

**ES CERAMICS TECHNOLOGY BHD**  
Registration No: 200301024697 (627117-P)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MAY 2020**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED 31-May-20	CORRESPONDING QUARTER ENDED 31-May-19	CURRENT YEAR TO DATE ENDED 31-May-20	CORRESPONDING YEAR TO DATE ENDED 31-May-19
	RM	RM	RM	RM
<b>Revenue</b>	<u>8,475,833</u>	<u>9,383,293</u>	<u>35,127,261</u>	<u>32,486,144</u>
<b>Operating profit</b>	209,904	1,328,247	4,188,625	2,310,127
Finance costs	(7,733)	(3,392)	(17,231)	(10,938)
Depreciation and amortisation	(547,943)	(491,854)	(2,021,534)	(1,787,860)
Interest income	86,596	41,457	287,397	273,775
<b>Profit/(Loss) before taxation</b>	<u>(259,176)</u>	<u>874,458</u>	<u>2,437,257</u>	<u>785,104</u>
Taxation	(222)	773	(902)	1,139
<b>Profit/(Loss) for the period</b>	<u>(259,398)</u>	<u>875,231</u>	<u>2,436,355</u>	<u>786,243</u>
<b>Other comprehensive income :</b>				
Foreign exchange translation difference	269,282	1,505,841	1,045,118	1,945,224
<b>Total comprehensive income/(expense) for the</b>	<u>9,884</u>	<u>2,381,072</u>	<u>3,481,473</u>	<u>2,731,467</u>
<b>Profit/(Loss) Attributable to :</b>				
Equity holders of the parent	(259,398)	875,231	2,436,355	786,243
Non-Controlling Interest	-	-	-	-
	<u>(259,398)</u>	<u>875,231</u>	<u>2,436,355</u>	<u>786,243</u>
<b>Total comprehensive income/(expense) attributable to:</b>				
Equity holders of the parent	9,884	2,381,072	3,481,473	2,731,467
Non-Controlling Interest	-	-	-	-
	<u>9,884</u>	<u>2,381,072</u>	<u>3,481,473</u>	<u>2,731,467</u>
Earnings per share (sen)				
- Basic	<u>(0.13)</u>	<u>0.43</u>	<u>1.19</u>	<u>0.38</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

*(The condensed consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2019)*

# ES CERAMICS TECHNOLOGY BHD

Registration No: 200301024697 (627117-P)

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MAY 2020

	AS AT 31-May-20 (UNAUDITED)	AS AT 31-May-19 (AUDITED)
	RM	RM
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	19,222,965	21,629,011
Right-Of-Use Asset (Cost)	3,479,682	-
Right-Of-Use Asset (Accum. Deprn.)	(890,295)	-
Investment In Associate	2,300,000	-
Intangible Assets	364,659	1,101,251
	24,477,011	22,730,262
<b>Current Assets</b>		
Inventories	4,320,518	4,626,617
Trade & Other Receivables	10,392,395	8,748,741
Current Tax Asset	121,143	258,452
Cash and Cash Equivalents	20,200,812	19,123,075
	35,034,868	32,756,885
<b>TOTAL ASSETS</b>	59,511,879	55,487,147
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Equity Holders of the Parent</b>		
Share Capital	22,911,311	22,911,311
Share Option Reserve	93,162	16,881
Capital Reserve	715,680	715,680
Exchange Reserve	7,278,180	6,233,062
Retained Profit	21,712,797	20,509,533
	52,711,130	50,386,467
<b>Non-controlling interest</b>	-	-
<b>TOTAL EQUITY</b>	52,711,130	50,386,467
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Lease Liability	251,774	52,019
Employee Benefit Obligation	38,289	37,878
Term Loan	213,842	225,489
	503,905	315,386
<b>Current Liabilities</b>		
Trade and Other Payables	6,205,250	4,753,875
Lease Liability	76,684	19,747
Term Loan	14,910	11,672
	6,296,844	4,785,294
<b>TOTAL LIABILITIES</b>	6,800,749	5,100,680
<b>TOTAL EQUITY AND LIABILITIES</b>	59,511,879	55,487,147
<b>Net assets per share attributable to ordinary equity holders of the parent (sen)</b>	26	25

