

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
		Current Quarter Ended 30/6/2018 RM	Preceding Year Corresponding Quarter Ended 30/6/2017 ⁽²⁾ RM	Current Year To Date Ended 30/6/2018 RM	Preceding Year To Date Ended 30/6/2017 ⁽²⁾ RM
Revenue		17,677,281	N/A	57,188,678	N/A
Cost of sales		(12,884,705)	N/A	(37,426,079)	N/A
Gross profit		4,792,576	N/A	19,762,599	N/A
Other income		521,390	N/A	993,173	N/A
Administrative and other operating expenses		(2,623,455)	N/A	(8,488,667)	N/A
Finance costs		(45,727)	N/A	(215,990)	N/A
Profit before tax		2,644,784	N/A	12,051,115	N/A
Taxation		(504,952)	N/A	(2,999,869)	N/A
Profit for the financial period		2,139,832	N/A	9,051,246	N/A
Attributable to:					
- Owners of the Parent		2,324,091	N/A	9,033,432	N/A
- Non-controlling interests		(184,259)	N/A	17,814	N/A
		2,139,832	N/A	9,051,246	N/A
Attributable to equity holders of the Company:					
- Basic earnings per share (sen)	B10	0.89	N/A	4.16	N/A
- Diluted earnings per share (sen)	B10	0.89	N/A	4.16	N/A

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2017 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the fourth interim financial statements on the consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A - Not applicable

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED AS AT 30.6.2018 RM	AUDITED AS AT 30.06.2017 RM
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	9,100,468	8,060,728
Investment properties	4,439,317	4,460,659
Deferred tax assets	74,100	53,000
	<u>13,613,885</u>	<u>12,574,387</u>
CURRENT ASSETS		
Amount due from contract customers	391,626	-
Trade receivables	19,385,895	18,275,313
Other receivables, deposits and prepayments	5,528,608	1,646,477
Current tax assets	45,098	-
Cash and bank balances	50,086,503	11,296,548
	<u>75,437,730</u>	<u>31,218,338</u>
TOTAL ASSETS	<u>89,051,615</u>	<u>43,792,725</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	55,219,251	17,402,102
Merger deficits	(16,052,000)	(16,052,000)
Retained profits	31,788,315	24,055,046
Equity attributable to owners of the Company	<u>70,955,566</u>	<u>25,405,148</u>
Non-controlling interests	156,727	138,913
TOTAL EQUITY	<u>71,112,293</u>	<u>25,544,061</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	1,056,529	647,710
Term loans	6,783,156	6,866,817
Deferred tax liabilities	16,800	-
	<u>7,856,485</u>	<u>7,514,527</u>
CURRENT LIABILITIES		
Trade payables	6,264,286	6,976,620
Other payables, deposits and accruals	2,748,172	2,059,439
Amount owing to directors	-	202,039
Hire purchase payables	331,113	240,929
Term loans	537,549	894,080
Current tax liabilities	201,717	361,030
	<u>10,082,837</u>	<u>10,734,137</u>
TOTAL LIABILITIES	<u>17,939,322</u>	<u>18,248,664</u>
TOTAL EQUITY AND LIABILITIES	<u>89,051,615</u>	<u>43,792,725</u>
Net asset per share (RM) ⁽²⁾	<u>0.27</u>	<u>0.15</u>

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2017 and the accompanying explanatory notes attached to the interim financial statements.
- (2) Based on the Company's number of ordinary shares in issue.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<u>Non-Distributable</u>		<u>Distributable</u>	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total RM
	Share Capital RM	Merger Deficits RM	Retained Profits RM			
Balance at 1.7.2017	17,402,102	(16,052,000)	24,055,046	25,405,148	138,913	25,544,061
Total comprehensive income for the financial period	-	-	9,033,432	9,033,432	17,814	9,051,246
Issuance of shares	39,550,340	-	-	39,550,340	-	39,550,340
Share issuance expenses	(1,733,191)	-	-	(1,733,191)	-	(1,733,191)
Dividend paid	-	-	(1,300,163)	(1,300,163)	-	(1,300,163)
Balance at 30.6.2018	55,219,251	(16,052,000)	31,788,315	70,955,566	156,727	71,112,293

