

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		30.09.2018 RM'000	30.09.2017 ⁽²⁾ RM'000	30.09.2018 RM'000	30.09.2017 ⁽²⁾ RM'000
Revenue	A9	49,719	N/A	133,903	N/A
Cost of sales		(39,361)	N/A	(102,337)	N/A
Gross profit		10,358	N/A	31,566	N/A
Other income		257	N/A	2,394	N/A
Marketing and distribution expenses		(1,355)	N/A	(5,163)	N/A
Administrative expenses		(3,921)	N/A	(11,080)	N/A
Other operating expenses		146	N/A	(2,251)	N/A
Profits from operation		5,485	N/A	15,466	N/A
Finance costs		(172)	N/A	(715)	N/A
Profit before tax		5,313	N/A	14,751	N/A
Tax expense	B6	(968)	N/A	(3,702)	N/A
Profit for the financial period		4,345	N/A	11,049	N/A
Other comprehensive income, net of tax					
Foreign currency translation differences for foreign subsidiaries		184	N/A	(95)	N/A
Total comprehensive income for the financial period		4,529	N/A	10,954	N/A
Profit for the financial period attributable to:					
Owners of the Company		4,046	N/A	10,653	N/A
Non-controlling interest		299	N/A	396	N/A
Profit for the financial period		4,345	N/A	11,049	N/A
Comprehensive income for the financial period attributable to:					
Owners of the Company		4,225	N/A	10,655	N/A
Non-controlling interest		304	N/A	299	N/A
Total comprehensive income for the financial period		4,529	N/A	10,954	N/A
Earnings per share ("EPS")					
Basic (sen)	B11	0.53	N/A	1.47	N/A
Diluted (sen) ⁽³⁾	B11	0.53	N/A	1.47	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 ⁽¹⁾ (cont'd)

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) As the Company was only listed on the ACE Market of Bursa Securities on 8 March 2018, there are no comparative figures for the preceding year available as no interim financial report was prepared for the comparative financial period concerned.
- (3) Diluted earnings per share of the Company for the individual quarter and year-to-date ended 30 September 2018 is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.
- (4) In compliance with MFRS 15 Revenue from Contracts with Customers, certain marketing and distribution expenses which was incurred to fulfill the contracts with customers has been reclassified to cost of sales.

	BEFORE ADOPTION OF MFRS 15 RM'000	EFFECT OF ADOPTION OF MFRS 15 RM'000	AFTER ADOPTION OF MFRS 15 RM'000
<u>Individual quarter ended 30.09.2018</u>			
Cost of sales	33,253	6,108	39,361
Marketing and distribution expenses	<u>7,463</u>	<u>(6,108)</u>	<u>1,355</u>
<u>Cummulative quarter ended 30.09.2018</u>			
Cost of sales	86,173	16,164	102,337
Marketing and distribution expenses	<u>21,327</u>	<u>(16,164)</u>	<u>5,163</u>

N/A - Not applicable

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018 ⁽¹⁾

	UNAUDITED As at 30.09.2018 RM'000	UNAUDITED As at 31.12.2017 RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	11,384	7,810
Intangible assets	5,388	4,566
Other investments	60	60
Deferred tax assets	137	154
	<u>16,969</u>	<u>12,590</u>
Current assets		
Inventories	20,135	17,178
Trade receivables	39,696	35,342
Other receivables	2,855	2,259
Short-term investment	19,086	-
Fixed deposits with financial institutions	20,689	21,788
Cash and bank balances	22,868	24,330
	<u>125,329</u>	<u>100,897</u>
Total assets	<u><u>142,298</u></u>	<u><u>113,487</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	61,180	32,592
Translation reserve	(1,233)	(1,235)
Merger deficit	(20,228)	(20,228)
Retained earnings	44,564	33,958
	<u>84,283</u>	<u>45,087</u>
Non-controlling interests	1,781	1,589
Total equity	<u>86,064</u>	<u>46,676</u>

