and other receivables	(5,292)	10,077
Net change in trade and other payables	<u>2,606</u>	<u>(3,480)</u>
Cash (used in)/generated from operations	6,748	3,535
Tax (paid)/recoverable	(1,243)	(618)
Interest paid	-	(86)
Net cash (used in)/generated from operating activities	<u>5,505</u>	<u>2,831</u>
Cash flows from investing activities		
Interest received	67	248
Proceeds from disposal of property, plant and equipment	1	8
Purchase of property, plant and equipment	<u>(123)</u>	<u>(598)</u>
Net cash (used in)/generated from investing activities	(55)	(342)
Cash flows used in financing activities		
(Placement)/drawdown of fixed deposit	1,311	3,100
Dividend received from Associate	1,437	1,403
Dividend received from JV	-	122
Repayment of obligation under finance lease	(4)	(19)
Repayment of lease liabilities	(199)	(143)
Dividend paid	<u>(2,160)</u>	<u>(1,080)</u>
Net cash (used in)/generated from financing activities	385	3,383
Net (decrease)/increase in cash and cash equivalents	<u>5,835</u>	<u>5,872</u>
Cash and cash equivalents at beginning of period	37,344	31,875
Effect of exchange rate changes	<u>(1,206)</u>	<u>(403)</u>
Cash and cash equivalents at end of period	<u><u>41,973</u></u>	<u><u>37,344</u></u>
Cash & cash equivalents comprise the following		
Cash & Bank balances	31,705	24,282
Fixed Deposit with Licensed Banks	<u>19,137</u>	<u>23,241</u>
	50,842	47,523
Less: Long term fixed deposits with licensed bank	<u>(8,869)</u>	<u>(10,179)</u>
Cash and cash equivalents at end of period	<u><u>41,973</u></u>	<u><u>37,344</u></u>

Note:

The unaudited condensed consolidated statements of cash flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

PART 1-Explanatory Notes Pursuant to MFRS 134

- A1.** Turbo-Mech Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by Board of Directors on 25 February 2022.

A2. Basis of Preparation

The condensed consolidated interim financial statements of the Group for the fourth quarter ended 31 December 2021, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The condensed consolidated interim financial statements should read in conjunction with the audited financial statements for the year ended 31 December 2020.

The explanatory notes attached to these condensed consolidated 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 year ended 31 December 2020.

A3. Significant accounting policies

The significant accounting policies and methods of computation adopted for the condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2020 except for the adoption of the following new or revised Malaysian Financial Reporting Standards (“MFRS”) below.

3.1 Changes in Accounting Policies

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards and interpretations, if applicable when they become effective.

Effective for financial periods beginning on or after 1 June 2021

Amendments to MFRS 16: COVID-19 Related Rent Concessions

Registration No.: 200901020166 (863263-D)

Effective for financial periods beginning on or after 1 January 2021

Amendments to MFRS 4: Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 7: Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 9: Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16: Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 139: Interest Rate Benchmark Reform - Phase 2

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1: Subsidiary as a First-time Adopter (Annual Improvement to MFRSs 2018-2020 Cycle)
Amendments to MFRS 3: Reference to Conceptual Framework
Amendments to MFRS 9: Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Annual Improvement to MFRSs 2018-2020 Cycle)
Amendments to MFRS 16: Illustrative Example accompanying MFRS 16 Leases (Annual Improvement to MFRSs 2018-2020 Cycle)
Amendments to MFRS 116: Proceeds before Intended Use
Amendments to MFRS 137: Onerous Contract - Cost of Fulfilling a Contract
Amendments to MFRS 141: Taxation in Fair Value Measurements (Annual Improvement to MFRSs 2018-2020 Cycle)

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts
Amendments to MFRS 17: Insurance Contract
Amendments to MFRS 101: Classification of Liabilities as Current and Non-current

Effective for financial periods to be announced

Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application.

A4. Auditors report of preceding Annual Financial Statements

The audit report on the Group's financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

A5. Seasonal or cyclical factors

The business operations of the Group are affected by the cycles of capital and repairs/maintenance programs implemented by major players in the oil, gas, and petrochemical sector.

Registration No.: 200901020166 (863263-D)

A6. Unusual items due to nature of size or incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cashflows of the Group during the financial quarter under review.

A7. Change in estimates

There were no changes in estimates that have had material effect on the results of the financial quarter under review.