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2017 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year's quarter are available as these are the fourth interim financial statements on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year To Date Ended 30.6.2018 RM	Preceding Year To Date Ended 30.6.2017⁽²⁾ RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,051,115	N/A
Adjustments for:		
Allowance for impairment loss on trade receivables	297,241	N/A
Depreciation	1,233,516	N/A
Gain on disposal of property, plant and equipment	(67,759)	N/A
Interest expenses	215,990	N/A
Interest income	(688,334)	N/A
Unrealised gain on foreign exchange	(17,555)	N/A
	<u>13,024,214</u>	<u>N/A</u>
Changes in working capital:		
Receivables	(5,681,580)	N/A
Payables	(23,601)	N/A
	<u>7,319,033</u>	<u>N/A</u>
Tax paid	(3,208,580)	N/A
Interest paid	(215,990)	N/A
Interest received	688,334	N/A
Net cash flows from operating activities	<u>4,582,797</u>	<u>N/A</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,376,447)	N/A
Proceeds from disposal of property, plant and equipment	120,102	N/A
Purchase of Investment Properties	(67,810)	N/A
Net cash flows from investing activities	<u>(1,324,155)</u>	<u>N/A</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	39,550,340	N/A
Share issue expenses	(1,733,191)	N/A
Dividend paid	(1,300,163)	N/A
Drawdown of term loans	67,810	N/A
Repayment to directors	(202,039)	N/A
Repayment of hire purchase obligations	(360,997)	N/A
Repayment of term loans	(508,002)	N/A
Net cash flows from financing activities	<u>35,513,758</u>	<u>N/A</u>
Net change in cash and cash equivalents	38,772,400	N/A
Effects of changes in foreign exchange rate	17,555	N/A
Cash and cash equivalents at beginning of financial year	11,296,548	N/A
Cash and cash equivalents at end of financial year	<u>50,086,503</u>	<u>N/A</u>
Cash and cash equivalents consist of:		
Cash and bank balances	<u>50,086,503</u>	<u>N/A</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Cont'd)

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2017 and the accompanying explanatory notes attached to the interim financial statements.
- (2) No comparative figures for the preceding year's quarter are available as these are the fourth interim financial statements being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A - Not applicable

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

A Explanatory notes to the Unaudited Interim Financial Report for the fourth quarter ended 30 June 2018

A1 Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Rule 9.22 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

This is the fourth interim financial report on the Company’s consolidated results for the fourth quarter ended 30 June 2018 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

This interim financial report should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 13 December 2017.

A2 Summary of Significant Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the financial year ended 30 June 2017 as disclosed in the Accountants’ Report in the Prospectus of the Company dated 13 December 2017 except for the adoption of the following MFRSs, IC Interpretation and Amendments to MFRSs effective for financial year beginning on or after 1 July 2017.

MFRSs and/or IC Interpretations (Including The Consequential Amendments):

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 – 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

A3 Auditors’ Report

There was no qualification on the audited financial statements of the Group for the financial year ended 30 June 2017.

A4 Comments about Seasonal and Cyclical Factors

The Group does not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the current financial period under review.

A5 Items or Unusual Nature and Amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the current quarter under review.

A6 Material Changes in Estimates

There were no material changes in estimates of amounts reported in the current financial quarter or changes in estimates of amounts reported in prior financial years that may have a material effect in the current financial quarter under review and the financial period to date.

A7 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

A Explanatory notes to the Unaudited Interim Financial Report for the fourth quarter ended 30 June 2018 (Cont'd)

A8 Dividends Paid

The 1st interim single-tier dividend of 0.5 sen for financial year ended 30 June 2018 of RM1,300,000 was paid to the shareholders on 13 February 2018.

A9 Segmental Reporting

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely in the provision of support services for satellite, mobile and fibre optic telecommunications networks.

A10 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current quarter under review

A11 Capital Commitments

	As at
	30/6/2018
	RM
Approved and contracted for:-	
Purchase of property, plant and equipment	<u>5,737,438</u>

A12 Material Subsequent Event

There are no material events subsequent to the end of the current financial quarter under review.

