

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Notes	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTERS</u>	
		Current Quarter Ended	Preceding Corresponding Quarter Ended	Current Year to Date Ended	Preceding Year To Date Ended
		31.03.2020 RM '000	31.03.2019 RM '000	31.03.2020 RM '000	31.03.2019 RM '000
Revenue		10,210	13,113	34,077	42,141
Cost of sales		(8,156)	(8,958)	(24,734)	(29,740)
Gross profit		2,054	4,155	9,343	12,401
Other income		440	427	1,317	1,435
Administrative expenses		(1,361)	(1,483)	(4,464)	(4,583)
Other operating expenses		(726)	(319)	(2,224)	(938)
Finance costs		(177)	(64)	(476)	(211)
Profit before tax		230	2,716	3,496	8,104
Taxation		(55)	(927)	(840)	(2,362)
Profit for the financial period/year		175	1,789	2,656	5,742
Attributable to:					
- Owners of the Company		135	1,776	2,556	5,864
- Non-controlling interests		40	13	100	(122)
		175	1,789	2,656	5,742
Attributable to equity holders of the Company:					
- Basic earnings per share(sen)	B11	0.05	0.68	0.98	2.26
- Diluted earnings per share (sen)	B11	0.05	0.68	0.98	2.26

Note:

- (1) The above Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

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**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	UNAUDITED AS AT 31.03.2020 RM'000	AUDITED AS AT 30.6.2019 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		17,709	12,354
Investment properties		4,271	4,343
Right of use assets <sup>2</sup>		14,845	-
Prepaid lease payments		-	523
Deferred tax assets		128	128
		<u>36,953</u>	<u>17,348</u>
<b>CURRENT ASSETS</b>			
Contract costs		4,930	2,618
Trade receivables and contract assets		21,851	27,300
Other receivables, deposits and prepayments		852	1,028
Current tax assets		3,068	1,681
Short-term investments		30,676	34,858
Cash and bank balances		7,675	9,560
		<u>69,052</u>	<u>77,045</u>
<b>TOTAL ASSETS</b>		<u>106,005</u>	<u>94,393</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		56,588	55,219
Merger deficit		(16,052)	(16,052)
Retained profits		37,956	35,400
Equity attributable to owners of the Company		<u>78,492</u>	<u>74,567</u>
Non-controlling interests		(2)	(102)
<b>TOTAL EQUITY</b>		<u>78,490</u>	<u>74,465</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	B9	<u>19,277</u>	<u>7,352</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)**

	Notes	UNAUDITED AS AT 31.03.2020 RM'000	AUDITED AS AT 30.6.2019 RM'000
<b>CURRENT LIABILITIES</b>			
Trade payables and contract liabilities		3,788	8,222
Other payables, deposits and accruals		3,307	3,478
Borrowings	B9	1,143	876
		<u>8,238</u>	<u>12,576</u>
<b>TOTAL LIABILITIES</b>		<u>27,515</u>	<u>19,928</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>106,005</u>	<u>94,393</u>
Net asset per share (RM) <sup>3</sup>		<u>0.30</u>	<u>0.29</u>

Notes:

- (1) The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.
- (2) Arising from the adoption of MFRS 16 Leases.
- (3) Based on the Company's issued share capital of 264,367,550 ordinary shares for financial period ended 31 March 2020 and 260,000,000 ordinary shares for financial year ended 30 June 2019.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Non-Distributable</b>		<b>Distributable</b>			<b>Total</b>
	<b>Share Capital</b>	<b>Merger Deficit</b>	<b>Retained Profits</b>	<b>Attributable to Owners of the Company</b>	<b>Non-Controlling Interests</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	
<b>Balance at 1.7.2018</b>	55,219	(16,052)	31,827	70,994	173	71,167
Total comprehensive income for the financial period	-	-	5,864	5,864	(122)	5,742
Dividend paid	-	-	(1,300)	(1,300)	-	(1,300)
<b>Balance at 31.03.2019</b>	<b>55,219</b>	<b>(16,052)</b>	<b>36,391</b>	<b>75,558</b>	<b>51</b>	<b>75,609</b>
<b>Balance at 1.7.2019</b>	55,219	(16,052)	35,400	74,567	(102)	74,465
Total comprehensive income for the financial period	-	-	2,556	2,556	100	2,656
<u>Transactions with owners :</u>						
Issuance of ordinary shares <sup>2</sup>	1,369	-	-	1,369	-	1,369
<b>Balance at 31.03.2020</b>	<b>56,588</b>	<b>(16,052)</b>	<b>37,956</b>	<b>78,492</b>	<b>(2)</b>	<b>78,490</b>