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018 ⁽¹⁾ (cont'd)

	UNAUDITED As at 30.09.2018 RM'000	UNAUDITED As at 31.12.2017 RM'000 (Restated)
Non-current liabilities		
Borrowings	1,677	1,276
Deferred tax liabilities	230	384
Provision for post-employment benefits	550	502
	<u>2,457</u>	<u>2,162</u>
Current liabilities		
Trade payables	28,665	22,937
Other payables	9,220	14,960
Borrowings	13,197	25,000
Deferred income	2,153	1,622
Taxation	542	130
	<u>53,777</u>	<u>64,649</u>
Total liabilities	<u>56,234</u>	<u>66,811</u>
Total equity and liabilities	<u>142,298</u>	<u>113,487</u>
Net assets per share attributable to owners of the Company (RM) ⁽²⁾	0.11	0.07

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
 - (2) Based on the enlarged share capital of 758,308,000 shares in issue as at 30 September 2018 and share capital of 606,647,000 shares in issue as at 31 December 2017.
- * For illustration purposes, net assets per share as at 31 December 2017 (assuming number of shares in issue of 758,308,000) is RM0.06.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 ⁽¹⁾

	Attributable to owners of the Group						
	Non-distributable		Distributable				
	Share capital	Translation reserve	Merger deficit	Retained earnings	Total	Non-controlling interest	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 31 December 2017, as previously reported	32,592	(1,235)	(20,228)	35,397	46,526	1,772	48,298
Adjustments from adoption of MFRS 15	-	-	-	(1,439)	(1,439)	(183)	(1,622)
Restated balance as at 1 January 2018	32,592	(1,235)	(20,228)	33,958	45,087	1,589	46,676
Profit for the financial period	-	-	-	10,653	10,653	396	11,049
Other comprehensive income							
- Foreign currency translation difference for foreign subsidiaries	-	2	-	-	2	(97)	(95)
Total comprehensive income for the financial period	-	2	-	10,653	10,655	299	10,954
Contributions by and distribution to owners of the Company:							
Dividends to owners of the Company	-	-	-	(47)	(47)	(257)	(304)
Issuance of shares	28,588	-	-	-	28,588	150	28,738
At 30 September 2018	61,180	(1,233)	(20,228)	44,564	84,283	1,781	86,064

Notes:-

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

* As the Company was only listed on the ACE Market of Bursa Securities on 8 March 2018, there are no comparative figures for the preceding year available as no interim financial report was prepared for the comparative financial period concerned.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 ⁽¹⁾

	30.09.2018 RM'000 (Unaudited)	30.09.2017 ⁽²⁾ RM'000
Cash flows from operating activities		
Profit before tax	14,751	N/A
Adjustments for:		
Allowance for inventories	289	N/A
Amortisation of intangible assets	104	N/A
Depreciation of property, plant and equipment	1,554	N/A
Gain on disposal of property, plant and equipment	(1,080)	N/A
Impairment loss on trade receivables	220	N/A
Interest expenses	715	N/A
Interest income	(860)	N/A
Gain on unrealised foreign exchange	(351)	N/A
Property, plant and equipment written off	5	N/A
Provision for post-employment benefits	87	N/A
Operating profit before working capital changes	15,434	N/A
Inventories	(3,246)	N/A
Receivables	(4,302)	N/A
Payables	1	N/A
Cash flows from operations	7,887	N/A
Income tax refund	9	N/A
Income tax paid	(3,436)	N/A
Interest paid	(599)	N/A
Net cash from operating activities	3,861	N/A
Cash flows from investing activities		
Acquisition of property, plant and equipment	(5,174)	N/A
Increase in intangible assets	(926)	N/A
Interest received	860	N/A
Issuance of share capital	28,588	N/A
Placement of fixed deposits (pledged)	3,338	N/A
Proceeds from disposal of property, plant and equipment	2,018	N/A
Net cash from investing activities	28,704	N/A