A13 Changes in Composition of the Group

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

A14 Contingent Assets or Liabilities

There were no contingent assets as at the date of this interim report. Contingent liabilities of the Group as at 30 June 2018 comprise of bank guarantees issued to our customers for the purpose of performance bonds amounting to RM 3,776,673.

A15 Significant Related Party Transactions

There were no related party transactions in the current quarter under review.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

B Additional Information Required by the Listing Requirement

B1 Group Performance Review

	<u>3 Months ended</u>		<u>12 Months ended</u>	
	30/6/2018	30/6/2017⁽¹⁾	30/6/2018	30/6/2017⁽¹⁾
	RM	RM	RM	RM
Revenue	17,677,281	N/A	57,188,678	N/A
IPO listing expenses	-	N/A	1,354,948	N/A
Profit before tax	2,644,784	N/A	12,051,115	N/A

The Group recorded a revenue of RM17.68 million and profit before tax of RM2.64 million for the current financial quarter ended 30 June 2018.

Note:

(1) No comparative figures for the preceding year's quarter and preceding year-to-date are available as these are the fourth interim financial statements on the consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

B2 Comparison with Immediate Preceding Quarter Results

	<u>3 Months ended</u>		
	30/6/2018	31/3/2018	Variance
	RM	RM	%
Revenue	17,677,281	16,018,833	+10.4%
Profit before taxation	2,644,784	4,324,292	-38.8%

The Group's revenue for the current financial quarter ended 30 June 2018 has increased by RM1.66 million or 10.4% to RM17.68 million as compared to RM16.02 million in the preceding financial quarter ended 31 March 2018. The increase in revenue was mainly contributed by higher engineering revenue of RM1.51 million from fiber optic installation projects and higher operation & maintenance (O&M) revenue of RM0.15 million.

The Group's profit before tax of RM2.64 million, represents a decrease of RM1.68 million or 38.8% for the current financial quarter as compared to RM4.32 million in the preceding financial quarter. The lower profit before tax was due to higher direct costs and administrative expenses, mainly due to higher staff related costs and increase in allowance for impairment loss on trade receivables.

B3 Commentary on Prospects

The Group expects a favourable industry development in satellite, mobile and fibre optic networks to drive growth for the financial year ending 30 June 2019. We expect to benefit from the ongoing network expansion by Telecommunication Network Operators ("Telcos") in their upgrade of their network capacity, coverage and fiberisation work to cater to the increasing demand of data and network speed.

The Group will continue to grow its recurring revenue business via the post-IPO expansion plans to explore new sources of revenue and business opportunities, both in Malaysia and in other ASEAN countries. The Group is expected to benefit from the new satellite teleport facility, enhancing our mobile network operations and maintenance service and fiber optic network installation and commissioning capability and sourcing for business opportunities in ASEAN countries.

Barring unforeseen circumstances, the Board expects the financial performance for the FYE 30 June 2019 to be satisfactory.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

B Additional Information required by the Listing Requirement (cont'd)

B5 Taxation

	Current Quarter Ended 30/6/2018	Preceding Year Corresponding Quarter Ended 30/6/2017⁽¹⁾	Current Year To Date Ended 30/6/2018	Preceding Year To Date Ended 30/6/2017⁽¹⁾
	RM	RM	RM	RM
Income Tax	509,252	N/A	3,004,169	N/A
Deferred Tax	(4,300)	N/A	(4,300)	N/A
	504,952	N/A	2,999,869	N/A
Effective tax rate ⁽²⁾	19.10%	N/A	24.89%	N/A

Notes:

- 1) No comparative figures for the preceding year's quarter and preceding year-to-date are available as this is the fourth interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 2) The Group's effective tax rate of 19% for the current quarter is lower than the statutory tax rate mainly due to adjustment for overprovision in prior quarter.

N/A - Not applicable

B6 Status of Corporate Proposals

There were no corporate proposals announced pending completion.