Note:

- (1) The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.
- (2) Issued pursuant to the special issue of 4,367,550 new ordinary shares of Binasat to Bumiputera investors approved by the Ministry of International Trade and Industry, which was completed on 20 December 2019 (“**Special Issue**”)

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**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Current Year To Date Ended 31.03.2020 RM'000</b>	<b>Preceding Year To Date Ended 31.03.2019 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,496	8,104
Adjustments for:		
Allowance for impairment losses on trade and other receivables	1,084	-
Depreciation of property, plant and equipment	820	866
Depreciation of investment properties	72	72
Depreciation of right of use assets	247	-
Gain on disposal of property, plant and equipment	*	(57)
Interest expenses	476	211
Interest income	(806)	(1,009)
Reversal of impairment losses on trade receivables	(375)	(34)
Unrealised gain on foreign exchange	(55)	(36)
Operating profit before working capital changes	<u>4,959</u>	<u>8,117</u>
Changes in working capital:		
Amount owing by customers on contract	-	(241)
Receivables	2,604	419
Payables	<u>(4,605)</u>	<u>(655)</u>
<b>CASH FROM OPERATIONS</b>	<u>2,958</u>	<u>7,640</u>
Tax paid	(2,446)	(2,759)
Tax refund	220	-
Interest paid	(186)	(211)
Interest received	<u>806</u>	<u>1,009</u>
Net cash flows from operating activities	<u>1,352</u>	<u>5,679</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and construction	(8,046)	(1,071)
Proceeds from disposal of property, plant and equipment	<u>*</u>	<u>63</u>
Net cash flows for investing activities	<u>(8,046)</u>	<u>(1,008)</u>
<b>CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES</b>		
Dividend paid	-	(1,300)
Proceed from issuance of shares	1,369	-
Repayment of term loans	(400)	(390)
Repayment of lease liabilities	<u>(397)</u>	<u>(269)</u>
Net cash flows from/(for) financing activities	<u>572</u>	<u>(1,959)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

	<b>Current Year To Date Ended 31.03.2020 RM'000</b>	<b>Preceding Year To Date Ended 31.03.2019 RM'000</b>
Net change in cash and cash equivalents	(6,122)	2,712
Effects of changes in foreign exchange rate	55	36
Cash and cash equivalents at beginning of financial year	<u>44,418</u>	<u>50,087</u>
Cash and cash equivalents at end of financial year	<u><u>38,351</u></u>	<u><u>52,835</u></u>
Cash and cash equivalents consist of:		
Cash and bank balances	7,675	18,290
Short- term investments	<u>30,676</u>	<u>34,545</u>
	<u><u>38,351</u></u>	<u><u>52,835</u></u>

Notes:

- (1) The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

\* Less than one thousand ringgit.

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**A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 March 2020**

**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 (“**Bursa Securities**”) (“**Listing Requirements**”).

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 2019 except for the adoption of the MFRS 16 Leases as described below:

**MFRS 16 Leases**

MFRS 16 requires the lessee to recognize in the statements of financial position, a “right of use” of the underlying asset and a lease liability reflecting future lease payment for most leases. The right-of-use asset is depreciated in accordance with principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognized in the statement of profit or loss.

On the date of initial application, the Group applied the simplified transition approach and did not restate comparative amounts for the period prior to first adoption. Right-of-use assets were measured on transition as if the new rules had always been applied.

The adoption of MFRS 16 impacts the Group’s financial performance in the current financial period as below:

- (a) On the statements of profit or loss, expenses which previously included operating lease rentals were replaced by interest expenses on lease liabilities (included within “finance costs”) and depreciation of right-of-use assets.
- (b) On the statement of cash flows, operating lease rental outflows previously recorded within “net cash flows from operating activities” were reclassified as “net cash flows used in financing activities” for repayment of the principal and interest of lease liabilities.

**MFRS, amendments and improvements to MFRSs and IC Interpretation**

The Malaysian Accounting Standards Board had issued the following new standard, amendments and improvements to MFRSs and IC interpretation, all of which are effective for the financial period beginning on or after 1 January 2020.