A8. Carrying amount of revalued assets

The valuation of property, plant and equipment has been brought forward without amendment from the audited financial statements as at 31 December 2020.

A9. Debt and equity security

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

A10. Dividends

At the forthcoming Annual General Meeting, a final single-tier dividend of 2.0 sen per ordinary shares, amounting to a dividend payable of RM2,160,000 for the financial year ended 31 December 2021 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

A11. Segment information

Segment information are presented in respect of the Group's geographical segment, which is based on the company's management reporting structure where discrete Financial information is available and regularly reviewed by the Chief Operation Decision Maker.

Transfer prices between the operating segments are on arm's length basis in a manner similar to transactions with third parties.

Registration No.: 200901020166 (863263-D)

Segment analysis for the period ended 31 December 2021 is set out below:

	Malaysia	Singapore	Others	Elimination	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External Sales	-	33,001	9,727	-	42,728
Inter-segment Sales	-	2,502	-	(2,502)	-
	-	35,503	9,727	(2,502)	42,728
Results					
Profit/(Loss) from Operation	(730)	4,093	1,638	248	5,249
Finance cost					(87)
Share of Results of associates					643
Share of Results of JV					154
Profit before taxation					5,959
Taxation					(913)
Profit after taxation					5,046

A12. Subsequent Event

There is no subsequent event reported during the financial quarter under review.

A13. Change in the composition of the Group

There were no changes in the composition of the Group for the period under review.

A14. Contingent Liabilities

At the date of this report, there were no changes in contingent liabilities since date of last report.

A15. Capital Commitments

There are no capital commitments for the financial quarter under review.

A16. Significant related party transaction

The significant related party transactions below were carried out in the ordinary course of business during the quarter under review.

Related parties	Nature of transactions	Transaction for the period ended 31 Dec 2021 RM'000	Transaction for the period ended 31 Dec 2020 RM'000
Turbo-Mech Asia Pte Ltd and Bayu Purnama Sdn Bhd	Sales of parts	-	-
Turbo-Mech Asia Pte Ltd and Bayu Purnama Sdn Bhd	Reimbursement of expenses by Related party	29	87

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PART B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

B1. Analysis of Performance

	INDIVIDUAL QUARTER				CUMULATIVE QUARTER			
	Current Year	Preceding Year	Changes		Current Year	Preceding Year	Changes	
	Year	Corresponding			Year	Corresponding		
	Quarter	Quarter			To Date	Period		
	31 Dec 2021	31 Dec 2020	RM'000	%	31 Dec 2021	31 Dec 2020	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	13,654	13,475	179	1%	42,728	49,413	(6,685)	-14%
Segment revenue								
- Singapore	10,149	11,362	(1,213)	-11%	33,001	41,896	(8,895)	-21%
- Others	3,505	2,113	1,393	66%	9,727	7,517	2,210	29%
Gross profit	4,013	4,002	11	0%	14,127	15,215	(1,088)	-7%
Profit/(Loss) from operations	1,911	307	1,604	522%	5,249	5,337	(88)	-2%
Profit/(Loss) before tax	3,201	1,035	2,166	209%	5,959	6,490	(531)	-8%
Profit/(Loss) after tax	2,895	871	2,024	232%	5,046	5,384	(338)	-6%
Profit/(Loss) attributable to equity holders of the parent	2,893	871	2,022	232%	5,044	5,384	(340)	-6%

The Group achieved revenue of RM13.7 million for the current quarter, an increase of RM0.2 million compared to the RM13.5 million achieved during the preceding year corresponding quarter. The increase in revenue was mainly due to general increase in sales activities in Thailand region, mitigated by drop in sales in Singapore, Vietnam and Malaysia region.

The Group achieved gross profit of RM4 million during the current quarter consistent with RM4 million achieved in preceding year corresponding quarter. The gross profit margin for this quarter is 29.4% which is also consistent with the gross profit margin of 29.7% achieved during the preceding year corresponding quarter.

For the current quarter, the Group recorded a profit after tax of RM2.9 million, compared against the preceding year corresponding quarter profit after tax of RM0.9 million due to unrealised foreign gained during the quarter.