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018 ⁽¹⁾ (cont'd)

	30.09.2018 RM'000 (Unaudited)	30.09.2017 ⁽²⁾ RM'000
Cash flows from financing activities		
Dividend paid	(304)	N/A
Increase in bank facilities	(1,141)	N/A
Interest paid	(116)	N/A
Repayment of finance lease liabilities	(476)	N/A
Repayment of term loan	(2,457)	N/A
Net cash used in financing activities	(4,494)	N/A
Net increase in cash and cash equivalents	28,071	N/A
Effect of exchange rate changes in cash and cash equivalents	16	N/A
Cash and cash equivalents at beginning of the financial period	14,837	N/A
Cash and cash equivalents at end of the financial period	42,924	N/A
Cash and cash equivalents comprise the following:		
Short-term investment	19,086	N/A
Fixed deposits with financial institutions (unpledged)	2,239	N/A
Cash and bank balances	22,868	N/A
Bank overdraft	(1,269)	N/A
	42,924	N/A

Notes:-

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are detailed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) As the Company was only listed on the ACE Market of Bursa Securities on 8 March 2018, there are no comparative figures for the preceding year available as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

As the Company was only listed on the ACE Market of Bursa Securities on 8 March 2018, there are no comparative figures for the preceding year available as no interim financial report was prepared for the comparative financial period concerned.

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.

A2. Summary of Significant Accounting Policies

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2017, except for the adoption of the Standards, Amendments and Annual Improvement to Standards effective as of 1 January 2018. The adoption of the pronouncements did not have any impact on the financial statements of the Group, except for MFRS 15.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers.

Under MFRS 15, an entity recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service).

In accordance with the transitional provisions in MFRS 15, the Group has elected to adopt the cumulative effect method, requiring adjustment to the opening balance of equity at the date of initial application, 1 January 2018. The following reconciliations provide an estimate of the expected impact upon initial application of new MFRS Framework, MFRS 15 on the financial position of the Group.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	AS PREVIOUSLY REPORTED AS AT 31.12.2017 RM'000	EFFECT OF ADOPTION OF MFRS 15 RM'000	RESTATED AS AT 31.12.2017 RM'000
EQUITY AND LIABILITY			
Equity			
Retained earnings	35,397	(1,439)	33,958
Non-controlling interests	<u>1,772</u>	<u>(183)</u>	<u>1,589</u>
Current liability			
Deferred income	<u>-</u>	<u>1,622</u>	<u>1,622</u>

Out of the total effect of adopting MFRS 15 as above, RM1.62 million and RM1.25 million have been recognised as revenue and non-controlling interests respectively during the current year-to-date under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A2. Summary of Significant Accounting Policies (cont'd)

At the date of authorisation of these interim financial statements, the followings MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by the Group:

MFRS, IC Interpretations and Amendments to IC Interpretations	Effective for annual periods beginning on or after
MFRS 16 Leases	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS10 and MFRS 128 Sales and Contribution of Assets between on Investor and its Associates or Joint Venture	Deferred

A3. Auditors' report on preceding annual financial statements

The report of the auditors on the Group's financial statements for the financial year ended 31 December 2017 was not subject to any qualification.

A4. Seasonal or cyclical factors

The Group's business operations have not been affected by seasonal or cyclical factors.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and current year-to-date under review.

A6. Material changes in estimates

There was no material change in financial estimates that could materially affect the current financial quarter under review.

A7. Debt and equity securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial quarter under review.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A8. Dividend paid

There was no dividend paid during the current financial quarter under review.