- Amendments to MFRS 3 Definition of a Business
- Amendments to MFRS 101 and MFRS 108 Definition of Material

The Group has not applied in advance any new or revised Malaysia Financial Reporting Standards and IC interpretation which are applicable to the Group but are not yet effective for the Group’s current financial period.

**A2 Auditor’s Report of preceding annual financial statements**

The preceding year’s audited financial statements of the Group did not contain any qualification.

**A3 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 quarter under review.

**A4 Items of Unusual Nature and Amount**

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

**A Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 March 2020 (Cont'd)**

**A5 Material Changes in Estimates**

There were no material changes in estimates that may have a material effect in the current financial quarter under review and the financial period to date.

**A6 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, save for the special issue of 4,367,550 new ordinary shares of Binasat to Bumiputera investors approved by the Ministry of International Trade and Industry which was completed on 20 December 2019.

**A7 Dividends Paid**

No dividend has been paid in the current financial quarter under review and the previous corresponding period.

**A8 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 in Malaysia.

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

There was no revaluation of property, plant and equipment in the current financial quarter under review.



**Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 March 2020 (Cont'd)**

**A10 Capital Commitments**

	<b>As at 31.03.2020 RM'000</b>	<b>As at 31.03.2019 RM'000</b>
Approved and contracted for:		
- Property, plant and equipment	-	5,645
- Office building	7,131	-
Approved and not contracted for:		
- Teleport	-	66
	<u>7,131</u>	<u>5,711</u>

**A11 Material Subsequent Event**

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

**A12 Changes in Composition of the Group**

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

**A13 Contingent Assets or Liabilities**

There were no contingent assets as at the date of this interim report. Contingent liabilities of the Group as at 31 March 2020 comprise bank guarantees issued to our customers for the purpose of performance bonds amounting to RM529,034.

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

**Explanatory notes to the Unaudited Interim Financial Report for the quarter ended 31 March 2020 (Cont'd)**

**B Additional Information Required by the Listing Requirement**

**B1 Comparison with Preceding Year Corresponding Quarter**

	<u>Quarter ended</u>		Variance
	31.03.2020 (3Q 20) RM'000	31.03.2019 (3Q 19) RM'000	
Revenue	10,210	13,113	-22.14%
Gross Profit	2,054	4,155	-50.57%
Profit before taxation	230	2,716	-91.53%

In 3Q20, the Group's revenue decreased by RM2.90 million or 22.14% as compared to the preceding year corresponding quarter. This was mainly due to lower projects secured for network installation and commissioning services, which was partly due to the movement control order imposed by the government since mid of March 2020 ("MCO").

The Group's gross profit ("GP") decreased by RM2.10 million or 50.57% as compared to the preceding year corresponding quarter. This was mainly due to the decrease in revenue as explained above.

The Group's profit before taxation ("PBT") decreased by RM2.49 million or 91.53% as compared to the preceding year corresponding quarter. This was mainly due to lower gross profit as explained above, allowance for impairment losses on trade receivables of RM0.29 million, interest on lease liabilities of RM0.12 million and staff insurance of RM0.10 million.

**B2 Comparison with Preceding Year Corresponding Period**

	<u>Cumulative 9-month period ended</u>		Variance
	31.03.2020 RM'000	31.03.2019 RM'000	
Revenue	34,077	42,141	-19.14%
Gross Profit	9,343	12,401	-24.66%
Profit before taxation	3,496	8,104	-56.86%

The Group's revenue of RM34.08 million for the current 9-month financial period decreased by RM8.06 million or 19.14% as compared to the preceding year corresponding period. The decrease was mainly due to lower projects secured for the network installation and commissioning services, which was partly due to the MCO.

The Group's GP decreased by RM3.06 million or 24.66% as compared to the preceding year corresponding period. This was mainly due to the decrease in revenue as explained above.

The Group's PBT decreased by RM4.61 million or 56.86% as compared to the preceding year corresponding period. This was mainly due to lower gross profit as explained above, allowance for impairment losses on trade receivables of RM1.08 million, interest on lease liabilities of RM0.30 million, bonus to directors of RM0.25 million and decrease in interest income of RM0.20 million.