*(The condensed consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2019)*

**ES CERAMICS TECHNOLOGY BHD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Attributable to Owners of the Parent						Total Equity RM
	Share Capital	Share Premium	Share Option Reserve	Capital Reserve	Exchange Reserve	Retained Profits	
	RM	RM	RM	RM	RM	RM	
Balance at 1 Jun 2019	22,911,311	-	16,881	715,680	6,233,062	20,509,533	50,386,467
Share-based payment transactions			76,281				76,281
Total comprehensive income for the period		-		-	1,045,118	2,436,355	3,481,473
Dividends paid						(1,233,091)	(1,233,091)
Balance at 31 May 2020	22,911,311	-	93,162	715,680	7,278,180	21,712,797	52,711,130

***For the Corresponding Quarter Ended 31 May 2019***

	Attributable to Owners of the Parent						Total Equity RM
	Share Capital	Share Premium	Share Option Reserve	Capital Reserve	Exchange Reserve	Retained Profits	
	RM	RM	RM	RM	RM	RM	
Balance at 1 Jun 2018	20,551,510	2,359,801	-	715,680	4,287,838	20,956,381	48,871,210
Transfer from share premium upon expiry of the transition period of the Companies Act 2016	2,359,801	(2,359,801)					-
Total comprehensive income for the period		-	16,881		1,945,224	786,243	2,748,348
Dividends paid						(1,233,091)	(1,233,091)
Balance at 31 May 2019	22,911,311	-	16,881	715,680	6,233,062	20,509,533	50,386,467

*(The condensed consolidated Statement of changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2019)*

**ES CERAMICS TECHNOLOGY BHD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MAY 2020**

	<b>CURRENT QUARTER ENDED 31-May-20</b>	<b>PRECEDING YEAR QUARTER ENDED 31-May-19</b>
	<b>RM</b>	<b>RM</b>
<b>Cash flows from operating activities</b>		
Profit before taxation	2,437,257	786,243
Adjustments for :-		
Depreciation, amortisation and impairment losses	2,021,534	1,787,860
Interest income and expenses	(270,166)	(262,837)
Other non-cash items	1,065,365	(102,117)
Operating profit before changes in working capital	<u>5,253,990</u>	<u>2,209,149</u>
Changes in working capital:		
Net change in inventories	306,099	(998,201)
Net change in receivables	(3,055,540)	(1,730,734)
Net change in payables	1,424,441	384,566
Cash flow from operations	<u>3,928,990</u>	<u>(135,220)</u>
Finance costs	(17,231)	(10,938)
Income tax refunded/(paid)	(902)	93,566
<b>Net cash flows from operating activities</b>	<u><u>3,910,857</u></u>	<u><u>(52,592)</u></u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,252,128)	(3,883,687)
Interest income	287,397	273,775
Proceeds from disposal of property, plant and equipment	6,830	(12,281)
<b>Net cash used in investing activities</b>	<u><u>(1,957,901)</u></u>	<u><u>(3,622,193)</u></u>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,233,091)	(1,233,091)
Drawdown / (Repayment) of term loan	(8,409)	237,161
Drawdown / (Repayment) of hire purchase	82,396	(61,839)
<b>Net cash flows from financing activities</b>	<u><u>(1,159,104)</u></u>	<u><u>(1,057,769)</u></u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	793,852	(4,732,554)
<b>Cash and cash equivalents at beginning of the year</b>	19,123,075	22,743,673
<b>Effect of changes in foreign exchange rates</b>	283,884	1,111,956
<b>Cash and cash equivalents at end of period</b>	<u><u>20,200,811</u></u>	<u><u>19,123,075</u></u>

*(The condensed consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 May 2019)*

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2020

### A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134 INTERIM FINANCIAL REPORTING

#### A1. Basis of Preparation

The interim financial reports are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134 (“MFRS 134”) “Interim Financial Reporting” and Rule 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for the ACE Market (“ACE”).

The interim financial report should be read in conjunction with the latest audited financial statements of ES Ceramics Technology Bhd (“ESCTB” or the “Company”) and its subsidiaries (“Group”) for the financial year ended 31 May 2019.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 May 2019, except for the adoption of the following new Malaysian Financial Reporting Standards (“MFRS”) and IC Interpretations (“IC Int.”) that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective for the current financial year:-

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 16 <i>Leases</i>	1 January 2019
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019
<ul style="list-style-type: none"><li>• Amendments to MFRS 3 <i>Previously Held Interest in a Joint Operation</i></li><li>• Amendments to MFRS 11 <i>Previously Held Interest in a Joint Operation</i></li><li>• Amendments to MFRS 112 <i>Income Tax Consequences of Payments on Financial Instruments Classified as Equity</i></li><li>• Amendments to MFRS 123 <i>Borrowing Costs Eligible for Capitalisation</i></li></ul>	

The adoption and application of the amendments to MFRSs and IC Interpretations are expected to have no significant impact on the financial statements of the Group.