A9. Segmental information

Results for individual quarter ended 30.09.2018

	Investment Holding RM'000	Equipment RM'000	Materials & Engineering Solutions RM'000	Manufacturing RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
External revenue	-	34,012	8,618	7,089	-	49,719
Inter segment revenue	-	15,593	1,127	-	(16,720)	-
Total revenue	-	49,605	9,745	7,089	(16,720)	49,719

Results

Depreciation and amortisation	-	473	44	72	(5)	584
Other non-cash expenses	-	5	8	31	-	44
Segment profit/(loss)	4,826	5,362	624	1,121	(6,620)	5,313

Results for cumulative quarter ended 30.09.2018

	Investment Holding RM'000	Equipment RM'000	Materials & Engineering Solutions RM'000	Manufacturing RM'000	Adjustments and Eliminations RM'000	Consolidated RM'000
External revenue	-	87,331	19,240	27,332	-	133,903
Inter segment revenue	-	38,216	1,179	-	(39,395)	-
Total revenue	-	125,547	20,419	27,332	(39,395)	133,903

Results

Depreciation and amortisation	-	1,259	97	207	(9)	1,554
Other non-cash expenses	-	449	64	88	-	601
Segment profit/(loss)	4,155	11,140	859	5,476	(6,879)	14,751

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134,
INTERIM FINANCIAL REPORTING (cont'd)

A9. Segmental information (cont'd)

(a) Analysis of revenue by divisions

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	30.09.2018	30.09.2017 ⁽¹⁾		30.09.2018	30.09.2017 ⁽¹⁾	
	RM'000 (Unaudited)	%	RM'000	RM'000 (Unaudited)	%	RM'000
Distribution Division						
Product distribution						
Equipment	22,793	45.8	N/A	58,022	43.3	N/A
Materials & Engineering Solutions	7,628	15.3	N/A	16,715	12.5	N/A
Services & supply of spare parts						
Equipment	11,219	22.6	N/A	29,309	21.9	N/A
Materials & Engineering Solutions	990	2.0	N/A	2,525	1.9	N/A
Sub-total	42,630	85.7	N/A	106,571	79.6	N/A
Manufacturing Division						
Manufacturing	7,089	14.3	N/A	27,332	20.4	N/A
Sub-total	7,089	14.3	N/A	27,332	20.4	N/A
Total	49,719	100.0	N/A	133,903	100.0	N/A

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A9. Segmental information (cont'd)

(b) Analysis of revenue by geographical location

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	30.09.2018		30.09.2017 ⁽¹⁾	30.09.2018		30.09.2017 ⁽¹⁾
	RM'000	%	RM'000	RM'000	%	RM'000
	(Unaudited)			(Unaudited)		
Malaysia	17,297	34.9	N/A	39,735	29.7	N/A
ASEAN						
(excluding Malaysia)						
Philippines	6,862	13.8	N/A	26,689	19.9	N/A
Singapore	11,350	22.8	N/A	18,364	13.7	N/A
Vietnam	5,838	11.8	N/A	15,614	11.7	N/A
Thailand	3,859	7.8	N/A	13,817	10.3	N/A
Indonesia	2,762	5.6	N/A	10,130	7.6	N/A
Others	1,696	3.4	N/A	8,061	6.0	N/A
China	55	0.1	N/A	1,493	1.1	N/A
Total	49,719	100.2	N/A	133,903	100.0	N/A

Notes:-

(1) As the Company was only listed on the ACE Market of Bursa Securities on 8 March 2018, there are no comparative figures for the preceding year available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

A10. Valuation of property, plant and equipment

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

A11. Material events subsequent to the end of the current financial quarter

There were no subsequent material events as at the date of this report.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134, INTERIM FINANCIAL REPORTING (cont'd)

A12. Changes in the composition of the Group

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

A13. Contingent assets or contingent liabilities

The Group has no contingent assets and contingent liabilities as at the date of this report.

A14. Capital commitments

**30.09.2018
RM'000
(Unaudited)**

Commitment not provided for in the financial statements is as follows:

Lease commitment

- not later than one year
- between two to five years

681

227

Total

908

A15. Related party transactions

During the current financial quarter, the Board of Directors is of the opinion that there were no material related party transactions which would have a significant impact on the financial position and business of the Group.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

(i) Results for current quarter

The Group recorded revenue of RM49.72 million in the current quarter, of which RM42.63 million was from the distribution division and RM7.09 million was from the manufacturing division.