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

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

**B3 Comparison with Immediate Preceding Quarter Results**

	<u>Quarter ended</u>		<b>Variance</b>
	<b>31.03.2020</b>	<b>31.12.2019</b>	
	<b>(3Q 20)</b>	<b>(2Q 20)</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	10,210	12,240	-16.58%
Gross Profit	2,054	3,830	-46.37%
Profit before taxation	230	1,743	-86.80%

In 3Q20, the Group's revenue decreased by RM2.03 million or 16.58% as compared to the preceding quarter. This was mainly due to lower projects secured for the network installation and commissioning services and ad hoc mobile network support services.

The Group's GP and PBT decreased by RM1.78 million and RM1.51 million respectively as compared to the preceding quarter. This was mainly due to the decrease in revenue as explained above.

**B4 Commentary on Prospects**

The Group will continue to explore new sources of revenue and business opportunities. To this end, the Group is expected to benefit from the completion of its first teleport Ku-band gateway which commenced operations since January 2020 and has since contributed a new revenue stream to the Group. The Group is expected to complete another satellite teleport C-band gateway in the first half of 2020, which the Board of Directors of Binasat ("**Board**") expects to lead to collaboration with other satellite operators. In addition, the Group's installation of a Ka-band gateway is expected to be completed by end of 2020, which will lead to another revenue source to the Group.

Further, the Group expects to benefit from the announcement made under the Malaysian National Fiberisation and Connectivity Plan outlined in Budget 2020 ("**NFCP**"), where the NFCP aims to achieve a coverage of 98% connectivity nationwide and our Group has participated in delivery of various NFCP projects.

As a result of the Covid-19 pandemic and the MCO, the Group's network installation and commissioning projects were temporarily halted. Network maintenance works continued to operate under the MCO period as it is considered an essential service.

On 29 April 2020, the Ministry of International Trade and Industry allowed certain economic sectors to operate without restrictions to their operating hours with full capacity workforce. Subsequently, we were back with full capacity workforce on 4 May 2020.

Premised on the above, the Board will remain cautiously optimistic and take a prudent approach in monitoring the operations of the Group.

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

**B Additional Information Required by the Listing Requirement (Cont'd)**

**B5 Profit Forecast**

The Company did not issue any profit forecast or guarantee during the current financial quarter under review.

**B6 Taxation**

	<b>Current Quarter Ended</b>	<b>Preceding Year Corresponding Quarter Ended</b>	<b>Current Year To Date Ended</b>	<b>Preceding Year To Date Ended</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia income tax:				
- Current tax	55	927	840	2,362
	<u>55</u>	<u>927</u>	<u>840</u>	<u>2,362</u>
Effective tax rate <sup>(1)</sup>	23.91%	34.13%	24.03%	29.15%

Note:

- (1) The Group's effective tax rate of 23.91% for the current quarter is slightly lower than the statutory tax rate due to capital allowances.

**B7 Status of Corporate Proposals**

Save as disclosed below, there is no other outstanding corporate proposals which have been announced but are pending completion as at the date of this announcement.

**Private Placement**

On 7 April 2020, TA Securities Holdings Berhad had announced on behalf of the Board that the Company proposes to undertake a private placement of up to 26,034,700 new ordinary shares in Binasat ("Placement Shares"), representing up to 10% of the total number of issued shares of the Company to third party investor(s) to be identified later and at an issue price to be determined later ("Private Placement").

Bursa Securities had on 10 April 2020 approved the listing and quotation of up to 26,034,700 Placement Shares to be issued pursuant to the Private Placement.

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**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

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

**B8 Utilisation of Proceeds**

**(i) Public Issue**

As at 18 May 2020, the gross proceeds from the Public Issue amounting to RM39.55 million has been utilised in the following manner:

<b>Details of use of proceeds</b>	<b>Estimated Timeframe for Utilisation<sup>(1)</sup></b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Percentage Utilised %</b>
1 Setting up a teleport	Within 24 months	14,360	14,360	100.00%
2 Enhancing operations and maintenance services capability	Within 36 months <sup>(2)(3)</sup>	4,900	1,505	30.72%
3 Enhancing fiber optic network installation and commissioning services capability	Within 36 months <sup>(2)(3)</sup>	4,800	58	1.20%
4 Regional business expansion in ASEAN countries	Within 36 months <sup>(2)(3)</sup>	1,500	8	0.53%
5 Working capital	Within 30 months <sup>(2)</sup>	10,790	10,790	100.00%
6 Estimated listing expenses	Within 3 months	3,200	3,200	100.00%
		<b>39,550</b>	<b>29,921</b>	<b>75.65%</b>

Notes:

- (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.
- (2) Revised estimated timeframe as per company's announcements dated on 10 April 2019 and 28 February 2020.
- (3) The utilisation of proceeds for these line items will be varied as per the announcement dated 15 June 2020.