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2020

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### **A2. Auditors' Report on Preceding Annual Financial Statements**

The auditor's report on the financial statements of ESCTB for the financial year ended 31 May 2019 was not subject to any audit qualification.

### **A3. Seasonal or Cyclical Factors**

The results of the Group were not materially affected by any seasonal or cyclical factors during the current quarter under review.

### **A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

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

### **A5. Material Changes in Estimates**

There were no changes in estimates that have a material effect on the current quarter's results.

### **A6. Debts and Equity Securities**

There were no issuance and repayment of debts and equity securities, share buy-back, share cancellation, shares held as treasury shares and resale of treasury shares for the current quarter under review.

### **A7. Dividend paid**

There were no dividends paid for the current quarter under review.

### **A8. Segmental Information**

The Group operates mainly in Malaysia and Thailand. As the Group is predominantly in the business operation of hand formers, no segment reporting by business segment is prepared.

### **A9. Valuation of Property, Plant and Equipment**

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

### **A10. Material Events Subsequent To the End of the Quarter**

There are no material events subsequent to the current quarter that have not been reflected in this quarterly report.

### **A11. Changes in the Composition of the Group**

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

### **A12. Contingent Assets or Liabilities**

There were no contingent assets or contingent liabilities for the current quarter under review.

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**NOTES TO THE INTERIM FINANCIAL REPORT  
FOR THE FOURTH QUARTER ENDED 31 MAY 2020**

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**A13. Capital Commitments**

There were no material capital commitments for the current quarter under review.

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2020

### B. ADDITIONAL INFORMATION PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of Performance

	12 Months 31-May-20 (RM)	12 Months 31-May-19 (RM)	Variance %	12 Months 31-May-20 (RM)	12 Months 31-May-19 (RM)	Variance %
Revenue	8,475,833	9,383,293	(9.67)	35,127,261	32,486,144	8.13
Operating Profit	209,904	1,328,247	(84.20)	4,188,625	2,310,127	81.32
Profit Before Interest and Tax	(251,443)	877,850	(128.64)	2,454,488	796,042	208.34
Profit Before Tax	(259,176)	874,458	(129.64)	2,437,257	785,104	210.44
Profit After Tax	(259,398)	875,231	(129.64)	2,436,355	786,243	209.87
Profit Attributable to Ordinary Equity Holders of the Parent	(259,398)	875,231	(129.64)	2,436,355	786,243	209.87

For the current quarter ended 31 May 2020, the Group recorded revenue of RM8.48 million, represents a decrease of 9.67% as compared to revenue of RM9.38 million for the corresponding quarter of the preceding year.

The Group registered a loss before taxation of approximately RM0.26 million against a profit before taxation of approximately RM0.87 million for the same period of the preceding year. This was in tandem with the decrease in revenue due to shorter business operation period during Movement Control Order and written off goodwill.

For the twelve (12) months ended 31 May 2020, the Group generated total revenue of approximately RM35.13 million which represents an increase of approximately 8.13% as compared to RM32.49 million achieved in the corresponding period of the preceding year.

For the same period, the Group achieved a profit before tax of approximately RM2.44 million which represents an increase of 210.44% as compared to a profit before tax of approximately RM0.79 million registered in the corresponding period of the preceding year. The increase was mainly resulting from better products mix.

#### B2. Comparison with Preceding Quarter's Results

	Current Quarter 31.05.2020 RM	Immediate preceding Quarter 29.02.2020 RM	Changes %
Revenue	8,475,833	8,949,822	(5.30)
Operating Profit	209,904	1,064,368	(80.28)
Profit/(Loss) Before Interest and Tax	(251,443)	656,294	(138.31)
Profit/(Loss) Before Tax	(259,176)	653,413	(139.66)
Profit/(Loss) After Tax	(259,398)	653,191	(139.71)
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(259,398)	653,191	(139.71)

Revenue registered in the current quarter of RM8.48 million represents a decrease of 5.30% as compared to the revenue recorded in the immediate preceding quarter.