B2. Comparison between the current Quarter and Immediate Preceding Quarter

	INDIVIDUAL QUARTER		Changes	
	31 Dec 2021 RM'000	30 Sep 2021 RM'000	RM'000	%
Revenue	13,654	15,714	(2,060)	-13%
Segment revenue				
- Singapore	10,149	12,544	(2,395)	-19%
- Others	3,505	3,170	335	11%
Profit/(Loss) from operations	1,911	2,811	(900)	-32%
Profit/(Loss) before tax	3,201	2,805	396	14%
Profit/(Loss) after tax	2,895	2,378	517	22%
Profit/(Loss) attributable to equity holders of the parent	2,893	2,378	515	22%

The Group achieved revenue of RM13.7 million for the current quarter, a decrease of RM2 million or 13% as compared to the RM15.7 million achieved during the previous quarter.

The Group recorded a profit before tax of RM3.2 million during the current quarter, compared to the profit of RM2.8 million during the previous quarter. This is due to recognition of government grant on job support scheme during the quarter.

For the current quarter, the Group recorded a profit after tax of RM2.9 million, compared against the previous quarter profit after tax of RM2.4 million.

B3. Prospects

The demand for petrochemical industries products are influenced by the market economic conditions. As a supplier of pumps and compressors to both upstream as well as downstream of petrochemical industries, the demand for our products and services will inevitably be affected as well.

The Group does not detect any significant increase in operating expenditure and capital expenditure of our oil and gas clients, as such the pressure on the Group would continue. The Company will stay focus on maintenance and services and will stay relevant to the industry.

B4. Notes on variance in actual profit and shortfall in profit guarantee

The Group has not issued any profit forecast or profit guarantee for the current financial quarter under review.

B5. Income Tax Expenses

	Current Quarter		Cumulative Quarter	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	RM'000	RM'000	RM'000	RM'000
Current tax				
- Malaysian income tax	-	-	-	-
- Foreign income tax	306	164	913	1,106
(Over)/Under provision in respect prior years	-	-	-	-
Deferred income tax:				
Origination and reversal of temporary difference	-	-	-	-
Total	306	164	913	1,106

The Group's effective tax rate for the current year is 15% which is lower than the statutory tax rate of 25% principally due to deferred income tax provision on withholding tax in a related company, lower tax regime from foreign income tax, utilization of business loss, and share of associated company results which is net of tax in current quarter.

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this report.

B7. Group Borrowing

There is no group borrowing for the current quarter under review.

B8. Gains/Losses from Fair Value changes of Financial Liabilities

There were no gains/losses arising from fair value changes of the financial liabilities for the current quarter and financial period.

B9. Material litigation

As at the date of this report, neither the Company nor any of its subsidiaries is engaged in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and our Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

B10. Dividend

At the forthcoming Annual General Meeting, a final single-tier dividend of 2.0 sen per ordinary shares, amounting to a dividend payable of RM2,160,000 for the financial year ended 31 December 2021 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

B11. Earnings per Share

The basic earnings/(loss) per share have been calculated by dividing the Group's profit/(loss) for the financial quarter under review attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the financial quarter under review.

	Current Quarter 31 Dec 2021 RM'000	Corresponding Quarter 31 Dec 2020 RM'000
Profit/(loss) net of tax attributable to owners of the Parent	2,893	871
Weighted average number of ordinary Shares	108,000	108,000
Basic earnings/(loss) per share(Sen)	2.68	0.81

The Company does not have any convertible shares or convertible financial instrument for the financial quarter under review.

B12. Auditors report of preceding Annual Financial Statements

The audit report on the Group's financial statements for the financial year ended 31 December 2020 was not subject to qualification.

B13. Profit/(loss) before taxation

Profit/(loss) before taxation is arrived at after crediting/(charging) the following income/(expenses):

	Current Quarter 31 Dec 2021 RM'000	Cumulative Quarter 31 Dec 2021 RM'000
Interest Income	33	67
Foreign exchange gain/(Loss) net	(608)	302
Investment income*	-	-
Depreciation and Amortisation	(604)	(2,502)
Provision for Trade Receivable	-	-
Trade Receivable Write off*	-	-
Provision for Inventory	(147)	(147)
Inventory Write Off*	-	-
Impairment of asset*	-	-
Gain/Loss on disposal of quoted or unquoted investment*	-	-
Gain/Loss on Derivatives*	-	-
Exceptional Expenses*	-	-

*These items are not applicable to the Group but disclosed pursuant to Appendix 9B Note 16 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.