

MIKRO MSC BERHAD (738171-M)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2019

The results of Mikro MSC Berhad and its subsidiaries ("Group") for the period ended 30 June 2019 are as follows:-

| | UNAUDITED INDIVIDUAL QUARTER | | AUDITED CUMULATIVE QUARTER | |
|--|---|--|---------------------------------------|---|
| | CURRENT YEAR QUARTER ENDED 30/06/2019 | PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/06/2018 | CURRENT YEAR TO DATE 30/06/2019 | PRECEDING YEAR CORRESPONDING PERIOD ENDED 30/06/2018 |
| | RM | RM | RM | RM |
| Revenue | 7,768,281 | 11,870,385 | 41,133,057 | 47,793,286 |
| Cost of sales | (4,795,972) | (6,467,173) | (22,784,666) | (24,502,724) |
| Gross profit | 2,972,309 | 5,403,212 | 18,348,391 | 23,290,562 |
| Other operating income | 245,255 | 132,891 | 1,107,924 | 692,407 |
| Finance costs | (11,184) | (14,892) | (57,072) | (42,900) |
| Operating expenses | (3,016,061) | (3,485,869) | (14,031,602) | (14,198,185) |
| Profit before tax | 190,319 | 2,035,342 | 5,367,641 | 9,741,884 |
| Tax expense | 619,984 | (1,412,195) | (1,025,730) | (3,552,796) |
| Profit for the financial period/year | <u>810,303</u> | <u>623,147</u> | <u>4,341,911</u> | <u>6,189,088</u> |
| Profit for the financial period/year attributable to: | | | | |
| Owners of the parent | 856,989 | 494,077 | 4,221,019 | 5,976,599 |
| Non-controlling interest | (46,686) | 129,070 | 120,892 | 212,489 |
| | <u>810,303</u> | <u>623,147</u> | <u>4,341,911</u> | <u>6,189,088</u> |
| Earnings per share attributable to equity holders | | | | |
| Basic earnings per share (in sen) | 0.19 | 0.12 | 0.98 | 1.41 |

The consolidated statement of comprehensive income should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

MIKRO MSC BERHAD (738171-M)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2019

| | (AUDITED) AS AT END OF CURRENT YEAR QUARTER ENDED 30/06/2019 RM | (AUDITED) AS AT FINANCIAL YEAR ENDED 30/06/2018 RM |
|--|---|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant and equipment | 21,333,522 | 17,788,577 |
| Intangible assets | 11,252,003 | 10,409,995 |
| Deferred tax asset | - | 214,950 |
| | <u>32,585,525</u> | <u>28,413,522</u> |
| Current Assets | | |
| Inventories | 12,485,160 | 11,555,933 |
| Trade and other receivables | 12,156,944 | 14,415,684 |
| Current tax assets | 4,621,206 | 1,424,027 |
| Cash and bank balances | 12,092,847 | 15,267,679 |
| Deposits with a licensed bank | - | 3,143,813 |
| | <u>41,356,157</u> | <u>45,807,136</u> |
| TOTAL ASSETS | <u><u>73,941,682</u></u> | <u><u>74,220,658</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 43,487,753 | 43,487,753 |
| Share options reserve | 138,503 | 131,930 |
| Retained earnings | 16,093,327 | 15,428,547 |
| | <u>59,719,583</u> | <u>59,048,230</u> |
| Non-controlling interests | 834,548 | 713,656 |
| TOTAL EQUITY | <u><u>60,554,131</u></u> | <u><u>59,761,886</u></u> |
| LIABILITIES | | |
| Non-Current Liabilities | | |
| Borrowings | 8,666,716 | 9,245,893 |
| Deferred tax liabilities | 860,243 | 267,089 |
| | <u>9,526,959</u> | <u>9,512,982</u> |
| Current Liabilities | | |
| Trade and other payables | 3,300,429 | 4,098,499 |
| Borrowings | 560,163 | 717,147 |
| Current tax liabilities | - | 130,144 |
| | <u>3,860,592</u> | <u>4,945,790</u> |
| TOTAL LIABILITIES | <u><u>13,387,551</u></u> | <u><u>14,458,772</u></u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>73,941,682</u></u> | <u><u>74,220,658</u></u> |
| Net asset per share (sen) | 13.86 | 13.70 |

The consolidated statement of financial position should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