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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2020

The Group's current quarter loss before taxation of approximately RM0.26 million has decreased by 139.66% as compared in the immediate preceding quarter. The decrease was mainly due to the impact of the imposition of the Movement Control Order and written off goodwill.

### B3. Commentary on Prospect for the Current Financial Year

The COVID-19 pandemic will negatively impact the global business environment including the essential services industry and together with the Movement Control Order ('MCO') imposed by the Government of Malaysia will indeed have significant impact on the supply chain. The prospects for growth in the rubber glove industry are positive as the industry is expected to continue to be driven by the growth in the global and domestic healthcare industry as one of the essential item in the medical supplies.

The Company will continue to execute its business strategies to capitalize and strengthen its position in the industry whilst adopting prudent cash flow management to meet its financial commitments and obligations.

### B4. Variance of Actual and Forecast Profit

The Group has not provided any profit forecast and therefore no variance information is available for presentation.

### B5. Taxation

	Current quarter 31.05.2020	Current year to date 31.05.2020
	RM	RM
Current year	222	902
Deferred taxation	-	-

The effective tax rate of the Group's current tax charge for the period was lower than the statutory tax rate mainly due to tax incentives enjoyed by subsidiary companies.

### B6. Status of Corporate Proposals

Save as disclosed below, there was no other corporate proposal announced but not completed as at the date of this report.

On 30 April 2020, further to the announcement dated 26 February 2020 in relation to the Proposals, TA Securities Holdings Berhad on behalf of the Board of Directors of ES Ceramics announced the following:

1. Focus Maxwell will reduce its proposed subscription of the 2nd Tranche of RPS to a lower number of 1,000,000 RPS for a cash consideration of RM1,000,000 ("**Revised 2nd Tranche**") and had accordingly on 30 April 2020 executed the following:

- a supplemental subscription agreement with Lasseters Properties Sdn Bhd to vary certain terms and conditions of the Subscription Agreement to reflect the Revised 2nd Tranche ("**Supplemental Subscription Agreement**"); and

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- a letter of agreement with Lasseters International Holdings Limited to reflect the Supplemental Subscription Agreement; and

2. the Company has decided not to proceed with the Proposed Diversification until a future time to be decided and announced.

### B7. Borrowings and Debt Securities

The Group's borrowings as at 31 May 2020 are as follows:

	At end of current quarter 31 May 2020 (RM)		
	Short term Borrowings	Long term borrowings	Total Borrowings
<b>Secured:</b>			
Lease Liability	76,684	251,774	328,458
Term Loan	14,910	213,842	228,752
	<u>91,594</u>	<u>465,616</u>	<u>557,209</u>

### B8. Derivative Financial Instruments

The Group does not have any derivative financial instruments as at the date of this report.

### B9. Material Litigation

Save as disclosed below, the Company and its subsidiaries are not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Company and its subsidiaries as at the date of this announcement:

The trial continued and proceeded on 30 October 2019, 27 November 2019, 2 & 3 December 2019 and Easy Sun Sdn. Bhd., the Company's wholly-owned subsidiary had finished calling its witnesses and that its case had closed.

The court has adjourned the decision date on 29.06.2020 and rescheduled the same to 12.08.2020.

### B10. Dividend

No interim dividend has been declared for the current quarter under review.

### B11. Earnings Per Share

	Current Quarter Ended 31.05.20	Current Year To Date 31.05.20
Net profit/(loss) attributable to owner of the Company (RM'000)	(259)	2,436
Weighted average number of ordinary shares in issue (RM'000)	205,515	205,515
Basic earnings per share (sen)	(0.13)	1.19

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## NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 2020

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There was no dilution in earnings per share as there was no dilutive potential ordinary shares as at 31 May 2020.

### B12. Profit Before Taxation

	Current Quarter 31.05.20 RM'000	Current Year To Date 31.05.20 RM'000
Profit before taxation is arrived at after charging/(crediting):		
Interest income	(87)	(287)
Other income including investment income	-	-
Interest expense	8	17
Depreciation and amortization	548	2,022
Provision for and write off of receivables	-	-
Provision for and write off of inventories	-	-
Gain/(loss) on disposal of quoted or unquoted investments or properties	-	-
Impairment of assets	-	-
Foreign exchange gain/(loss)	220	73
Gain/(loss) on derivatives	-	-
Exceptional items	-	-