Malaysia still remains as the Group's biggest market contributing RM17.30 million or 34.9% to the Group's revenue.

The Group registered a profit before tax ("PBT") of RM5.31 million for the current financial period under review.

(ii) Results for financial year-to-date

For the financial year-to-date, the Group recorded revenue of RM133.90 million, of which RM106.57 million was from the distribution division and RM27.33 million was from the manufacturing division.

Malaysia still remains as the Group's biggest market contributing RM39.74 million or 29.7% to the Group's revenue.

The Group registered a PBT of RM14.75 million for the current financial year-to-date under review.

B2. Comparison with preceding quarter's results and comments on material changes in PBT

	Current Quarter 30.09.2018 RM'000 (Unaudited)	Preceding Quarter 30.06.2018 RM'000 (Unaudited)	Changes RM'000	Changes %
Revenue	49,719	46,501	3,218	6.9
Profit before tax	5,313	6,783	(1,470)	(21.7)

The Group achieved revenue and PBT of RM49.72 million and RM5.31 million respectively for the current financial quarter under review.

The increase in revenue by RM3.2 million from the immediate preceding quarter was mainly generated by the distribution division which recorded an increase of RM10.2 million in revenue. Such increase was partially offset by a drop in sales from the manufacturing division by RM6.9 million. The increase in revenue from the distribution division was contributed by increased orders for MAT gas abatement system, new orders for the TSP Voltage Sag Protector and an increase in sales of a new product, Battery Inspection System.

The decrease of revenue from the manufacturing division on the other hand was mainly due to lesser deliveries of Automated Post Wire Bond Inspection System as compared to preceding quarter. However, the decrease was partially offset by a slight increase in delivery for Wafer Inspection System.

PBT decreased from RM6.78 million to RM5.31 million mainly due to the decline in sales from manufacturing division as explained above.

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B3. Prospects and outlook

The Group remains optimistic the fourth quarter of 2018 and will continue to improve with on-going deliveries of orders received up to 30 September 2018.

The Group will continue to execute its business strategies as set out in the Prospectus of the Company dated 8 February 2018 and has put in place a series of future plans that are focused in expanding its presence and market share both in the distribution and manufacturing divisions.

B4. Profit forecast and profit guarantee

The Group did not issue any profit forecast or profit guarantee during the financial quarter under review and the financial year-to-date.

B5. Status of corporate proposals

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

B6. Income tax expenses

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2018 RM'000 (Unaudited)	30.09.2017 ⁽¹⁾ RM'000	30.09.2018 RM'000 (Unaudited)	30.09.2017 ⁽¹⁾ RM'000
Current tax expense	981	N/A	3,846	N/A
Deferred tax expense	(13)	N/A	(144)	N/A
Total tax expense	968	N/A	3,702	N/A
Effective tax rate (%)	18.2	N/A	25.1	N/A

Notes:-

- (1) As the Company was only listed on the ACE Market of Bursa Securities on 8 March 2018, there are no comparative figures for the preceding year available as no interim financial report was prepared for the comparative financial period concerned.
- (2) The Group's effective tax rate was higher than the statutory income tax rate due to adjustment on certain expenses not deductible for tax purposes such as depreciation, amortisation of intangible assets, allowance for inventories, impairment losses on trade receivables and one-off listing expenses.
- (3) Tax expenses is recognised based on management's best estimate.

N/A – Not applicable

NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B7. Utilisation of proceeds from the IPO

The gross proceeds arising from the IPO amounting to RM28.82 million was intended to be utilised in the following manner:-

Purposes		Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Deviation RM'000	Estimated timeframe for utilisation
(i)	Development of 3 key products	4,850	1,336	3,514	-	Within 24 months
(ii)	General working capital requirements	3,250	886	2,364	-	Within 24 months
(iii)	Repayment of bank borrowings	7,000	7,000	-	-	Within 3 months
(iv)	Capital expenditure	10,716	2,437	8,279	-	Within 24 months
(v)	Estimated listing expenses	3,000	3,000	-	-	Within 1 month
		28,816	14,659	14,157	-	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 8 February 2018.