MIKRO MSC BERHAD (738171-M)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2019

| | -----Equity attributable to owners of the parent----- | | | | | | |
|---|---|------------------------|---------------------------------|----------------------------|-------------------|-----------------------------------|-----------------------|
| | Share Capital RM | Share Premium RM | Share Options Reserves RM | Retained Earnings RM | Total RM | Non-controlling Interest RM | Total Equity RM |
| As at 1 July 2017 | 37,361,654 | - | 160,926 | 21,902,083 | 59,424,663 | 501,167 | 59,925,830 |
| Ordinary shares issued pursuant to : | | | | | | | |
| - ESOS | 139,356 | - | (51,996) | - | 87,360 | - | 87,360 |
| - Private placement | 5,986,743 | - | - | (5,986,743) | - | - | - |
| Recognition of share options expenses | - | - | 23,000 | - | 23,000 | - | 23,000 |
| Dividends paid | - | - | - | (6,463,392) | (6,463,392) | - | (6,463,392) |
| Total comprehensive income for the period | - | - | - | 5,976,599 | 5,976,599 | 212,489 | 6,189,088 |
| Balance as at 30 June 2018 | <u>43,487,753</u> | <u>-</u> | <u>131,930</u> | <u>15,428,547</u> | <u>59,048,230</u> | <u>713,656</u> | <u>59,761,886</u> |
| As at 1 July 2018 | 43,487,753 | - | 131,930 | 15,428,547 | 59,048,230 | 713,656 | 59,761,886 |
| Effect of adopting MFRS 9 & 15 | - | - | - | (109,105) | (109,105) | - | (109,105) |
| As restated | 43,487,753 | - | 131,930 | 15,319,442 | 58,939,125 | 713,656 | 59,652,781 |
| Recognition of share options expenses | - | - | 6,573 | - | 6,573 | - | 6,573 |
| Dividends paid | - | - | - | (3,447,134) | (3,447,134) | - | (3,447,134) |
| Total comprehensive income for the period | - | - | - | 4,221,019 | 4,221,019 | 120,892 | 4,341,911 |
| Balance as at 30 June 2019 | <u>43,487,753</u> | <u>-</u> | <u>138,503</u> | <u>16,093,327</u> | <u>59,719,583</u> | <u>834,548</u> | <u>60,554,131</u> |

The consolidated statement of changes in equity should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

MIKRO MSC BERHAD (738171-M)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 JUNE 2019

| | CURRENT YEAR TO DATE ENDED 30/06/2019 RM | PRECEDING YEAR TO DATE PERIOD ENDED 30/06/2018 RM |
|--|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 5,367,641 | 9,741,884 |
| | <u>5,367,641</u> | <u>9,741,884</u> |
| Adjustments for:- | | |
| Amortisation of intangible assets | 743,321 | 1,248,558 |
| Depreciation of property, plant and equipment | 870,727 | 1,034,261 |
| Impairment loss on intangible assets | - | 409,442 |
| Reversal of inventories previously written down | (280) | (215,841) |
| Reversal of impairment loss on trade and other receivables | | (83,208) |
| Gain on disposal of property, plant and equipment | - | - |
| Interest expense | 57,072 | 42,900 |
| Interest income | (24,783) | (276,577) |
| Recognition of ESOSs expenses | 6,573 | 23,000 |
| Unrealised gain on foreign exchange | (1,003,399) | 163,311 |
| | <u>6,016,872</u> | <u>12,087,730</u> |
| Operating profit before working capital changes | | |
| Changes in working capital:- | | |
| Inventories | (928,947) | (1,591,269) |
| Receivables | 2,281,263 | (1,730,089) |
| Payables | (802,540) | (2,392,051) |
| | <u>6,566,648</u> | <u>6,374,321</u> |
| CASH GENERATED FROM OPERATIONS | | |
| Tax paid | (3,544,949) | (4,264,285) |
| Interest paid | (57,072) | (42,900) |
| Interest received | 24,783 | 276,577 |
| NET CASH FROM OPERATING ACTIVITIES | <u>2,989,410</u> | <u>2,343,713</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Grant Received | - | 327,810 |
| Purchase of property, plant and equipment | (4,415,672) | (1,812,162) |
| Additions of intangible assets | (1,585,329) | (1,537,514) |
| Proceeds from disposal of property, plant and equipment | - | - |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(6,001,001)</u> | <u>(3,021,866)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (3,447,134) | (6,463,392) |
| Repayments of flexi loan | (347,335) | (334,570) |
| Repayments of hire purchase creditors | (388,826) | (380,353) |
| Proceeds from issuance of ordinary shares under ESOS | - | 87,360 |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(4,183,295)</u> | <u>(7,090,955)</u> |
| Net (decrease) increase in cash and cash equivalents | (7,194,886) | (7,769,108) |
| Effect of exchange rate changes on cash and cash equivalents | 876,241 | (261,016) |
| Cash and cash equivalents at beginning of financial year | <u>18,411,492</u> | <u>26,441,616</u> |
| Cash and cash equivalents at end of financial year | <u><u>12,092,847</u></u> | <u><u>18,411,492</u></u> |
| NOTES TO STATEMENT OF CASH FLOW | | |
| Cash and cash equivalents comprises: | | |
| Deposits with a licensed bank | - | 3,143,813 |
| Cash and bank balances | 12,092,847 | 15,267,679 |
| | <u>12,092,847</u> | <u>18,411,492</u> |

The consolidated statement of cash flow should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.