B7 Utilisation of Proceeds Raised from Public Issue

The gross proceeds from the Public Issue amounting to RM39.55 million is intended to be utilised in the following manner:

Details of use of proceeds	Estimated Timeframe for Utilisation⁽¹⁾	Amount RM'000	Actual Utilisation RM'000	Percentage Utilised %
1. Setting up a teleport	Within 24 months	14,360	7,473	52.0%
2. Enhancing operations and maintenance services capability	Within 12 months	4,900	869	17.7%
3. Enhancing fiber optic network installation and commissioning services capability	Within 12 months	4,800	-	-
4. Regional business expansion in ASEAN countries	Within 18 months	1,500	8	0.5%
5. Working capital	Within 24 months	10,790	503	4.7%
6. Estimated listing expenses	Within 3 months	3,200	3,200	100%
		39,550	12,053	30.5%

Note:

- 1) From the date of listing of the Company on the ACE Market of Bursa Securities on 8 January 2018. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 13 December 2017.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

B Additional Information required by the Listing Requirement (cont'd)

B8 Group Borrowings

	As at 30/6/2018 RM	As at 30/6/2017 ⁽¹⁾ RM
Non-current:		
Hire Purchase Payables (secured)	1,056,529	N/A
Term Loans (secured)	6,783,156	N/A
	7,839,685	N/A
Current:		
Hire Purchase Payables (secured)	331,113	N/A
Term Loans (secured)	537,549	N/A
	868,662	N/A

All the Group's borrowings are dominated in Ringgit Malaysia.

Note:

- 1) No comparative figures for the preceding year are available as this is the fourth interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.
N/A - Not applicable

B9 Material Litigation

As at the date of this report, the Group was not engaged in any material litigation.

B10 Earnings per Share

The basic and diluted earnings per share for the current quarter and financial year-to-date are computed as follows:

	Current Quarter Ended 30/6/2018	Preceding Year Corresponding Quarter Ended 30/6/2017 ⁽³⁾	Current Year To Date Ended 30/6/2018	Preceding Year To Date Ended 30/6/2017 ⁽³⁾
Profit after taxation attributable to owners of the Company (RM)	2,324,091	N/A	9,033,432	N/A
Weighted average number of shares	260,000,000	N/A	217,010,500	N/A
Basic earnings per share (sen) ⁽¹⁾	0.89	N/A	4.16	N/A
Diluted earnings per share (sen) ⁽²⁾	0.89	N/A	4.16	N/A

Notes:

- 1) The basic earnings per share is computed based on the profit attributable to the equity shareholders of the Company divided by the weighted number of ordinary shares for the period under review.
- 2) Diluted earnings per share is equivalent to the basic earnings per share as the Group does not have convertible securities as at 30 June 2018.
- 3) No comparative figures for the preceding year's quarter and preceding year-to-date are available as this is the fourth interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2018

B Additional Information required by the Listing Requirement (cont'd)

B11 Notes to the Statement of Comprehensive Income

Profit before tax is arrived at after charging/(crediting):

	Current Quarter Ended 30/6/2018 RM	Preceding Year Corresponding Quarter Ended 30/6/2017⁽¹⁾ RM	Current Year To Date Ended 30/6/2018 RM	Preceding Year To Date Ended 30/6/2017⁽¹⁾ RM
Allowance for impairment loss on trade receivables	297,241	N/A	297,241	N/A
Depreciation	366,116	N/A	1,233,516	N/A
Interest expense	45,854	N/A	215,990	N/A
Rental income	(5,500)	N/A	(56,150)	N/A
Interest income	(403,378)	N/A	(688,334)	N/A
Gain on disposal of property, plant and equipment	(6,287)	N/A	(67,759)	N/A
Other income	(88,670)	N/A	(163,375)	N/A
Unrealised gain on foreign exchange	(17,555)	N/A	(17,555)	N/A

Note:

- 1) No comparative figures for the preceding year's corresponding quarter and preceding year-to-date are available as this is the fourth interim financial report on its consolidated results being announced by the Company in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

N/A- Not applicable

B12 Declared Dividend

On 29 August 2018, the Board of Directors approved and declared a second interim dividend of 0.5 sen per share under the single-tier system in respect of the financial year ended 30 June 2018, amounting to RM1,300,000. The book closure and payment dates for the aforesaid dividend are 19 September 2018 and 8 October 2018 respectively.

BY ORDER OF THE BOARD

**TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
COMPANY SECRETARIES**

**KUALA LUMPUR
29 AUGUST 2018**