**(ii) Special Issue**

As at to-date, the gross proceeds from the Special Issue amounting to RM1.37 million has been fully utilised, as follows:

<b>Details of use of proceeds</b>	<b>Estimated Timeframe for Utilisation</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Percentage Utilised %</b>
1 Working capital requirements of the Binasat Group	Within 12 months	1,169	1,169	100.00%
2 Estimated expenses relating to the Proposed Special Issue	Immediately	200	200	100.00%
		<b>1,369</b>	<b>1,369</b>	<b>100.00%</b>

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

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

**B9 Group Borrowings**

	<b>As at</b>	<b>As at</b>
	<b>31.03.2020</b>	<b>30.6.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current:</b>		
Hire purchase payables (secured)	718	1,017
Term loans (secured)	5,858	6,335
Lease liabilities (secured)	12,701	-
	<u>19,277</u>	<u>7,352</u>
<b>Current:</b>		
Hire purchase payables (secured)	399	406
Term loans (secured)	548	470
Lease liabilities (secured)	196	-
	<u>1,143</u>	<u>876</u>

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

**B10 Material Litigation**

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

**B11 Earnings per Share**

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

	<b>Current</b>	<b>Preceding Year</b>	<b>Current Year</b>	<b>Preceding Year</b>
	<b>Quarter Ended</b>	<b>Corresponding</b>	<b>To Date Ended</b>	<b>To Date Ended</b>
	<b>31.03.2020</b>	<b>Quarter Ended</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
	<b>RM'000</b>	<b>31.03.2019</b>	<b>RM'000</b>	<b>RM'000</b>
Profit after taxation attributable to owners of the Company (RM)	135	1,776	2,556	5,864
Weighted average number of shares	264,368	260,000	261,636	260,000
Basic earnings per share (sen) <sup>(1)</sup>	0.05	0.68	0.98	2.26
Diluted earnings per share (sen) <sup>(2)</sup>	0.05	0.68	0.98	2.26

Notes:

- (1) The basic earnings per share is calculated by dividing the profit after taxation attributable to owners of the Company by the weighted average 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 31 March 2020.

**INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2020**

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

**B12 Derivatives**

The Group did not enter into any derivatives contracts during the current quarter under review.

**B13 Disclosure of gain/losses arising from fair value changes of financial liabilities**

The Group did not have any financial liabilities measured at fair value through profit and loss for the current quarter under review.

**B14 Notes to the Statement of Profit or Loss**

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

	<b>Current Quarter Ended 31.03.2020 RM'000</b>	<b>Preceding Year Corresponding Quarter Ended 31.03.2019 RM'000</b>	<b>Current Year To Date Ended 31.03.2020 RM'000</b>	<b>Preceding Year To Date Ended 31.03.2019 RM'000</b>
Allowance for impairment losses on trade and other receivables	290	-	1,084	-
Depreciation of property, plant and equipment	301	295	820	866
Depreciation of investment property	24	24	72	72
Depreciation of right of use assets	111	-	247	-
Interest expense	177	64	476	211
Realised loss/(gain) on foreign exchange	(30)	8	(10)	9
Rental income	(21)	(17)	(60)	(49)
Reversal of impairment losses on trade receivables	(94)	(34)	(375)	(34)
Interest income	(241)	(339)	(806)	(1,009)
Gain on disposal of property, plant and equipment	*	(34)	*	(57)
Unrealised gain on foreign exchange	(51)	(3)	(55)	(36)
Other income <sup>(1)</sup>	(3)	*	(11)	(250)

**Notes:**

(1) Other income includes, amongst others, fire insurance claims, compensation from the Group's customer and processing fees.

\* Less than one thousand ringgit.

Same as disclosed above and in the Condensed Consolidated Statement of Profit or Loss, other disclosure items pursuant to Note 16 of Appendix 9B Part A of the Listing Requirements are not applicable to the Group.

**BY ORDER OF THE BOARD**

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

**KUALA LUMPUR  
29 JUNE 2020**