As at the date of this report, save for approximately RM14.66 million that has been utilised for various purposes as disclosed above, the remaining IPO proceeds has not been utilised as at 30 September 2018.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B8. Group borrowings

	UNAUDITED As at 30.09.2018 RM'000	AUDITED As at 31.12.2017 RM'000
Current:		
Bank overdrafts	1,269	9,493
Bankers acceptance	2,198	780
Trust receipts	8,083	9,893
Revolving loan	1,248	1,997
Term loans	-	2,457
Finance lease liabilities	400	380
	<u>13,198</u>	<u>25,000</u>
Non-current:		
Finance lease liabilities	<u>1,677</u>	<u>1,276</u>
Total		
Bank overdrafts	1,269	9,493
Bankers acceptance	2,198	780
Trust receipts	8,083	9,893
Revolving loan	1,248	1,997
Term loans	-	2,457
Finance lease liabilities	<u>2,077</u>	<u>1,656</u>
	<u>14,875</u>	<u>26,276</u>

The Group's borrowings were denominated in MYR, except for approximately RM5.85 million (USD1.41 million), RM2.02 million (JPY55.40 million), RM0.13 million (SGD0.04 million) and RM0.08 million (GBP0.01 million) of the above borrowings were denominated in USD, JPY, SGD and GBP respectively.

B9. Material litigation

There were no material litigations pending on the date of this announcement.

B10. Dividend

The Board of Directors does not recommend any dividend for the current financial quarter under review.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B11. Earnings per share ("EPS")

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2018	30.09.2017 ⁽¹⁾	30.09.2018	30.09.2017 ⁽¹⁾
Profit for the period attributable to owners of the Company (RM'000)	4,046	N/A	10,653	N/A
Weighted average number of shares ('000)	758,308	N/A	723,309	N/A
Basic EPS (sen)	0.53	N/A	1.47	N/A
Diluted EPS (sen) ⁽²⁾	0.53	N/A	1.47	N/A

Notes:-

- (1) As the Company was only listed on the ACE Market of Bursa Securities on 8 March 2018, there are no comparative figures for the preceding year available as no interim financial report was prepared for the comparative financial period concerned.
- (2) Diluted earnings per share of the Company for the individual quarter and year-to-date ended 30 September 2018 is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

N/A – Not applicable

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018
(cont'd)

B. EXPLANATORY NOTES PURSUANT TO ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (cont'd)

B12. Notes to the Statements of Comprehensive Income

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	30.09.2018	30.09.2017 ⁽¹⁾	30.09.2018	30.09.2017 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)		(Unaudited)	
Allowance for inventories	39	N/A	289	N/A
Amortisation of intangible assets	33	N/A	104	N/A
Depreciation of property, plant and equipment	584	N/A	1,554	N/A
Gain on disposal of property, plant and equipment	(235)	N/A	(1,080)	N/A
(Reversal)/Addition of impairment loss on trade receivables	(29)	N/A	220	N/A
Interest expenses	172	N/A	715	N/A
Interest income	(418)	N/A	(860)	N/A
Gain on foreign exchange	(497)	N/A	(360)	N/A
Property, plant and equipment written off	5	N/A	5	N/A
Provision for post-employment benefits	29	N/A	87	N/A
Rental of premises and motor vehicles	379	N/A	1,057	N/A

Notes:-

- (1) As the Company was only listed on the ACE Market of Bursa Securities on 8 March 2018, there are no comparative figures for the preceding year available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

Save as disclosed above, other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

BY ORDER OF THE BOARD

Andrea Huang Jia Mei
Company Secretary
26 November 2018